

Data quality driven, customer insights enabled

A holistic view of customer data reduces risk exposure

Abstract

A leading financial institution faced a daunting challenge: How to reduce risk exposure and better serve, and market, to its customers. Using analytics, the bank achieved an holistic view of its customers, which improved its ability to respond to regulatory and audit requirements. The new framework also enabled the bank to better serve customers with appropriate service offerings.

Challenge — Reducing risk exposure

It's one thing to face a stream of new regulatory requirements. It's quite another to face those demands without the necessary data to satisfy them. For one of the 10 largest banks in the United States, these business challenges recently came together in a perfect storm of insufficient customer data and stricter government requirements.

A full-service provider with more than 1,250 locations, the institution lacked a consolidated view of its customers that would help satisfy U.S. regulators and meet lending authority requirements. When auditors reported a need to limit the bank's customer credit exposure across all product lines, the bank was ill-equipped to respond. With customer information housed in disparate source systems, the bank lacked access to the well-defined and accurate customer data necessary to meet legal and audit demands. Adding to its challenges, it had no framework for translating customer information into marketing and customer service effectiveness.

Solution — Framework for customer insight

The financial leader turned to Deloitte to develop a foundation for improved customer information management. The result was a reusable framework that can scale to meet the changing needs of the business. Deloitte's framework and approach consisted of data profiling

and analysis, data cleansing and remediation, master data management (MDM) mapping and modeling, and designing data management and governance structures.

The project kicked off with a two-month data quality initiative. Since our client lacked data standards, Deloitte worked with the team to define standards to profile against and prioritized project components accordingly. MDM consolidation created a predictive model for common and supplemental customer data entities, as well as line-of-business data entities. Deloitte developed a data integration plan to help manage risk, which included a customizable data quality scorecard to assist with ongoing data quality monitoring.

Results — Reduced risk, improved marketing

Deloitte's analysis and framework gave our client the customer insight needed to satisfy regulatory and audit requirements and better market its services to customers. Through this approach, the bank now has consistent, better defined customer data. The newfound ability to aggregate total loans by customer has reduced risk exposure. With a holistic view of its customers and their relationships to their accounts and to one another, our client has improved its effectiveness in marketing and risk assessment.

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