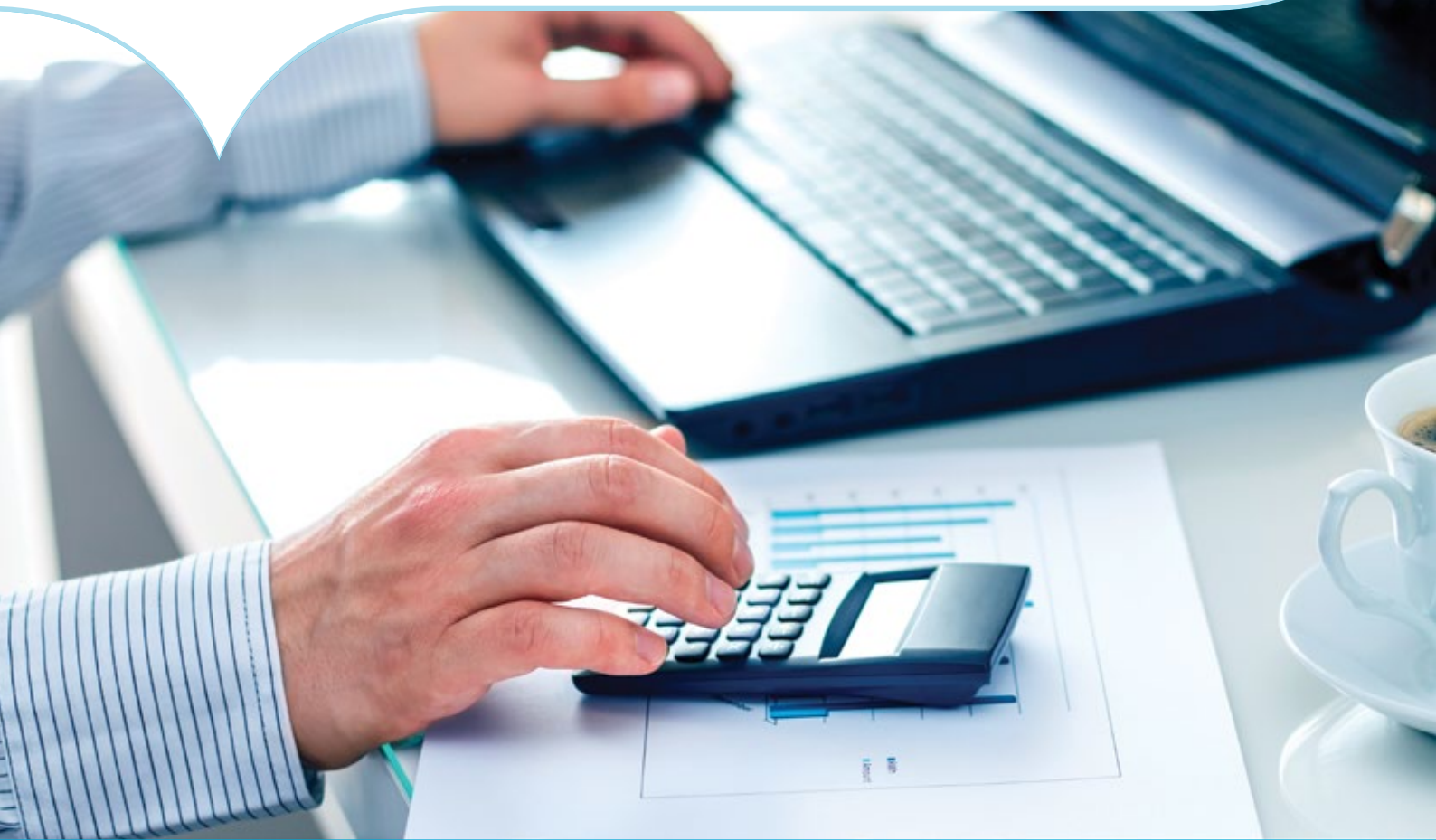# Reconciliation as a Service

Transforming reconciliation services through automation, standardization, and functionalization

Reconciliation processing for the banking and financial services industry faces multiple challenges, including handling diverse reconciliations types and fluctuating transaction volumes that lead to escalating costs and manpower requirement. In such a dynamic market scenario, banks and financial services organizations face increasing pressure to improve efficiency and performance of reconciliation operations. There are challenges in abundance while reconciling accounts across multiple lines of business, which include the following:

- **Specialized Systems:** Different data points and sources, limited accessibility across the organization, inconsistency in aging methods, multiple tech support sub groups
- **Resolving Entries:** Limited capabilities for electronic sign off, lack of a common workflow across multiple departments impacting the same day completion
- **Manually Performed Reconciliations:** Time consuming, error prone, open to fraud, inconsistent processing, additional man hours invested to perform manual checks

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- **MI and Reports for Management:** Mostly manual, sign off on hard copy due to lack of system capabilities to generate electronic dashboards
- **Segregation of Duties:** No formalized or enforceable segregation of duties with regulatory implications between reconciliation and investigation teams
- **Record Retention:** All reconciliations must be saved per SEC regulations, the process is manual and paper intensive

Financial services organizations need to move away from fragmented silos of reconciliation to overcome some of the above overwhelming odds.

Capgemini's Reconciliation Platform

Our reconciliation platform for banks and financial services companies caters to multiple Lines of Business (LOBs) including retail banking, commercial banking, and capital markets. We provide services for any frequency reconciliation across multiple types of reconciliations.

