

Easy Risk, High Reward:

A Checklist for Modern Banking Risk Management

If customer acquisition is the primary objective for modern financial institutions, the next goal is getting the right customers.

But assessing new customers takes time. Financial institutions must comply with regulatory guidance and evaluate the likelihood of default, fraud, and other costly actions. Creating precise customer risk profiles demands accurate assessment during the onboarding process – yet many challenges can slow and warp the risk lifecycle.

Without self-service tools, customers must contact staff, who then spend hours addressing high volumes of emails and phone calls. Siloed departments repeatedly request documentation, which annoys customers. Silos operate their own processes, which obscures important signals and limits the exchange of valuable data, making it impossible to form full portraits of customer risk.

Especially painful are static customer risk assessment and KYC systems, which can't provide the required ongoing evaluations to keep up with changing customer behavior and regulatory guidance. Banks trapped in "Excel-like" risk models can't handle complex decisioning and layering of risk, leading to actions that may fail when exposed to regulatory scrutiny. Deficiencies in compliance processes expose banks to higher probability of fraud and the possibility of fines or regulatory repercussions.

THE GOOD NEWS: advanced risk engine technology opens the door to a fully automated risk assessment lifecycle, allowing organizations to risk-rate customers during and post onboarding. Today's technology also gives us the power to make real-time decisions.

8 Required Factors for Accurate Customer Risk Evaluation

Let's look at 8 things needed to unlock faster and more sophisticated risk evaluations:

1 SEAMLESS, EXPEDITED ONBOARDING - FROM ANYWHERE

Today's clients – commercial, retail, or personal – are seeking a smooth and convenient banking journey. Customers expect the option to enroll or initiate their relationship with your institution quickly and easily, wherever they are, whether that's on their phone, at a branch, or on their laptop. That means you need back-end automation for fast analysis to deliver a captivating front-end onboarding experience.

2 KYC AND RISK COMPLIANCE MADE SIMPLE

Complex AML and KYC regulations don't have to be the bane of financial services. Optimizing your risk model can remove friction when you automate the end-to-end lifecycle associated with flows, approvals, and internal processes – allowing smarter "risk-based" assessments of new clients. Integrated risk analysis and decisioning can also unlock compliant omnichannel enrollment.

3 CAPACITY FOR COMPLEX RANGE OF RISK REVIEWS

Given that nearly every financial services institution handles a range of retail, corporate, commercial, and personal banking clients, the right risk application must be versatile enough to accommodate a variety of clients, account types, and profiles. You need the ability to model and maintain complex corporate and commercial customer risk networks and profiles across a wide range of legal structures and jurisdictions.

4 HIGHER OPERATIONAL EFFICIENCIES

A typical financial services organization manages data between multiple departments, often struggling to orchestrate the right input at the right time. Features like document recognition and OCR parsing can handle customer deduplication and unstructured data feeds, while Robotic Process Automation (RPA) tools can allow for comments and feedback between roles, helping to resolve questions quickly.

5 CENTRALIZED CRM CAPABILITIES

Successful risk management requires centralized risk profiles that transcend silos. Only an application with CRM capabilities can provide a unified, 360° view of all customer risk data, risk history and related compliance information, for example documentation or product behavior.

6 AUTOMATED DECISIONING

For accurate real-time decisions, rules must be configurable. When rules can evolve to mirror evolving regulations but still drive objective, quantitative risk-based decisions – and manage exceptions – institutions can reduce compliance headaches while trusting the accuracy of their assessments.

7 AUTOMATING MANUAL TASKS AND INTERVENTIONS

Teams trapped in legacy systems or time-consuming spreadsheets must look for digital systems that can scale consistently. By automating the risk lifecycle, staff can focus on meaningful work such as dealing with high-risk customers and data assessment – increasing both staff and customer satisfaction.

8 CLEAR VISIBILITY

Regulators, auditors, and third parties need clear insight into their risk and compliance programs. If they can't understand risk factors across their organization, they won't be able to design procedures and controls to mitigate identified risks. The ideal risk management solution will include visual at-a-glance dashboards, analytics, and reports to guide big-picture thinking.



Rulesware Risk: Digitize Your Risk Lifecycle

Rulesware Risk (RWR) is the next-generation solution that automates the financial services customer risk lifecycle. From screening and document management to approvals and compliance processes, the application offers automatic and accurate risk analysis and decisioning for all account types and profiles.

Organizations can quickly adapt to complex and changing regulations by using a proprietary risk engine that can combine a range of internal and external risk factors to drive objective, quantitative risk-based decisions – even for the most complex, network-based risks.

Combining Risk with Omnichannel Onboarding

By integrating RWR with Rulesware's LaunchPoint onboarding application, organizations can combine one-and-done enrollment, integrated risk management, and personalized cross-sale capabilities. Omnichannel enrollment offers customers flexibility in their choice of

online, in-branch, or mobile application experiences – delivering convenient customer journeys that inspire loyalty.

Internally, RWR expedites risk processes using a number of sophisticated features. A single interface allows teams to run all associated risk assessment processes from one location, including data/document collection, screening, and profiling. Event triggers allow institutions to re-assess risk when customer circumstances change, and your team can configure periodic reviews by risk level and automatically schedule assessments to maintain compliance.

By integrating external data sources such as credit risk systems, corporate registries, or digital identity platforms, RWR can also enrich the risk assessment process – providing an unparalleled depth of insight into each risk profile.

Joining a Future of Digital Financial Services

In the digital age, only the right technology can help financial services teams quickly pinpoint risk levels and apply appropriate controls while delivering smooth customer journeys. By nimbly addressing complex regulations and deftly navigating high data volumes, modern banking leaders can leapfrog over current challenges and focus on building a stronger and more innovative future.



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