



Depósito Central de Valores (DCV)

Keeps business-wide risk under constant control with IBM OpenPages

Overview

The need

To ensure that it can provide fully secure, available and efficient financial services to clients, DCV needs to understand, manage and mitigate current and potential risks across its entire organization.

The solution

DCV implemented a comprehensive, fully integrated risk management solution based on IBM® OpenPages® software to constantly monitor the status of all risks and controls across the company.

The benefit

Increased confidence by identifying risks and creating best-practice controls. Accelerated risk reporting processes by 99 percent. Enabled full risk coverage for 100 percent of DCV's applications.

If you are a relatively young financial corporation thriving in a highly competitive and fluctuating economy, how do you lock-in your customers' trust and satisfaction, if not by ensuring that their money and financial transactions are in safe hands, 24/7?

Depósito Central de Valores S.A. (DCV) realized that a round-the-clock, all-encompassing view of current and potential risks across its whole business was crucial in order to maintain the highest possible levels of security, availability and efficiency.

Established in Chile in 1993, DCV's purpose is to electronically process and register transfer transactions on the Chilean stock exchange and over-the-counter markets, and co-ordinate and provide the necessary information for financial settlement of these transactions.

Employing around 220 people, DCV is a key player in the South American financial market, and is committed to promoting Chilean stock market modernization in full compliance with strict international regulations about the security and efficiency of financial operations.

With DCV in a state of constant growth, it needs to be prepared to deal with new risks and defuse potentially hazardous situations. Claudio Herrera, Assistant Director of Risk Management, says: "Our solution is so scalable and flexible that it can grow and adapt with our business, allowing us to keep updating our 'what-if' scenarios and tweaking best practices on-the-go."



Solution components

Software

- IBM® Cognos® Business Intelligence
- IBM OpenPages® Operational Risk Management

Services

- IBM Business Analytics Software Services
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Claudio Herrera, Assistant Director of Risk Management at DCV, says: “Satisfying our customers with secure, risk-free financial services is our main objective. But if our own internal risk management processes were manual, time-consuming and error-prone, how could we achieve this?”

“When you realize that a risk-related incident could potentially arise from any one of multiple disparate channels when you least expect it, you know that you have to find a way to gain a crystal-clear, real-time and fully integrated view of your business as a whole. You need to find a way to ensure that you never miss out on a single issue, and are able to react quickly in order to prevent incidents from happening and mitigate negative outcomes.”

He continues, “With our previous risk management solution, we weren’t able to prioritize the risks that we needed to handle first, which inevitably affected our ability to implement best practices and take action promptly where it was most urgently needed.”

With risk reports being pulled together manually every 30 days, and no real ability to compare and prioritize information gathered from different departments, it was becoming increasingly difficult for DCV to control risks that could impact on sensitive areas such as service delivery and business continuity.

DCV evaluated 20 different world-leading IT providers, and quickly highlighted IBM’s proposal for a fully integrated, automated and easy-to-deploy risk management solution.

Claudio Herrera says, “IBM has been our hardware partner for many years, and when they proposed a solution based on IBM OpenPages Operational Risk Management we were immediately intrigued.

“The IBM team showcased the features and benefits of the solution, and we decided to go ahead with it. We were also excited by the prospect of being the first IBM client in South America to deploy this solution, and were determined to turn this partnership into a success story.”

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— Claudio Herrera, Assistant Director of Risk Management, DCV

DCV leverages IBM OpenPages in two main ways: to monitor and flag up three types of risk – inherent, residual and concrete – and to create ‘what-if’ scenarios around business continuity, operational risk and service interruption in order to establish best practices to help address possible future incidents.

“The most innovative feature of OpenPages is that it allows us to create a comprehensive risk database that captures what is happening within any department of the company right now. This helps us to evaluate each risk according to its specific category, so that we can set up priority actions and rapid problem resolutions,” says Claudio Herrera.

With IBM OpenPages Operational Risk Management, DCV now has a real-time, accurate and trusted view of risk instances across its whole business, and can define best practices for future events based on potential scenarios, safeguarding its business and building confidence among its customers.

The IBM solution offers 100-percent coverage of all of the company’s applications and processes, which gives the risk management team great peace of mind.

The integration capabilities of OpenPages make it possible for DCV to align its risk management model to the company’s continuous growth, as Claudio Herrera explains: “Not only does the IBM solution cover the entirety of our current business, but it will also be vital in supporting our future growth and the fresh challenges we will be facing. The integration, flexibility and scalability of OpenPages enable us to adapt easily and quickly to unforeseen changes or new processes, allowing us to keep updating our ‘what-if’ scenarios and tweaking best practices on-the-go.”

The ability to create risk reports in just three hours instead of 30 days – a 99 percent time-saving – is another striking success for DCV, as it helps decision-makers develop and action future business strategies based on real, up-to-date evidence about the potential risks.

“OpenPages has also allowed us to do something completely new: analyze trends that help us track the origins of risk. By revealing these kinds of insights, OpenPages allows us to get to the root of problems extremely quickly and precisely.”

— Claudio Herrera, Assistant Director of Risk Management, DCV

“OpenPages has also allowed us to do something completely new: analyze trends that help us track the origins of risk,” says Claudio Herrera. “For instance, if a risk tends to be generated by a specific user, we can now understand what exactly the issue is: it could be because that employee is currently absent, or because they lack specific skills. By revealing these kinds of insights, OpenPages allows us to get to the root of problems extremely quickly and precisely.

“We embarked on this ambitious project because we were committed to safeguarding our business and promoting customer satisfaction. By strengthening our relationship with IBM, we can now confidently say that we have succeeded in both these goals.”

Counting on IBM for future success

Due to the impressive results achieved with the OpenPages solution, DCV is already planning to integrate the tool with additional analytics capabilities by implementing the latest version of IBM Cognos® Business Intelligence. The combination of these solutions will enable significant growth in the user-base – a requirement that is becoming increasingly central at DCV.

The integration project is currently under development and, when finalized, DCV will be the first company in Latin America to deploy such an advanced and complete risk management platform. The Cognos software will make it easy to create dashboards, enabling DCV users across the company to drill down into risk information and extract innovative insights on a daily basis.

DCV is also working to enhance the user-friendliness of data entry and information deployment within the risk management system. For example, IBM OpenPages has already significantly improved the user experience with its consolidated grid view, which enables users to modify and update several risk elements simultaneously through the same graphic interface, without any need for additional tools.

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About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

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