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Appian for Financial Services: Efficiently Manage Reconciliation Exceptions with Complete Automation

The current environment.

In financial services, all operations teams need to perform reconciliations to ensure their various, and often disparate, upstream and downstream systems remain in sync with the same data and values. In day-to-day operations, typical reconciliations include execution versus settlement of trades, clearinghouse and depositories compared against an institution's records, and—in more complex situations—intercompany journal and cash movements, especially for cross-currency trades or transactions involving swaps.

For a variety of reasons, institutional back offices are usually faced with a multitude of exceptions, often referred to as "breaks", that need to be identified and managed in a timely fashion to complete the closing of the books and finalize trade and position bookings. The most common causes of these exceptions are triggered by data and rates existing in a variety of systems, changing without notice, are either late or missing due to system interruptions or manual errors.

Risks and challenges in exception management.

Traditionally, this resolution process has been manual and requires multiple processes, queries, and stakeholders to determine the correct resolution to be reflected in all relevant systems.

Currently, teams responsible for settling or resolving exceptions manually identify and manage the process, and a high percentage of breaks still rely on spreadsheets. Operations use multiple communication methods, querying many disparate systems and doing other manual activities to track and calculate resolutions. This leads to delays, inefficiencies, and errors. Further, poor reporting and costly and manual processes can result in large capital charges. More importantly, the lack of transparency into reconciliation status can lead to missed SLAs and poor customer service, driving clients to leave.

This is where Appian workflow and reporting capabilities, which use low-code data, complete automation, RPA, IDP, and machine learning, can help.

How complete automation and low-code can support exception management in reconciliation.

With Appian low-code technology, organizations can more easily automate the resolution process. Business process management and automated workflows remove the need for human intervention and help facilitate the immediate resolution of breaks for each financial close cycle.

With Appian, organizations have the ability to easily manage the following:

- **Workflows.** Documenting and automating manual processes with user-defined business rules and threshold configurations to prioritize significant exceptions.

- **Processes.** Introducing workflow and automation to orchestrate processes involving different teams and clients to expedite resolution, reduce errors, decrease duplicative work, and increase customer satisfaction.

- **Reporting.** Providing real-time visibility into the status, cost, backlog and client impact of individual breaks and of the entire process.

- **Data.** Ingesting data from all the systems in native format. Processing and updating data elements without transforming or re-creating entire databases.

With Appian complete automation, automated processes, IDP, and bots, keep tabs on exception management, and with machine learning, trends and recommended resolutions are identified. Simple, measurable impacts of automation include:

- Improved customer service with cleaner end-of-day statements earlier in the day.

- Expedited resolutions for faster and cleaner NAVs for custodians.

- Reduced regulatory scrutiny with complete transparency and reporting for all constituencies.

- Reduced capital charges.

Automating and providing complete transparency into the the break resolution process will help customers reduce costs, eliminate errors, reduce capital charges, improve customer service, and differentiate on customer service.

From the exception management home screen, teams create and apply grouping filters, easily find breaks, drill into related breaks for resolution.

Leaders in financial services trust Appian.

Learn more at **appian.com/finserv**

Contact us at **info@appian.com**