

Banking CIO Outlook

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Top 10 Risk and Compliance Solution Providers – 2019

Almost a decade after the major financial crisis, the global banking industry is rapidly stabilizing, with robust advancements in the corporate, investment, and transaction segments. Banking institutions and financial services are increasingly seeking to align their operations with the regulatory requirements, thus cementing consumer trust and ensuring seamless growth.

The rise of globalization, the emergence of new businesses, and the advancement of technology are changing the way banking organizations consider compliance and risk management. The evolving landscape is spurring regulators to introduce standardized rules and principles to ensure robust safeguards for customers and investors. To overcome the challenges in data and customer privacy, it is imperative for banking institutions and financial services to collaborate with robust solution providers and bolster their compliance.

Inspired by the innovative trends transforming the industry, this issue of Banking CIO Outlook is elaborately crafted to assist you in fostering productive partnerships and enhancing organizational growth through the integration of robust software solutions. In this edition, we have compiled a list of the top 10 risk and compliance solution providers to highlight the companies making significant contributions to the banking world in 2019. With powerful and innovative technological offerings, these solution providers are set to simplify and streamline the processes for banking organizations. This edition also blends thought leadership, from subject-matter experts with real-life stories, on what selected vendors are doing for their clients, including exclusive insights from CIOs and CXOs. We hope it enhances compliance and risk management processes in your companies.

We present to you Banking CIO Outlook, “Top 10 Risk and Compliance Solution Providers – 2019.”



Company:
StarCompliance

Description:
StarCompliance provides robust compliance and regulatory solutions that help financial services organizations improve business efficiency while safeguarding their integrity and reputation

Key Person:
Jennifer Sun,
CEO
Tim Ward,
director of product
strategy and marketing

Website:
starcompliance.com

StarCompliance

Compliance Made Simple and Easy

The winds of change in the compliance arena post the financial crisis have dramatically changed the playing field. As global regulations increase in velocity and complexity, organizations are finding it challenging to keep their compliance cost structure in check. Organizations that are on the lookout for state-of-the-art compliance and regulatory solutions that can safeguard their integrity and reputation can put their search to rest with StarCompliance. With over 20 years of experience and an exclusive focus on financial services organizations, today, StarCompliance is mitigating the challenges by delivering robust and innovative technology solutions that are simple and easy to buy, implement, and use.

Over the years, a sea change is happening in the culture of compliance. Most firms operate a three lines of defense

compliance model, where the first line is the business unit, the second is the compliance team, and the third is the internal audit function. Today, firms look to scale their compliance function, improve efficiency, and reduce their costs by transferring more activity, responsibility, and reporting requirements to the first line of defense. “StarCompliance is supporting this trend by delivering supervisory dashboards to the business units to present key compliance data about their businesses and teams that is easy to consume and can drive decisions and actions,” says Jennifer Sun, CEO of StarCompliance.

In an ever-tightening regulatory milieu, organizations also seek to consolidate systems and vendors on to a smaller number of platforms and decrease the cost and risk of their compliance programs. To this end, StarCompliance provides complete coverage of employee conflicts of interest, centralized certification, and consolidated reporting and dashboards. StarCompliance has designed a comprehensive data warehouse that will aggregate and organize conflicts of interest and employee compliance-related data enabling clients to derive increased value and utility. “Clients can access this data directly via open data APIs, and we will use this information to build insightful dashboards and analytics embedded within our own applications,” says Jennifer.

StarCompliance also addresses the need of enterprises to embed their compliance processes right within the primary business workflows by exposing a comprehensive set of APIs that allow two-way communication between the STAR platform and other enterprise vendor solutions.

Throwing light on their product offerings, Tim Ward, director of product strategy and marketing, says, “We have two primary product sets served from an enterprise-grade technology platform that cater to our customer base that includes asset managers, investment banks, brokerage insurance companies, private equity, and service providers focused on financial services.” The first product, Employee Conflicts of Interest, allows firms to monitor employee-related compliance activity that includes personal trading, gifts and entertainment, outside business activity, and political donations. The product supports pre-clearance, surveillance, certifications, and reporting. The primary benefits of this product are comprehensive monitoring of all employee-related compliance activity, and automation of key recurring tasks such as pre-clearance review that frees up compliance teams to perform higher-value tasks. The product also facilitates storage and controlled access to personal data



Tim Ward

in a secure, centralized container, and connectivity to other enterprise systems such as HR, order management, expense, and CRM systems.

