



Squirro for Corporate Financial Services

How artificial intelligence can improve the bottom line in FS

January 2018

Corporate financial services – an industry under threat

Corporate financial services (FS) is a sector that's under pressure like never before in 2018. After decades of approaching business in much the same way, the rise of more agile and nimble financial startups, offering a whole array of different products and services, has meant that traditional corporate FS providers have found their position under threat.

It is also an industry that is fast-paced and relationship-driven. To source and win new business those that work in corporate FS must be able to stay on top of industry trends (and how those trends relate to clients), be aware of what their clients' priorities and be able to identify potential deals and opportunities before their competitors do.

In a highly challenging business landscape, there has been an emergence of technologies that can make an enormous difference to how corporate FS firms operate. There is more data available on clients than at any previous time in history, and using the right tools, that data contains rich insight as to what those clients are interested in, how they would like to be approached and what market opportunities are likely to emerge.

But a common problem for many corporate FS firms is an inability to make best use of this data. Because a majority of data is unstructured, most CRM systems are unable to manage and process it. This means FS firms are not capitalising on the available insight and are unable to truly understand their customers, so they miss opportunities and the bottom line is affected.

Despite the pressure and threat to the industry, corporate FS firms are not known for their ability to embrace innovative new technologies. There is an inherent conservatism in banking that means change can be hard to facilitate and often organisations are tied into their existing infrastructures, making new investment in technology even harder.

That's why Squirro is launching Squirro for Corporate Financial Services, a new solution aimed at and designed for corporate FS firms. Based on Squirro's cutting edge artificial intelligence (AI) technology, Squirro for Corporate Financial Services is mainly targeted at three different elements within corporate financial services – Investment Banking, Corporate Finance and Real Estate.

This white paper explores some of the specific challenges these sectors are facing and outlines how Squirro for Corporate Financial Services can help meet these challenges, ensuring that corporate FS firms can thrive in an increasingly competitive landscape.

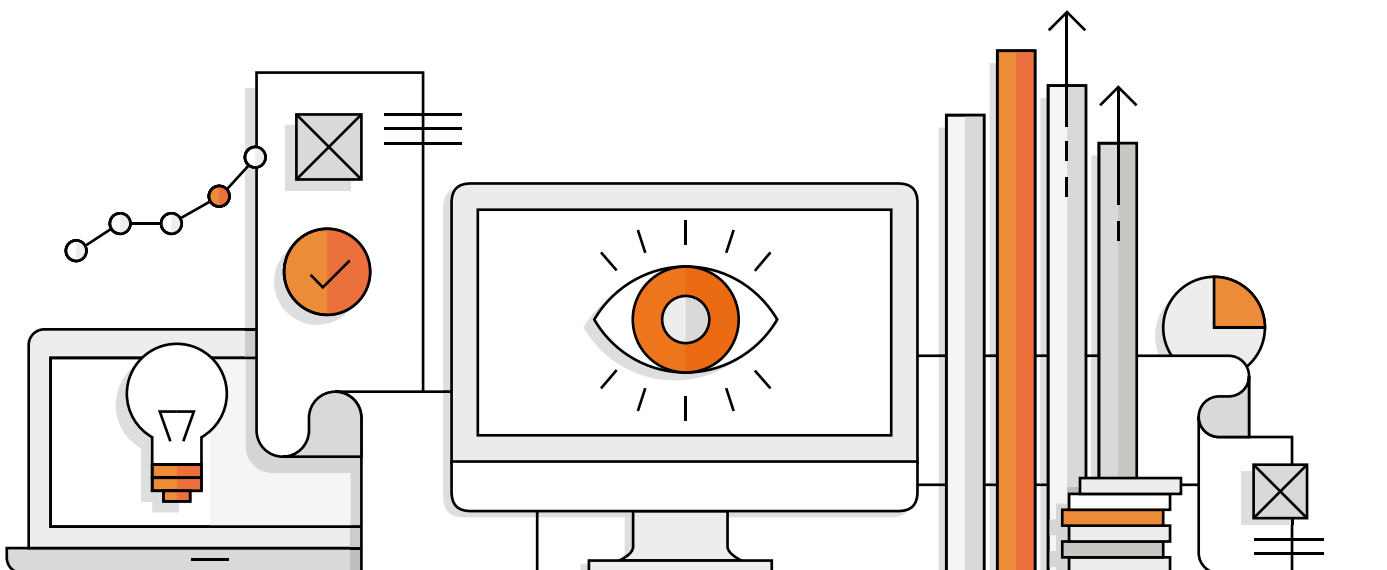
The potential of unstructured data

The importance of data in modern business cannot be understated. The cover story of the May 6th, 2017 issue of The Economist proclaimed data as “the world’s most valuable resource,” which is something few would argue against.

