Client Data Strategy

Crafting a golden source for client account data, relationships, and hierarchies

Executive Summary

Bank of Montreal (BMO) had multiple platforms that contained their client data. As a result, BMO was looking conduct a client Data strategy program to generate a centralized view of their client data.

Key Challenge/Problem Statement

As BMO continues to grow as a leading online investment bank and financial services company, so does its innovation. There is growing demand of single view of client and account data as well as different client hierarchies based on business functions. To meet the business demand without investing in governance, automation, and technology creates trading errors, revenue impact, compliance risk, scalability risks, delayed client onboarding, and reporting gaps. It is important to build a single platform which can cater the need of client and account data. Prior to the engagement, BMO had created a centralized view of the client which involved manually linking processes utilizing multiple client data systems. The process of linking clients to accounts, updating client data, or closing accounts, required several handoffs between teams, as core business functions were limited to a single group. With no validation system or audit trail between handoffs, it was challenging to catch errors during these procedures. In addition, teams across different regions handled the manual linking process and hierarchy management in different ways, creating the risk of inconsistencies in operational procedures. BMO needed a better solution to support its growth.

Proposed Solution and Architecture

After conducting a thorough analysis of the customer's current state by assessing their data systems, how their data is generated and used, and operational procedures, the VR team developed a solution to address the customer's deficiencies and pain points. The solution involved several key components: to standardize processes, implement data models, and utilize AWS to establish a client-account master database.

Process Flows: Several simplified and automated process flows were created to improve operational efficiency and reduce business risk. These processes also established operational roles and responsibilities required to maintain such flows.

1. New Client Setup – Process to set up new client in the client-account master
2. New Account Requests – Process to set up new Accounts in Trading and Settlement systems for new or existing Clients
3. New Sub-Account Requests – Process to set up Sub-Accounts in Trading and Settlement systems for existing Clients
4. Account Closing Requests – Process to close inactive Accounts in Trading and Settlement systems
5. Hierarchy Updates – Processes to update Legal, Credit and Sales hierarchies in the Client-Account Master

Data Model for the Client-Account Master
A logical data model for the client-account master was created to align with core business concepts of clients, relationships, hierarchies, and accounts. The model establishes the definition of credit relationships, and trading relationships. In addition, the model implements a new unique relationship ID to maintain such relationships.

AWS Architecture for the Client-Account Master
The new client-account master serves as the single authoritative source for the customer's capital market clients, trading and settlement accounts, and legal, credit, and sales hierarchies for downstream reporting applications. The AWS solution also serves the purpose of providing a centralized process for data management and governance. The decision was made to host the client-account master on AWS for minimal upfront cost, and the capability to scale for future requirements.

The VR team utilized the foundational architecture built in the Lake House Solution, but adjusted components of the solution to fit the customer's requirements
Results - Target State Vision for
- New Client-Account Master that is an authoritative source for Client IDs, Hierarchies, Relationships and Account mappings.
- Simplified and automated process flows that improve Operational efficiency and reduce the business risk
- Centralized data management and governance processes for Client data
- A logical data model that aligns with core business concepts of Clients, Relationships and Accounts
- A cloud-first platform that requires minimal upfront cost, and can be extended in future phases

Summary
There is growing demand of single view of client and account data as well as different client hierarchies based on business functions. It is important to build a single platform which can cater the need of client and account data.

By conducting a thorough analysis of the customer's current state, the customer gained a deeper understanding of their data habits and operational processes. This enabled the Vertical Relevance team to discover areas of improvement based on business pain points, and craft a detailed target state solution to meet the requirements of several different teams within the customer's organization. Utilizing AWS to create a client-account master allows the customer to gain visibility into their data, while maintaining data organization and secure governance controls. Ultimately, through the target state solution, the customer has a step-by-step plan of how to gain control of their own client data to leverage it to its maximum capabilities.

About Vertical Relevance
Vertical Relevance is a Financial Services focused (Wealth Management, Asset Management, Banking, Insurance) consulting firm helping with the design & delivery of effective transformation programs across people, process, & systems. With 10+ years of AWS & 20+ years of Financial Services experience, we understand the business needs & build solutions to meet sales, marketing, & compliance goals.

VR VERTICAL RELEVANCE