anodot

Fintechs leverage AI-based monitoring to protect revenue and deliver flawless customer experience

To maintain a competitive edge Fintech players must deliver complete availability and reliability, 24/7. Autonomous Business Monitoring technology provides the fastest possible detection of business incidents, helping fintechs to translate their overall technological advantage into satisfied customers and partners, more efficient operations, and millions of dollars in savings.

Powerful forces are transforming the financial industries

Financial services technology is currently in the midst of a profound transformation. Customer expectations, technological capabilities, regulatory requirements, demographics and economics are together creating an imperative to change. Financial technology companies are processing transactions and lending funds in greater quantities than ever before. Whether in banking, trading or payments, customers are demanding better service and availability. New service providers have low and nimble footprints, prototyping new services quickly and introducing emerging business models. Non-traditional players are built on customer-centric innovation. New technologies hold the promise for enhanced customer experience and increased revenues, but are extremely complex to implement and keep on the rails. Their success is predicated on operational efficiencies and on the consumer perception that they are completely reliable.

The financial services industry has seen drastic technology-led changes over the past few years. The challenge they face is significant: in a competitive environment of rising cost pressures, where rapid response and action is imperative, fintechs have no choice but to modernize their technology and digitization of both the front and back ends of their businesses. Many executives look to their IT departments to improve efficiency and facilitate game-changing innovation – while somehow also lowering costs and continuing to support legacy systems.

Meanwhile, customers have had their expectations set by other industries; they are now demanding better services, seamless experiences regardless of channel, and more value for their money. Regulators demand more from the industry too, and have started to adopt new technologies that will revolutionise their ability to collect and analyse information. And the pace of change shows no signs of slowing.

Most major financial institutions are well aware of the imperative for action and have embarked on the necessary transformation from manual to automated processes. Those who can't or won't replatform risk becoming hopelessly uncompetitive against the financial services companies who can be faster, cheaper and more customer-focused by putting AI-based technology first.

Optimize operations and reduce incident costs with autonomous monitoring

Fintechs typically have millions of customers across the globe and must manage millions of daily business metrics involving transactions, withdrawals, deposits, wire transfers, APIs, log-ins and payment gateways, among others. Traditional manual

business monitoring solutions cause significant delays of at least 24 hours or longer in detecting and resolving critical incidents, which threaten to impact customer satisfaction, brand equity and the company's bottom line.

Every transaction, click, purchase, etc. generates a data point, that together form a vast number of data streams. Anodot automatically learns the streaming data's normal behavior, including seasonal and other complex patterns, to identify and alert customers on any combination of metrics that behave abnormally. Anodot provides Fintech companies the tools needed to detect and diagnose issues early, resolve them quickly, and take preemptive actions before they turn into crises. This is a drastic change from the static nature of BI as it exists today.

In addition, static monitoring isn't flexible or granular enough to monitor volatile operational and customer experience data. Since business data is so complex and dynamic, AI/ML-based autonomous solutions are critical for achieving business outcomes and avoiding blind spots. Static monitoring approaches based on dashboards and manual thresholds aren't sensitive, robust or agile enough to withstand this challenge. To keep business on track, AI-based early detection of revenue issues and business system failures is non-negotiable.

ML-based anomaly detection is key for ensuring that business support systems can keep pace with the high level of service required for mission-critical applications. To deliver on customers' high expectations and maintain and improve operational excellence, early detection of service degradation and process failures is critical. Human-centric approaches like dashboards and static thresholds are not scalable, efficient or cost-effective enough to meet this challenge.