Data can reveal all kinds of insight that a corporate FS firm would find invaluable – trends on the marketplace, possible issues with a particular customer, what products would be best suited to offer to a customer – the list goes on and on.

The data comes in many different forms and formats and is generated by every action a customer takes, every interaction they have with a corporate FS provider as well as a variety of external factors relating to the industry that customer is in. This could be found in news feeds, social media, earnings call transcripts, multiple CRM platforms, email, call notes and much more.

However, much of this data remains unused. It has been estimated that 80% of data is unstructured, and unstructured data is notoriously difficult to make sense of because it’s not necessarily organised in a way that can be easily processed. So corporate FS firms have a potentially enormous amount of insight that is tantalizingly out of reach for them. If they could tap into this insight then the challenges they are facing could be addressed much more effectively.



Artificial intelligence and Squirro for Corporate Financial Services

Most CRM systems work only with structured data. That means corporate FS firms are trying to understand their customers based on a tiny fraction of the relevant information. Squirro for Corporate Financial Services unlocks the unstructured data that is so important and it does so using Trinity, Squirro's latest AI and Machine Learning technology.

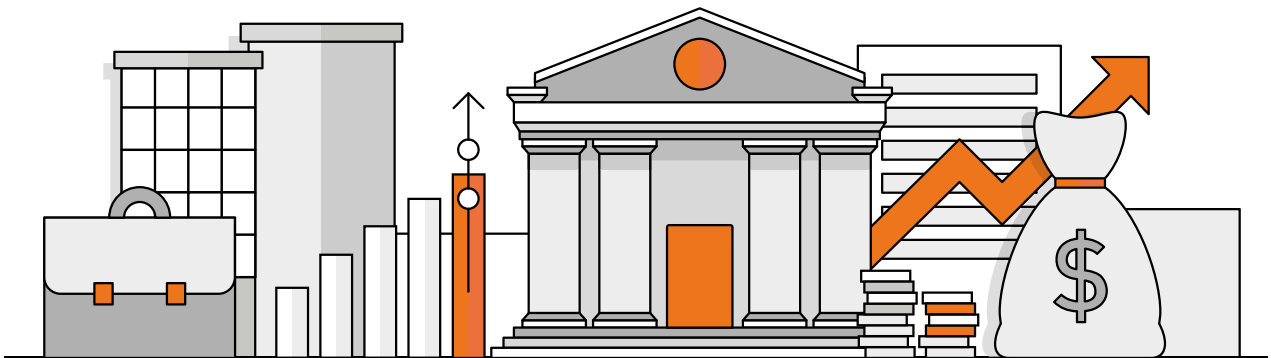
By deploying AI and Machine Learning, organisations can collect data from multiple sources and in multiple formats, extracting fresh and insightful meaning from it. This helps to deliver a deeper understanding of clients, market conditions and crucially, potential opportunities. Squirro for Corporate Financial Services allows a more pro-active approach to client management, while also recommending the best action to take when making that approach.

It is a solution that will deliver astonishing ROI for its users, and can be help addressing specific challenges in the three elements of corporate finance it is aimed at.



Investment Banking

Investment bankers are typically involved with helping clients raise capital through equity, bond, and syndicated loan offerings, providing mergers and acquisitions (M&A) services. Yet while it is a sector rich with potential, it is also fraught with challenges.



It is not uncommon for investment bankers to find themselves drowning in unstructured data, unable to understand their customer's needs, suffering from poor conversion rates and with a heavy reliance on manual research to get elements of the job done.

It's also a sector in which a premium is placed on being first to approach a client, so being able to stay on top of industry trends and patterns is highly valued, as is the ability to have a complete 360-degree perspective on a client. This allows the identification of any potential deal or a need for new capital, and means that investment banker can be fast enough to approach the client before a competitor.

Squirro for Corporate Financial Services makes all of this possible. All relevant sources of information are continuously monitored for signs of potential deals, while any event that could lead to a new transaction is automatically identified and highlighted to the banker. Even better, there is an actionable recommendation engine that advises - based on data monitoring and deep market analysis - how best the investment banker can take advantage of any given opportunity.

Corporate and Institutional Banking

As with investment banking, corporate and institutional banking relies very much on strong client relationships. When organisations are looking to raise funding, whether selling equity, issuing bonds, taking out a loan, or other methods, or embarking on a merger, divestiture or company selling the company, they want to work with someone that understands their business and the wider market.



