

IBACAS



THE INSIDE TRACK

NEWS RELEASE

March 2017

Bring your Corporate Actions risk into sharper focus

Ibacas has added a new layer of risk management functionality to its Corporate Actions Risk Measurement application, Carma, with ground-breaking Workflow and Risk Threshold alert modules

In the world of Corporate Actions processing, the aim is simple. By minimising and managing risk effectively, work is done on time, accurately, and with minimal impact on your customers.

But the level of risk associated with post-trade Corporate Actions processing is often underestimated, a dangerous anomaly in a world where the measurement, reporting and management of such risk is mission-critical.

The traditional levels of assumption about risk are no longer reliable. The way it has traditionally been done is simply not good enough in an industry where a split-second delay or a wrong decision can have devastating knock on effects, both financially and reputationally.

In 2015 Ibacas launched its innovative Carma software, a system-agnostic application that seamlessly welds to your existing Corporate Actions platform to measure absolute risk of individual actions in monetary terms. Working in real time, Carma minimises the chances of taking a risk decision based on a flawed or incomplete assumption.

And today Ibacas is launching a new enhanced layer of risk protection to Carma's CA processing with bolt-on Risk Threshold and Workflow Alert modules.

These modules utilise the detailed underlying risk data to determine processing priorities, and highlight peaks in processing risk. This allows you to operate using a truly risk-based processing model rather than a best-guess framework.

The new functionality delivers a solution providing graded levels of risk, putting you in control of your workflow, and allowing your best people to be allocated to your toughest tasks, thereby minimising the possibility of costly errors.

The main benefit of the new alert functionality is that it fundamentally changes the way Corporate Actions are managed and processed. For the first time, managers of Corporate Actions processing groups will have a tool that accurately allows them to manage the workload in truly risk-focused framework.

Having a view into the future of where the main risk points are within an organisation allows more efficient planning for the allocation of resources to work on events and tasks where the highest levels of risk are present.

This will lead to a reduction in the value of any losses incurred, as well as improving the levels of service provided to your customer base.

Carma focuses on risk so you can focus on managing the process efficiently.

Adam Stern, Managing Director of Ibacas, comments:

“As the leading independent Corporate Actions specialist consultancy, with years of insider experience earned at the processing coalface, Ibacas truly understands the CA processing business. We have collaborated with many leading global organisations on a range of Corporate Actions related projects over the last ten years.

“During this time, many clients have expressed their frustration about the inability to accurately identify and measure the value of the risk associated with processing Corporate Actions and Income events. Without knowing exactly where the greatest risk lies, it becomes impossible to properly manage it and use the available resources in the most efficient manner. The bigger the organisation, the bigger this problem becomes.

“Ibacas has worked closely with industry practitioners to develop Carma. This ‘inside track’ ensures that Carma meets their real world requirements, regardless of organisation type or size. The addition of Risk Threshold and Workflow Alert functionality turns Carma into a Risk Management and Measurement Application.

“It is the long overdue system that finally allows managers to clearly foresee spikes in risk and volumes. This means that they are able to more efficiently allocate the right resources where they are most needed and minimise the possibility of errors occurring.”

TECHNICAL OVERVIEW

Launched in 2015, Carma (Corporate Actions Risk Measurement Application) is a fully scalable platform that can operate independently of the underlying Corporate Actions processing system. It is the first solution to provide users with a monetary value for the level of risk exposure associated with an organisation’s Corporate Actions processing.

<http://ibacas.com/wp-content/uploads/files/Carma-Launch-Press-Release.pdf>

The two new Risk Management modules automatically produce real time, event level Workflow alerts, as well as organisational and event level Risk Threshold alerts.



The new functionality uses the underlying risk measurement model and risk values to prioritise workloads and improve visibility across the day-to-day management of the associated operational process.

Like the core Carma risk measurement system, the new Risk Management modules can sit independently of the underlying Corporate Actions processing system (whether a fully automated processing platform or just Excel spreadsheets), and use the same source data required for the core Carma risk measurement calculation.

This means that Carma can be integrated into any organisation without the need for complex data migrations between systems, reducing implementation times to a matter of weeks.

Both alert types can be configured and maintained by users via the Carma UI and are produced in real time. They are displayed in the relevant user’s alert inbox within Carma, received via email or sent to an external workflow/risk management system.

Risk prioritised, event level workflow

The Workflow component covers the full event lifecycle for all ISO event types. Using the underlying risk measurement functionality within Carma, each workflow alert will include the value of risk associated with the underlying event.

The workflow inbox within Carma can be used to drive daily processing, with the inbox automatically prioritising the tasks that need to be completed, based on their risk values and task deadlines. High Priority workflow alerts will be generated for any events where the Risk Threshold for that event has been exceeded, ensuring users focus on the riskiest tasks, on the riskiest events.

Alternative dashboard views can be configured, such as real time tracking of outstanding daily workflow volumes, enabling managers to ensure all outstanding items have been cleared by close of business.

Carma workflow alerts are produced for future dated events in advance of the risk being realised, allowing managers to plan ahead for times of increased work volume and to allocate their resources more efficiently.

Risk threshold alerts

The Risk Threshold component produces two different types of alert:

Event Level – Users can define and configure the value of risk for any individual event at which an alert will be automatically produced and allocated to the appropriate user(s). When an event exceeds the threshold, all Workflow alerts for that event will also be categorised as High Priority within the relevant users Workflow inbox.

Entity Level – Users can define and configure the value of risk for any part of their organisation at which a Risk Threshold alert will be automatically produced. The Thresholds can be set from an Enterprise level (across the entire organisation), a specific business line or region, right down to a specific processing group.

As with Workflow alerts, Carma will produce Threshold alerts for any future dated events loaded into Carma, allowing managers to plan appropriately for peaks in risk exposure and allocate their resources accordingly.

If you would like to find out more about how Carma can help you measure, monitor and manage risk across your Corporate Actions and Income processing groups please contact Ibacas directly to arrange a demonstration.

info@ibacas.com