

A few years ago, one of the top Australian banks had outages in its legacy payments system, causing several missed deadlines. The impact was severe – customer dissatisfaction, bad press, fines, legal claims, and of course losing leadership position in the ever-competitive banking business. The bank took days to identify the root cause and correct the problem. In an increasingly connected financial world, any such delay can cause systemic risk in the payments network and prove catastrophic for the bank’s reputation.

Last year, in one of the largest coordinated security breach incidents in modern history, US\$40 million was fraudulently cashed out from ATMs across the world in a matter of hours. Prepaid and debit card information was compromised, withdrawal limits and balances were increased, the numbers were skimmed onto dummy cards, and cashing crews around the globe (27 countries and about 4500 ATMs) started withdrawing money before banks, or card and ATM networks could recognize the heist.

These two incidents are not exceptional. With the ever-increasing connectivity and sophistication of IT systems, such incidents, where real-time business intelligence (BI) is not available for taking proactive measures, are increasing. To survive in a low margin (SEPA), low float (faster mass payments) environment, payments organizations are increasingly becoming dependent on automation and straight-through processing (STP) using payments service hubs (PSH). With increased dependence



on IT, any system outage or process gap can increase operational risks. Hence in the ultra-competitive payments business, where banks and payments service providers need to monitor cost, time, risk, and regulatory compliance, all at the same time, real-time intelligence is becoming a key strategic advantage.

Most banks and financial institutions have appreciated the advantage of data-driven decision-making for a long time. In the last decade or so, corporations have invested huge resources in data warehouse (DW), data mart, and BI solutions – reaping the benefits of clarity in decision-making by making use of historical trends. We have also seen investments in business process management (BPM) systems where rules-driven workflows have improved operation efficiency. Unfortunately, many of these

systems did not have the capability to provide real-time BI; they were ex-post in nature which proved to be limited in today's agile business environment, where timely decision-making is extremely critical.

To fill this gap, next-generation business solutions are getting a lot of traction among forward-thinking organizations. They come in various avatars – business activity monitoring (BAM), complex events processing (CEP), or real-time business intelligence (RT BI). These solutions proactively watch events and key metrics in near real-time, perform correlation analysis of large data to identify patterns and causal relationships, generate alerts, and provide a control-room-like heatmap / dashboard view to the management for timely decision-making.