AI-based Autonomous Monitoring creates visibility across the Fintech ecosystems, enabling stakeholders to:

- Replace static thresholds with autonomous learned behaviors
- Eliminate false positive alerts for operational issues
- Meet SLAs and general reliability and performance targets
- Optimize a payment from request to receipt including key financial operations, including transaction reconciliation, payment matching and treasury management.
- Accurately forecast liquidity needs and demand for funds in numerous currencies
- Provide monitoring-as-a-service to internal groups

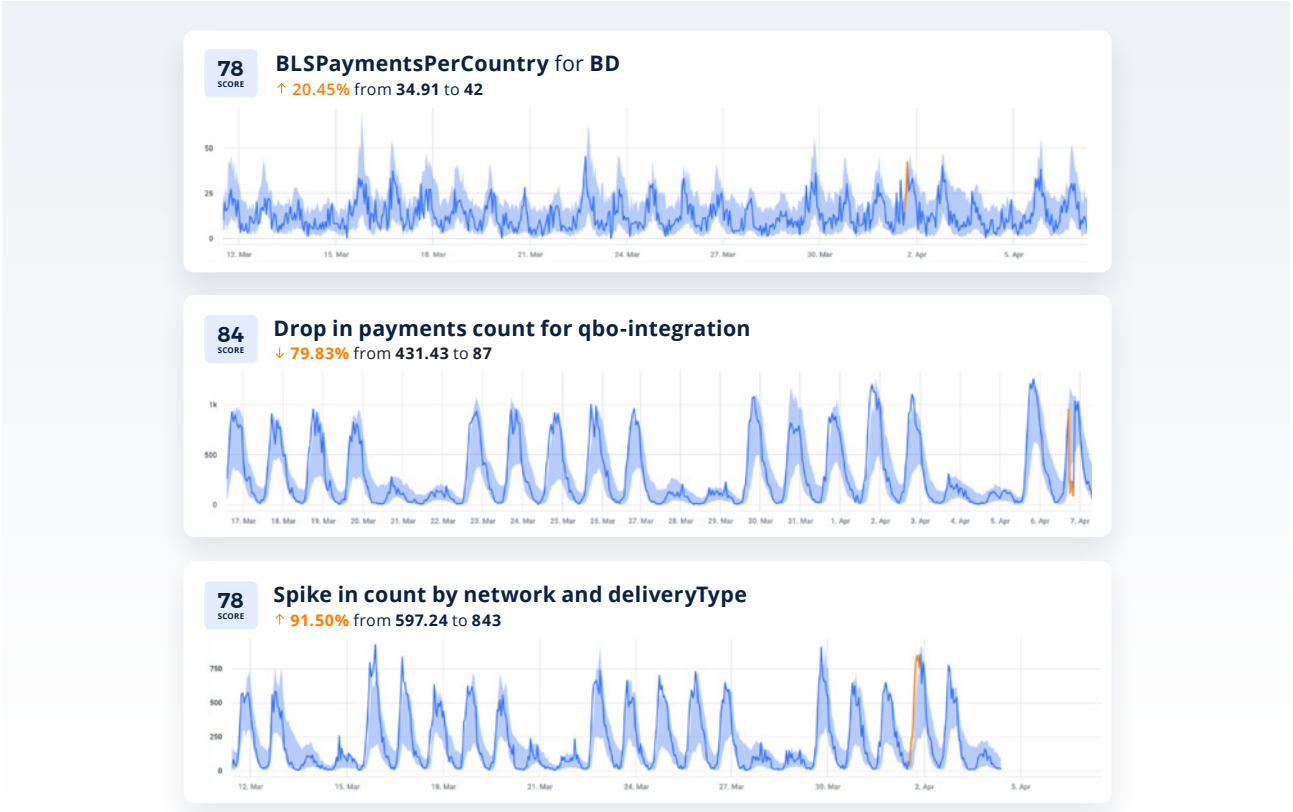
AI enables the transformation of traditional business and service operations towards AI-driven automation and intelligent operations. AI effectively augments and automates early detection, predictions and decision-making in operations and in business processes where humans can't deal with the volume and velocity of data. In the context of incident management, discovering correlations between metrics can facilitate root cause analysis, resulting in a reduced mean time to remediation (MTTR). The benefits to fintech companies include reduction in operational expenses and risk, protection of revenue, and improved customer experience.

