



Know Your Customer Better (KYCB) with Enhanced Risk Analysis

KYCB Solution on Google Cloud uses data-driven insights to enable smarter onboarding and ongoing monitoring of commercial customers

Although expensive and labor-intensive, **customer onboarding** is nevertheless a critical and unavoidable process for financial services (FS) organizations. Firms must onboard before signing off on a loan, creating a deal structure with a commercial client, or establishing a partnership.

Building an accurate risk profile for a new prospect in a short period to support onboarding decision-making is one of the biggest challenges currently facing the financial services industry. With the possibility of risky or fraudulent customers, organizations must judiciously investigate and authenticate identities in order to be compliant with the Know Your Customer (KYC) process. On the flip side, a drawn-out and inefficient onboarding process can also lead to frustrated prospects and lost deals.

Currently, most companies' onboarding process is comprised of employees manually analyzing the potential client's financial data, conducting interview sessions and sifting through other pertinent information to determine if the benefit of bringing on the client outweighs the risk. This process can take months and cost thousands of dollars per customer, making it costly, time-consuming and frustrating for the organization and the prospect.

Capgemini's Know Your Customer Better (KYCB) solution hosted on **Google Cloud** aims to streamline onboarding of small and medium-sized businesses, thereby decreasing overall costs and significantly speeding up the process for financial services organizations. By aggregating data that provides a more complete picture of the applicant's risk profile, KYCB enhances the organizations' existing risk modeling and credit risk assessment tools.

KYCB also facilitates **ongoing risk monitoring** of current customers, thereby empowering companies to accordingly adjust the conditions of the customer/financial services relationship as needed.

Finally, KYCB can help with **prospecting** by analyzing the zip code of a business and providing a comparative analysis of the prospect against other local businesses in the same industry. This helps organizations evaluate the health of the business in a certain area and decide on the worthiness of the investment.



How does the Know Your Customer Better (KYCB) solution work?

The KYCB solution blends publicly available data from first- and third-party data sets on each business and uses machine learning (ML) algorithms, natural language processing (NLP) and artificial intelligence (AI) to glean meaningful, real-time insights that will help organizations accelerate the decisioning process and provide the right products for the customer's financial needs.

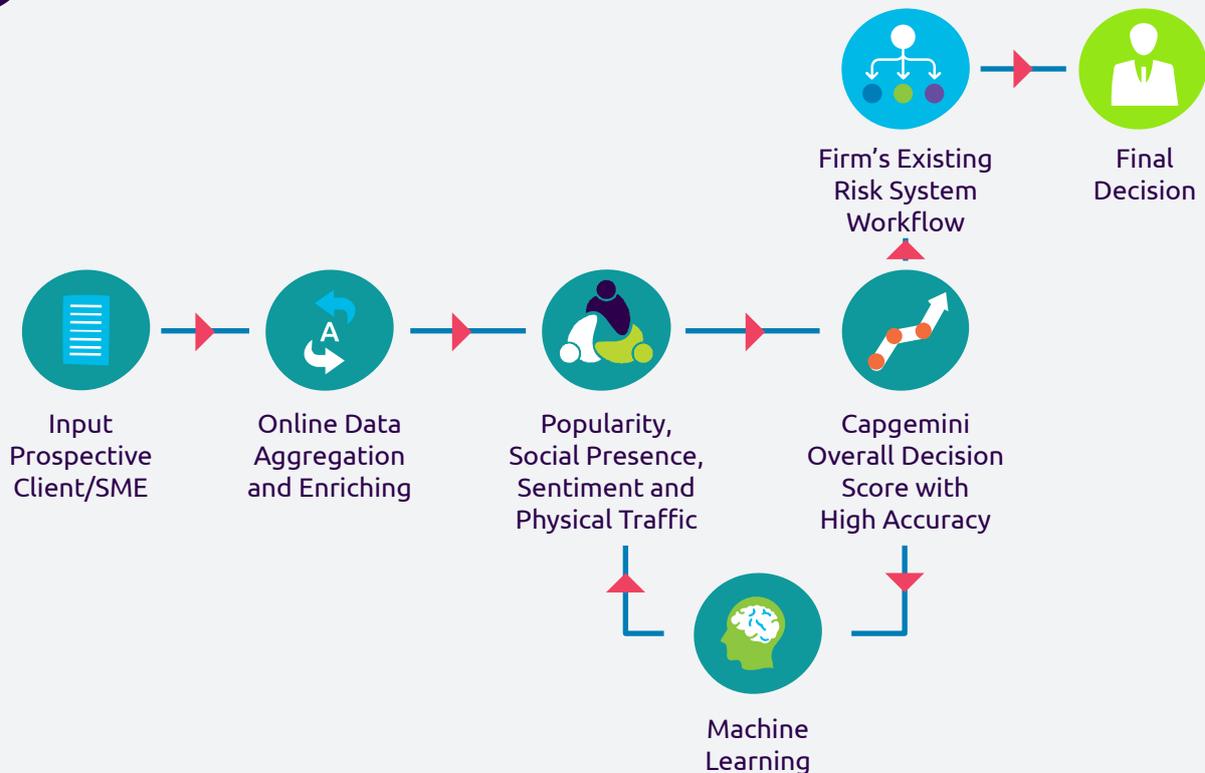
Using a multi-dimensional approach, the solution first gathers all available data that is relevant to the customer's request from different data providers. Because public perception has a strong impact on enterprise growth and performance, data pertaining to the business's online digital footprint is also analyzed. The data comes from:

