Linedata

Case Study - Linedata Analytics Service
Global top 50 bank leverages machine learning to reduce operational losses

Data is the lifeblood of financial institutions. Data science – including machine learning (ML) – is increasingly being used to test firms' functional health. Leading institutions are partnering with Linedata to employ its ML-driven Linedata Analytics Service to reduce operational losses, enhance workplace efficiency and continually improve their processes and performance.

Data-driven strategy

In one case, a client engaged Linedata to assist with their data modernization strategy to create a single 'golden copy' source of data in a cloud-based repository. The client's different departments needed to align internal processes to share data more effectively but struggled to do this while focusing on business as usual. Their leadership also wanted to understand why operational losses occurred, despite intensive staff training and process improvements.

> "Clients choose Linedata because of our systematic approach and deep asset management expertise, specifically in operations. We can swiftly spin up a proof of concept to demonstrate the possibilities for risk mitigation."
>
> **Stephanie Orloff, Senior Sales Executive, Linedata Asset Management North America**

> Linedata Analytics Service drives a virtuous circle of continuous improvement, enabling leading institutions to fine-tune their operations, mitigate risk, and lower their cost curves.

Actionable ML insights

Linedata's experts delivered a three-part solution to the client:

1 A highly secure data warehouse using advanced cloud and cybersecurity technology.

2 Data integration from multiple internal and external flows and systems.

3 Machine learning (ML) models that provide ongoing actionable insights to help the client mitigate operational losses.

The bespoke machine learning models and analytics help our client interrogate their operational workflows. The insights gained have enabled them to modify internal processes and staff behavior, delivering strategic business improvements and tactical savings.

Reducing operational risk

Operational risk takes many forms. Firms implement checks to catch human errors and prevent process breakdowns – yet failures still occur. What if you could look at massive datasets objectively to detect patterns invisible to the human observer? What if those insights could help you prevent losses – and enhance the workplace experience for your teams?

The Linedata Analytics Service models developed for this client analyze relationships between their historical operational losses, augmented with external market and economic factors, to predict when losses might happen again. Tactical and strategic insights have emerged, enabling the client to better manage its operational risk.

Linedata Analytics Service delivers unique, actionable insights:

- Tailored to each client's specific business model and workflows
- Securely hosted in the cloud
- Integrated with client and third-party data
- Delivers continuous ML insights as the client's business improves

Preventing operational losses

Linedata Analytics Service delivers actionable insights to drive process improvements and prevent operational losses. This client discovered that certain asset classes, trade types and areas within the organization were more prone to operational errors. Using our alerts-based dashboard, they revised their response protocols to mitigate loss. Process steps have been eliminated or automated, saving operational costs and freeing up team members focus on more value-added activities.

And because the ML models are constantly refined, progress continues to be made. As the most severe mistakes or risk factors are corrected, the models automatically move on to the next area of risk, thus driving continuous improvement.

Why Linedata Analytics Service

Machine Learning is not new technology. It takes many forms and applications. What makes Linedata Analytics Service unique is the way it combines ML expertise with our in-depth knowledge of asset management operations, drawing on our 20-plus years as asset management solution providers.

Data science and machine learning uncover unseen issues. Combined with our domain expertise, our solution helps you understand past problems and take the right steps to prevent them in the future.

About Linedata

Linedata Asset Management offers a robust, configurable platform of software, data and services that enable our wealth, institutional and alternative clients to grow, operate efficiently, manage change and provide excellent service to their own clients and stakeholders.

With over 20 years' experience, Linedata delivers humanized technology that empowers leading asset management and credit industry firms worldwide to evolve and operate at the highest levels.