Getting to the problem before the customer does with AI

Leveraging their robust technology, compliance, operations, and banking infrastructure, Fintechs deliver a suite of services that range from digital payments, banking, insurance, cross-border transfers, foreign currency, trading and more. With billions of daily financial transactions happening on their platforms 24x7, Fintechs closely monitor hundreds of thousands of performance metrics in every area across the business. They are watching for any indication that something is even slightly off kilter with the business—for example, an unexpected decline in people registering for a new account, an API with third party software having technical issues, excessive complaints coming into the customer service helpline, etc. AI is being used to identify fraudulent activity, suspicious transactions, and generally, provide a boost to manual monitoring processes. The sooner an issue can be detected and addressed, the stronger the business can be. significantly reduce the risk of human error and detect spot activity that deviates from the norm.

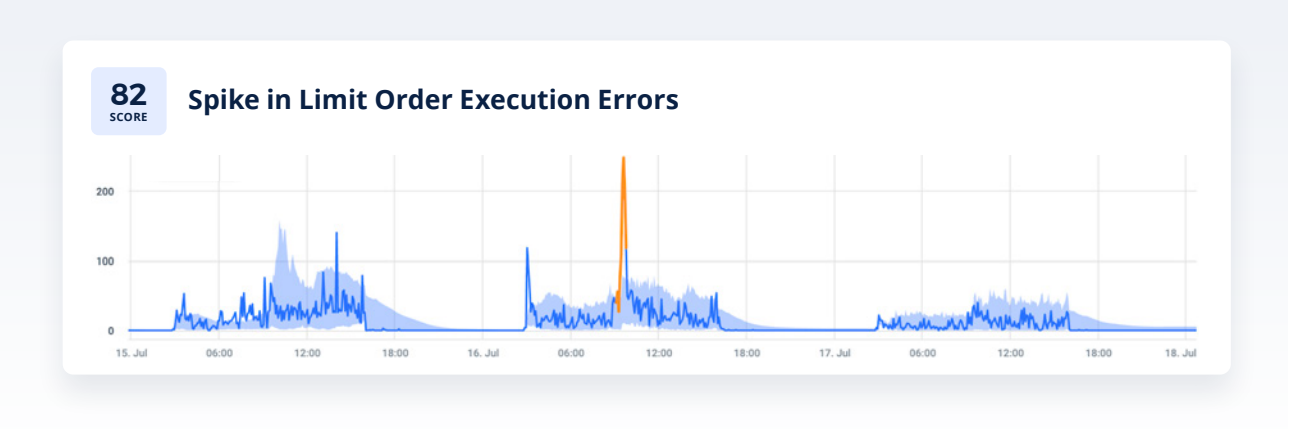
Monitoring payments for revenue optimization

Anodot monitors 100% of the business data in real time to identify unusual drops or increases in error rates across multiple payment entities, geographies, devices (e.g. inability for Android users to submit payments using Visa), and flags unusual numbers of payment declines or credit card refusals, that can be indicative of an API error. Companies often miss API errors because of the lack of visibility. Anodot helps partner networks ensure reliability and consistency by monitoring all API endpoints for anomalies.