For a corporate financier, that requires the collation and analysis of unstructured data to provide that unparalleled insight into clients and industry. By unifying siloed data, Squirro for Corporate Financial Services offers a 360-degree view of clients and the markets they operate in, and allows account handlers and relationship managers to unearth opportunities that they would simply not have been aware of otherwise.

Furthermore, Squirro for Corporate Financial Services can also help an organisation make enormous savings on time and resource spent on manual research. This is a major time drain in corporate finance, with researchers ploughing through huge volumes of data, much of which is unstructured. The AI-automation within the Squirro solution means that hundreds of hours can be saved on research time, hours that can be better spent servicing clients.

Real Estate

For anyone investing in commercial real estate, being first to know about opportunities is one of the most important elements to success. A delay in contacting a client about an opportunity can be disastrous for chances of closing that deal, with competition circling and ready to capitalise on any hesitancy.



Yet to have that knowledge of the real estate market, and the opportunities and deals within it, is a challenge in itself. The volume of unstructured data involved is immense and to draw insight from it manually is almost impossible. But Squirro for Corporate Financial Services uses AI to do so in the click of a button and allows the user to adopt a much more pro-active approach, contacting brokers about deals instead of vice versa, and securing deals they otherwise would have missed.

The solution will also provide actionable recommendations to its users. In addition to identifying opportunities it uses AI to advise on the best course of action to take to ensure that opportunity is maximised, improving conversion rates and making a significant impact on the real estate bottom line.

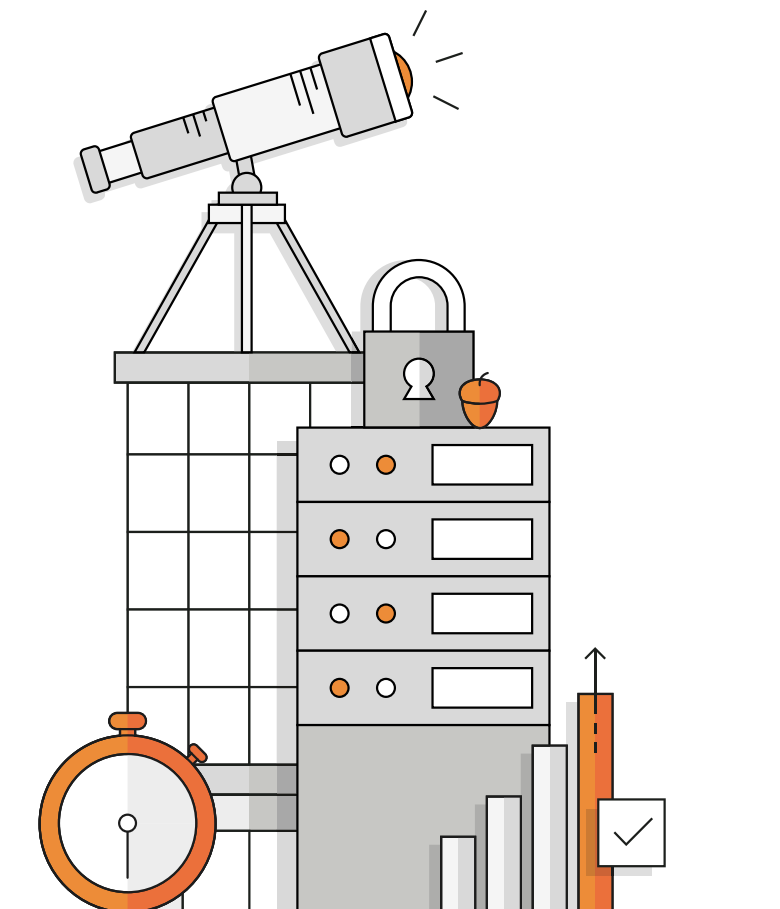
Squirro for Corporate Financial Services in action

Squirro for Corporate Financial Services is a powerful proposition for those in the industry – easy to install, straight forward to use and immediately delivering ROI. Global asset management firm Investec has more than \$100bn assets under its management, but the firm was facing two major challenges with its data that needed addressing with Squirro for Corporate Financial Services.

The first challenge was that Investec's premium data was disconnected from the CRM. This meant that key relationship managers within Investec had no insight whatsoever on key events at funds they cover, leaving them highly exposed in elements of their client interaction and therefore vulnerable to competitors approaching their clients. Secondly, there were many internal sources and systems (Salesforce, Huddle, SharePoint, Exchange) in operation, meaning that employees were spending too long researching information that should have been available almost immediately.