We enable optimization of business processes for transaction matching, settlement of balances, dispute management, reporting, exception handling, and governance mechanism. Our business intelligence engine provides customized dashboards and client portals for monitoring and evaluating the reconciliation process as per the defined parameters.

Utility Business Model: Driving consistency across reconciliation efforts

Our end-to-end reconciliation solution leverages a 24/7 global delivery model to deliver overnight reconciliations. We offer a centralized, cross product, enterprise-wide reconciliation utility that handles multiple assets classes and reconciliation types. Our utility helps the clients to enable standardization, improve efficiency of processes, and deliver cost efficiency through economies of scale.

Reconciliation Utility

Client	Utility		
	Matched/ Unmatched Transactions	**Reporting and Exception Handling**	**Dashboards and Client/Web portal**
RETAIL BANKING **COMMERCIAL BANKING** **CAPITAL MARKETS**	**RETAIL AND COMMERCIAL BANKING RECONCILIATIONS** • Cash • Liability and Suspense Account • Asset and Suspense Account • ATM/E-payments/E-transfers/Foreign Exchange • Bank account (AR/Positive Pay) • Loan/Mortgage • Accrual/Pre-paid • Inter branch transactions to Head Office (Inter-Company Recons) • Other General Ledger Account • Treasury Account • Commercial Lending/Leasing Accounts	**CAPITAL MARKETS RECONCILITIAONS** • Securities and Position • Suspense Accounts • Corporate Actions • Trade-by-trade • Custodian (Depot) position and Custodian (Nostro) position • Fund Admin Services (FAS) Cash • Net Asset Value (NAV) and Gross Asset Value (GAV) • Tax • Cash, Equity, Debt, and Derivative • Security Master • Settlement system integrity	**GENERIC RECONCILIATIONS** • Income Account • Expense Account • Balance Sheet Account • Suspense Account • Any other GL Reconciliation
	Consulting Services • Centralized CoE for Recon management – Recon-as-a-Service model • Process re-engineering and optimization • Reduction in discrepancies as well as number of recons done for a business process	Technology Services • Migration accelerators • Requirements management • Build source feeds and ETL • Onboard manual reconciliations onto the reconciliation platform • Level 1, 2, and 3 support, with maintenance against strict SLAs	Operational Services • Undertake existing manual reconciliations and exception handling • Process optimization • Exception handling of items that failed automated matching

Why Capgemini?

The solution provides cutting edge technology platform and outsourced reconciliation services to eliminate the need for upfront capital investment in hardware and software and helping companies to reduce the TCO of reconciliation process by 35-40%.

- **Unique operating model:** We provide proven capability and delivery model with other clients in ADM, QA, and operations. We offer the ITOPS model to ensure integrated IT, operations, and process excellence, and provide a dedicated ITOPS team for the project.

- **Flexible pricing model:** Our engagement goals help the enterprises to move from CAPEX to OPEX (vendor invests in operations) with a focus on cost definitions that are changing from per employee to per transaction, per activity to sub-process activity, and cost incurred to capital committed.

- **Competency in leading reconciliation software:** We have extensive experience with leading industry reconciliation platforms such as Smartstream TLM, Trintech, Blackline, Sungard's IntelliMatch, and others.

Value Proposition

- **Productivity improvement and cost savings:** Our reconciliation services provide auto-match functionality percentage with accuracy of 90-95% and offer "suggested match" for remaining transactions. We offer 35-40% cost savings over internal staffing.

- **Operational efficiency:** Our capabilities in event-driven and real-time reconciliations enable us to catch potential exception, offer faster Turn-Around-Time, and own end-to-end SLA for delivery of reconciliation services.

- **Reduced risks:** We offer secure and seamless migration with no disruption to ongoing business. We offer a secure environment for client during transformation along with a risk mitigation transition plan with Six Sigma rigor.

Key Client Successes

Reconciliation services for a leading North American financial services organization: We manage 50 general ledger reconciliation processes with over 75 million general ledger transaction with 4 million exceptions processed annually.

Nostro account recon for treasury operation of the largest Caribbean bank: Reconciled Nostro accounts for all the island nations, preparing the required documents for audit purpose, coordinating with other team to clear all the non-treasury items, tracking all the outstanding breaks and their timely resolution, prepare the training document, and train the bank's resources.

Integrated Technology and Operations (ITOPS) management to provide daily reconciliation and fortnightly reporting for the largest organization of independent advisors in US: We built a customized recon system, managing maintenance, change, and enhancement requests. Maintaining the following operations: recon operations, disputes management, issue resolution, data scrubbing for new accounts, reporting of commissions, and sales data at advisor, branch and supervisor level.

Daily and monthly reconciliation for a large US-based hedge fund administrator: a) We prepare daily cash, three-way and unit reconciliation for large hedge fund administrators in cost effective way. b) Standardization of comments and logical approach towards researching of cash and trade breaks. c) Consistent process re-engineering initiative.

![Capgemini logo — CONSULTING.TECHNOLOGY.OUTSOURCING]

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For more information, please contact us at **banking@capgemini.com**
or visit us at **www.capgemini.com/banking**

About Capgemini

Now with 180,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion.

Together with its clients, Capgemini creates and delivers business, technology and digital solutions that fit their needs, enabling them to achieve innovation and competitiveness.

A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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