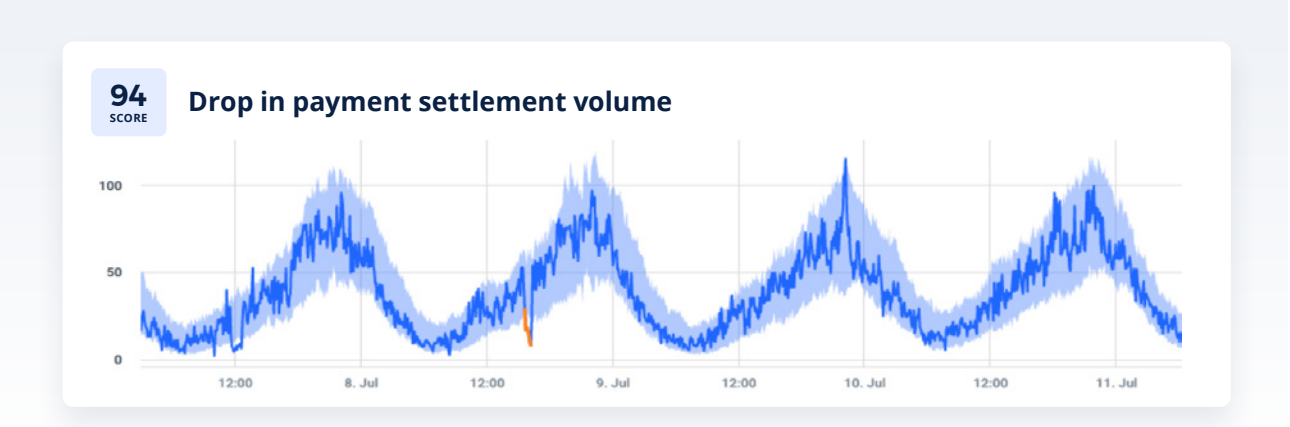
Monitoring order execution

In this use case example, an Anodot Fintech customer began to experience errors related to the execution of limit orders on their trading platform. The anomaly trended subtly at first but quickly ramped to serious levels. Anodot detected the anomaly within the first 5 minutes of deviant behavior, alerting support staff to the issue before calls began to flood the call center. There are a number of internal services that are invoked to process limit orders. Anodot correlated this incident in real-time to connectivity issues between services that enable order execution.



