PAYMENTS ANALYTICS

In these challenging times, banks and financial institutions are seeking ways to leverage their relatively low capital demanding payments businesses to increase revenues and improve customer intimacy. At the same time, a stringent regulatory framework demands that they do this at reduced costs. While belt-tightening measures undertaken by payments shops in recent years have yielded some cost reductions, it is apparent that the next wave of improvement in performance, efficiencies and effectiveness can only be achieved by gaining deeper insight into payments revenues, costs and margins across the dimensions of countries, customers, channels and counterparties.

The good news is, since a vast majority of a bank’s cash, trade and treasury transactions flow through their payment shops, a wealth of data is already available that can be sliced and diced to produce actionable intelligence. In the past, business intelligence initiatives have been dogged by disparate systems, incompatible message formats and spread of information across different organizational silos. To achieve return on investment from such initiatives, it is necessary to combine a consultative approach with a strategy that can deliver ‘early wins’ and greater speed-to-market.

ADVANTAGE PAYMENTS ANALYTICS
Enter Payments Analytics services from Oracle Financial Services Software.
We combine the joint expertise of our payments and business intelligence centers of excellence with our application accelerator framework to deliver a range of consulting, implementation and development services.

- Consulting services for identifying key performance indicators (KPIs), data sources, extraction and loading strategies, data model and migration.
- Implementation services around third-party business intelligence products, including selection, program management, business mapping, report and interface development and end-to-end testing.
- Custom development services that leverage pre-built components available in our payments analytics accelerator framework to increase speed-to-market. Components include
  - Pre-defined metadata model
RELATED OFFERINGS

- Oracle Business Intelligence Suite – Enterprise Edition
- Oracle Business Intelligence Applications

KEY PERFORMANCE INDICATORS

Many technology-driven business intelligence projects focus on sourcing and loading trustworthy data into data marts. While this is a critical success factor for any business intelligence (BI) initiative, it should not take the spotlight away from defining the right KPIs. After all, business benefit from any BI initiative arises out of the actionable intelligence derivable from KPIs. At the other extreme, it is easy to go overboard and define a long list of KPIs simply because it is technically possible to compute them.

Business executives are as wary of information overload and analysis paralysis as they are of information shortage. Hence, arriving at an optimum set of KPIs, together with devising optimal methods to compute these KPIs at the required level of accuracy and frequency, is vital to any BI engagement. This is where the domain expertise of our payments experts complements the technology skills in our BI center of excellence and enables us deliver unparalleled value to banks and financial institutions.

Based on our expertise and experience, we suggest KPIs in the following areas as “low-hanging fruit”:

- STP rates over months, across countries, customers and channels
- Repair costs across customers and payment types
- Revenues, costs and margins across channels, payments types and customers
- Counterparty liquidity positions across days / weeks / months
- Bill payment trend analysis
- Fraud potential indicators

Some of these are illustrated in the dashboards shown below.
BENEFITS

- Boost to top line from better pricing controls for select customers and products
- Cost breakdowns at element level can provide the opportunity to reduce operating costs by increasing the offshore mix for labor-intensive activities like payment repairs
- Reduced liquidity costs owing to greater visibility into counterparty behavior
Additional revenue streams from value-added products and services

Added value and reduced risk thanks to availability of payments domain expertise, business intelligence technology capabilities and a pre-built solution accelerator framework from a single source.

Contact Us
For more information on our offerings for the financial services industry, please visit www.oracle.com/financialservices or email us on financialservices_ww@oracle.com