

# Data automation delivers high returns for Banking and Financial Services

 Vendia

 KPMG

With rapidly expanding portfolios of products, services, and technologies, banks and financial services organizations face no shortages of data. But despite investing billions on big data and analytics solutions, many financial institutions still struggle to use their data to serve customers more effectively.

Tightening the belt further is an ever-evolving landscape of customer expectations, multi-channel offerings, and regulatory compliance burdens. Yet financial institutions keen to add more and more point solutions to navigate these challenges can expect data complexity to worsen as digital landscapes grow bigger.

To leverage current investments and better serve customers, financial institutions need a more holistic approach to data automation across internal systems and third parties.

Following are **three critical imperatives** driving industry leaders to implement end-to-end data automation technology.

## 1. Simplified data movement between operational systems

Across the industry, financial institutions are doubling down on data-driven strategies to cut costs, drive profitability, and better serve customers. But to do so, banking and financial services leaders must first unravel layers of integration complexity keeping their operational systems out of sync.

“With digital ecosystems growing larger by the day, it’s exponentially harder to keep data synchronized across financial products, third-party services, and systems of record,” says Scott Huie, Principal, Payments and Core Banking at KPMG. “As new technologies and customer offerings are added across channels and departments, integration complexity remains a chief frustration point for banking and IT leaders alike.”

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Spread throughout the organization is an ever-growing network of financial, human resources, and operational systems of record, stitched together over the years via legacy and/or custom integrations and unidirectional connection points. As more solutions get added, such as mobile payment apps or digital wallets, more and more connection points must be built between corresponding systems to send data back and forth.

Citing integration complexity as a long-standing frustration point for technology leaders, Huie shares that these fragmented connections ultimately result in a loss of business context in data—a challenge that exacerbates as digital ecosystems grow larger. Further, this complexity increases exponentially when sharing data externally, raising concerns about privacy breaches and unauthorized access to business data.



Shruthi Rao, chief business officer and co-founder of Vendia, agrees: “Over time, these connection points form a complicated web of brittle interconnectivity, stripping data of its business context and leaving financial services leaders with an incomplete view of the truth.”

Describing data complexity as often synonymous with integration complexity, Rao further points to the maintenance, bespoke configurations, and multiple integration tools it takes just to maintain the flow of data across operational systems. “Most integration toolkits were built simply to establish connectivity between different systems—not reconcile and harmonize the data itself,” she shares.

Rather than simplify data movement as intended, the inherent limitations of

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these tools lead to much of the data complexity that folks must navigate today—including a lack of visibility into when and where changes in data occur between systems.

The good news is that simplifying and streamlining operational data flows is no longer the complicated, time-consuming, or burdensome endeavor it’s been in the past. “A lot of financial services leaders might be surprised to learn that the key is using less integration tools, not more,” explains Rao, advising organizations to slim down integration toolkits by using an end-to-end data automation platform to automate bidirectional data flows between any-to-any systems both within and outside their organization.



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