StarCompliance is truly focused on employee compliance and rolled out to every employee in the company. To enable this, the company has adopted a different approach to mitigating the challenges faced by clients in ensuring that their employees are actively engaged in the compliance program. Completing compliance tasks is an unpopular activity, and employees demand more from the

business applications they use – they expect them to look and behave in the same way as their consumer apps. “Our mission is to make compliance simple and easy. We have released a mobile application this year for employees to complete their compliance tasks and are researching new ways of improving user on-boarding, in-app guidance, and general user interface aesthetics and experience,” informs Jennifer.

The company’s second product, Compliance Control Room, allows firms to manage compliance activities related to large financial transactions such as mergers and acquisitions, debt offerings, major investments, and IPOs. The product primarily targeted at investment banks, large diversified financial firms, and private equity firms manages all record-keeping related to deals, performs automated conflict searches, and provides a range of productivity tools for compliance control room analysts. Compliance Control Room increases efficiency for control rooms by providing efficient centralized workflows for control room analysts and deal team members to capture, review, and record all compliance-related aspects of a deal as it progresses through the full deal life cycle.

The added advantages are that Compliance Control Room integrates with other key enterprise systems to provide 2-way communication between compliance and relevant business line systems. Furthermore, the Compliance Control Room increases the capability for control rooms to spot and address possible deal conflicts earlier in the life cycle and with more accuracy. To enable data analytics, data from employee activity and deal activity is collected, organized, and made available from a consolidated data warehouse. “Ultimately, this data can be used to identify, assess, and address compliance risk and increase the efficiency of the compliance team,” states Ward.

StarCompliance has a consistent history of providing exemplary services to its clients. In an implementation highlight, a global diversified banking group with 60,000 employees and operating across 25 different countries was going through a significant organizational restructuring due to a spin-off and had to replace all the enterprise systems, including their compliance technology products. Post the implementation of StarCompliance’s products, Employee Conflicts of Interest and Compliance Control Room, the client experienced manifold benefits. “Understanding information is key to managing it, and you can’t do that from spreadsheets anymore. MNPI must be captured. Data safely stored. Records kept and audit trails maintained. Good reporting is critical. The software must be easy to use and integrate with. These were our must-haves,” says this leading bank’s Head of Control Room. The STAR Platform consolidated all of the relevant employee data that was previously distributed across various in-house applications into a single platform. This provided employees with a single portal to report their compliance-related personal activity. In addition, the STAR Platform allowed the client to migrate many manual processes onto the platform and increased the automation of reviews against pre-defined rule sets. Star’s single consolidated compliance portal helped the client to launch the new centralized compliance program for the new entity and brought together diverse sets of employees and compliance teams.

StarCompliance has strengthened its position in the industry through continuous investment and innovation. It’s remarkable that this year alone, they have developed a mobile application, made a data warehouse, developed a supervisory dashboard, and a comprehensive API framework. Nevertheless, their ultimate goal is to provide their clients with an excellent client experience from the very first engagement. It comes as no surprise that the retention rate for StarCompliance is almost 99 percent and amongst the highest in the industry.

The company’s roadmap includes continuous investment in its products and seeking opportunities to add value to their existing products and solve new compliance challenges. “We have users in over 83 countries. We foresee opening offices in additional major financial centers to serve our new customers,” says Jennifer. StarCompliance will continue to increase the utility of the data they collect and store on behalf of their clients, and further investigate new techniques for increasing analytical capabilities without compromising personal privacy principles. Jennifer sums it up by saying, “In our quest to make compliance simple and easy, we strive to enhance the user experience for employees to increase engagement and reduce the time it takes to complete common tasks while equipping compliance officers with the right tools to increase automation and decision support.” **BC**



Jennifer Sun