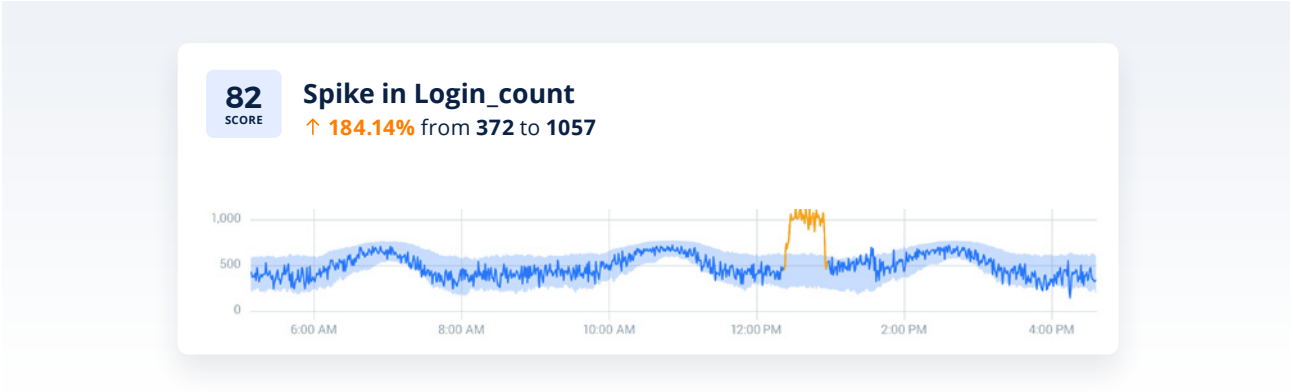
Monitoring clearing and settlement

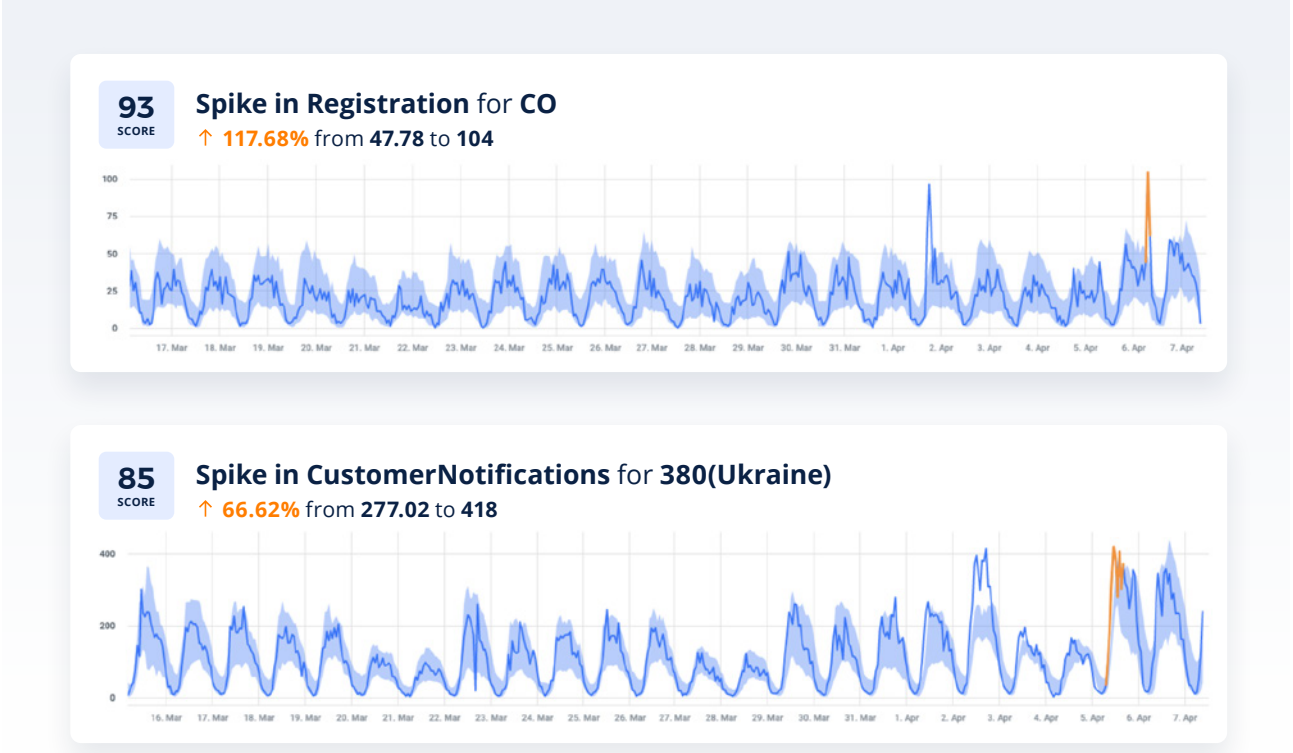
In this use case example, an Anodot customer experienced a significant drop in the expected number of settled payment transactions during the day. This type of anomaly is traditionally very difficult to detect as it occurs within range of a seasonally repeating metric. Traditional, threshold based detection will not identify these types of anomalies. Automated anomaly detection employing machine learning can detect these issues up to 80% faster than other (manual) detection techniques, leading to less down time and improved customer experience. The incident below was the result of a change in the Transaction Verification Step of the process which caused verification to be performed multiple times, thus degrading overall process throughput.



Monitoring for customer experience issues

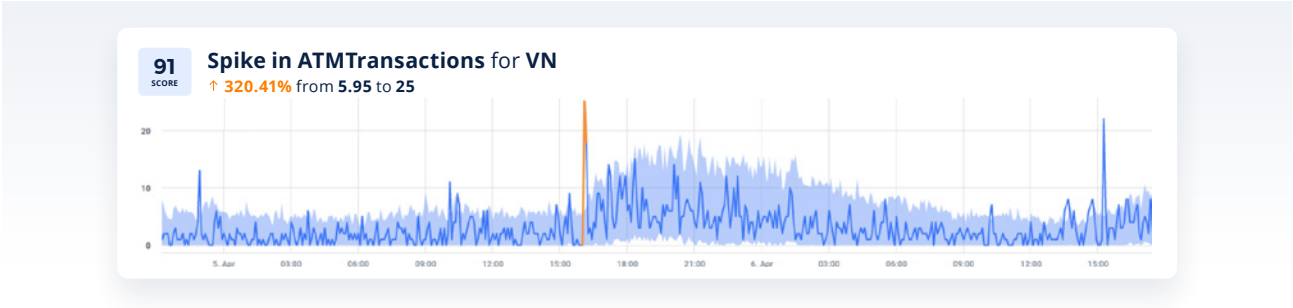
Operations teams also monitor customer experience metrics with Anodot to help detect usability issues or malicious activity against the company's numerous applications and systems. For example, the number of successful and unsuccessful logins, registrations and customer notifications are fed into Anodot. The team gets an alert when there's an unusually large number of successful logins, an increase in unsuccessful notifications, or even a drop in successful registrations. Anomalies in these numbers could be indicative of poor customer experience or the applications' login pages being attacked or harvested. The examples below are actual Anodot alerts showing an anomaly in the number of logins, registrations, and customer notifications.