Squirro for Corporate Financial Services enabled relationship managers to connect with the 'client & competitor' insights stream, ensuring access to the premium data that was so insightful. The automated catalyst generation from research notes and premium data took place in real-time, meaning no significant fund events were missed, and client handlers could contact clients in a timely and informed fashion.

Investec also used Squirro for Corporate Financial Services to integrate all of its data sources. This saved users huge amounts of time on research, and overall, the real-time client intelligence offered by Squirro Customer Insights drove a 32% return for Investec.



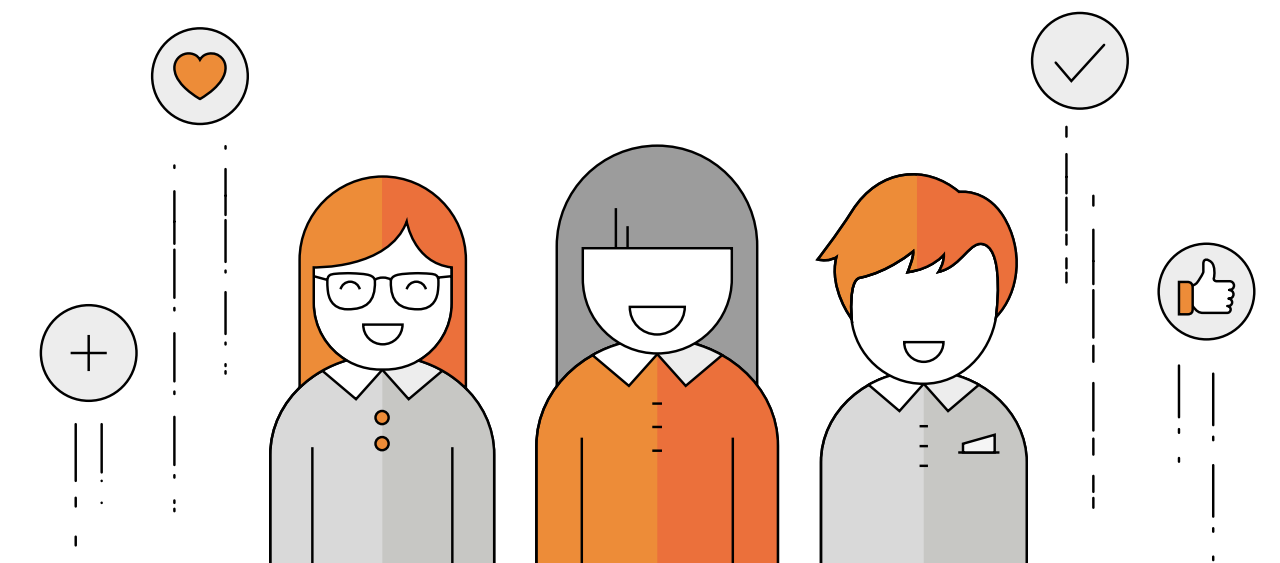
Conclusion

Corporate financial services is a multi-billion dollar industry, but also one that has struggled to best utilise the assets at its disposal. Opportunities and deals are missed, there is an on-going lack of insight into customers which impacts on relationships and the bottom line is affected.

The most effective way of addressing this is via the use of AI. The analytic power of AI turns massive volumes of unstructured data into precious insight, improving client relations and identifying all manner of new deals and opportunities that otherwise would have been missed. The impact of this can be dramatic on an organisation's bottom line, and overall will allow the corporate FS industry to consolidate its market position.

Squirro for Corporate Financial Services delivers true ROI and is a solution that can help FS organisations all over the world.

If you'd like to learn more about it, then please get in touch with us via email on contact@squirro.com, or call us on **+41 44 586 98 98**.



About Squirro

Squirro's unique technology marries algorithms and predictive analytics, empowering organizations to turn meaningless data into relevant insights in real-time, in an automated manner. Its leading cognitive insights engine uses AI, Machine Learning and Deep Learning to enable organizations to detect new opportunities with AI-driven actionable recommendations, develop an intimate understanding of customers, partners, and markets, spot trends and anomalies in all their data and predict future incidents before they happen.

Squirro works with global data-driven organizations, predominantly in financial services, insurance and manufacturing industries, such as Brookson, Evalueserve, Investec, Helvetia Insurance, SwissRe, ING, Sony. Founded in 2012, Squirro currently has offices in Zurich, Munich, London, New York, San Francisco and Singapore.

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