- Open web (e.g. Google searches)
- Social media (e.g. Facebook, Twitter and Yelp)
- Foot traffic data
- Financial benchmarks (e.g. tax data)
- Legal history (e.g. lawsuits, liens, etc.)

Enhanced Onboarding with KYCB



Financial Health Indication



The aggregated data is then fed through Capgemini's decision engine, which blends the data sets and generates scores centered on four pillars. The algorithms used in the solution are given weightages based on the type of business. As a result, the four scores provide FS firms with individual insights that considered together offer a comprehensive view into the health of a business. The four pillars/scores are:

- **Popularity** – based on social media popularity such as number of Twitter followers.
- **Social Presence** – based on social media activities of prospects.
- **Sentiment** – NLP/AI-powered analysis from ratings including Google, Yelp and Facebook. This is helpful when measuring trends over time to get a clear indication of how the business is doing (e.g. if management has changed, how has the company fared)?
- **Physical Traffic** – based on foot traffic data.

Capgemini's Solution Framework

These four main pillars need to be assessed in order to successfully onboard a prospect and monitor existing customers



Overall Decision Score

Popularity
Score

Social Presence
Score

Sentiment
Score

Physical Traffic
Score

Finally, the solution uses ML to generate an **Overall Decision Score** based on the aggregate of the individual pillar scores, which indicates where the prospective customer stands amongst its competitors in its industry.

Financial Services firms can use any combination of these scores to make data-driven decisions. For example, the physical traffic and sentiment scores for a local diner seeking to finance a kitchen remodel may be more significant than social presence or popularity scores. A decision on acquiring a small law firm in a high-rise building may weigh social presence and sentiment scores more than a physical traffic score.

The solution also provides access to public financial/tax and legal data on the client.

Business Outcomes

With the onboarding experience having a strong bearing on the lifetime value of a client, it is crucial that the process be expedited and efficient. The vast amount of raw data gathered by Capgemini's KYCB solution immediately provides organizations with a holistic view of the client's business, enabling them to make quicker, smarter decisions.

As a result, organizations can increase onboarding efficiency, lower expense ratios, and have a higher prospect conversion ratio. The efficacy of the onboarding also facilitates greater customer retention and satisfaction scores.

Lastly, KYCB can help monitor existing clients. Decision scores can alert FS firms of changes in the customer profile (e.g. tax or legal trouble) through the lifetime of the relationship, enabling them to cross-sell and/or upsell new products to the customer.

Use Cases

In addition to financial services, the external data sets leveraged by KYCB can be used to evaluate companies across industries, including pharmaceutical, manufacturing, retail and more. The use cases include:

- **Vendor management** – picking the right vendor can be accelerated with KYCB.
- **Acquisition** – getting historical data to decide on acquiring another company can be enhanced by KYCB.
- **Partnership** – life sciences or consumer goods companies may want to partner with a retail store to sell products at a location. KYCB can examine foot traffic trends and other key developments over time to ascertain if this would be an appropriate partnership.

Why Capgemini And Google Cloud?

Capgemini and Google have been partnering to deliver market-leading cloud solutions that transform our clients' business since 2014. With Google Cloud and its API management platform Apigee, our solutions are strengthened with the proven approach, experience and expertise that help financial services clients reduce their operational costs.

Capgemini's industry-leading Insights & Data Global Business Line brings its deep data science and technology expertise into delivering solutions that drive actionable insights and measurable business outcomes for clients.

To learn how to enhance your onboarding process,

email: financialservices@capgemini.com

website: <https://www.capgemini.com/insights-data>

About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

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