Taking quick action on instances of fraud

In this use case example, Anodot's risk detection ability was used to alert stakeholders to data anomalies indicative of fraud in a particular country. It involves correlating several metrics to detect anomalous behavior. Anodot brings together the technical metric of errors per service, along with the account and amount of money and the payment method used. For example: an unusual series of ATM withdrawals as a result of a fraud, that gives the risk department the ability to detect and track the anomaly. Based on the very early detection of the behavior, Fintechs can take action to stop further fraud. The illustration below is an actual Anodot alert that triggered a risk review and investigation regarding potential fraud in Vietnam.



Liquidity forecasting and currency needs

Customers can withdraw funds from their own accounts at any time. Fintechs are expected to have sufficient funds available, and in the currencies that customers prefer, in order to meet those withdrawal demands. If too much money is allocated for withdrawal, it ties up capital that could be put to better uses. If insufficient funds are set aside, customers experience a delay in getting access to their money. Striking the right balance to have just enough money — but not too much – is the goal of cash management. Fintech treasury departments use Anodot's autonomous forecasting to determine how much money and which currencies to distribute to the company's bank accounts, based on expected volume. The more accurate the treasury forecasts are, the more funds they can allocate to other areas that make more profit for the company.

Spotting trends in customer care

Another use case for Anodot's anomaly detection is to observe the types of calls coming into the customer support team. Before Anodot, the customer support team would try to analyze all the reports generated by all the service agents, and hope to notice, for example, the increase in a particular subject over time. This manual process is time-consuming, labor-intensive, and prone to bias and errors. Now, the service agents' reports are fed into Anodot. If there is indeed a trend where a particular subject is increasing in frequency, Anodot will produce an alert. This gives the ability to escalate the issue to supervisors much sooner than had it been left to the odd chance that someone would spot the issue using a manual process. The sooner an issue is raised, the sooner it can be investigated and, if necessary, remediated.

Monitoring that understands your business

Anodot helps Fintechs stay on top of their business, deliver flawless customer experience and optimize revenue and opex, through timely anomaly detection and highly accurate forecasts for liquidity. Anodot ingests data from 100% of the platform's data sources in real-time, including siloed network operations and customer experience systems. It uses patented algorithms to continuously monitor and analyze millions of KPIs, translating monitoring measures to service experience and KPIs to service impact. Anodot's unique algorithms correlate across billions of data points to provide early detection of service degradation across the entire Fintech ecosystem. Stakeholders receive Anodot's alerts in real-time with the relevant anomaly and event correlation for the fastest root cause detection and resolution.

Fastest time to accurate detection. Anodot autonomously distills billions of data events into the single spot-on alerts that you need to know about right now. Alerting in real time cuts time to detection, enabling proactive incident management by Fintech Operations teams.

Full coverage. Anodot collects and analyzes data across the entire Fintech stack and ecosystem. All metrics are actively monitored, at scale, enabling stakeholders to achieve full visibility over the total of services, processes, partners, customers and business KPIs.

Correlation. Anodot's patented correlation engine correlates anomalies across the business for holistic root cause analysis and the fastest time to resolution, leading to significantly improved availability and customer experience.

Autonomous. Anodot is completely autonomous. There's no need to define what data to look for or when, no manual thresholds to set up or update. New use cases can be added on the fly, and no monitoring maintenance is needed even as the business's configuration changes.

Ease of use. Anodot is built for business users - no data science required. It is easily integrated with any type of data source, and just as easily applied to new services.

Fintech companies using Anodot's typically experience:

- **89%–97%** reduction in time to detection when compared to alternative approaches
- **90%** reduction in the total number of alerts
- **75%** reduction in the number of non-actionable or false positive alerts
- **50%** reduction in load on support attributable to the reduction of alerts, proactive detection of incidents and root cause analysis
- **30%** improvement in customer satisfaction scores

Talk to us to learn more about how Anodot can help your financial business deliver flawless customer experience, revenue optimization and operational excellence.

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