
Cognitive Automation: Rescue from Regulatory Compliance

The post-crisis proliferation of new regulations in the financial sector – in addition to firms' own initiatives to improve compliance and reduce risk – have created a spike in both the demand for and cost of compliance and risk management talent.

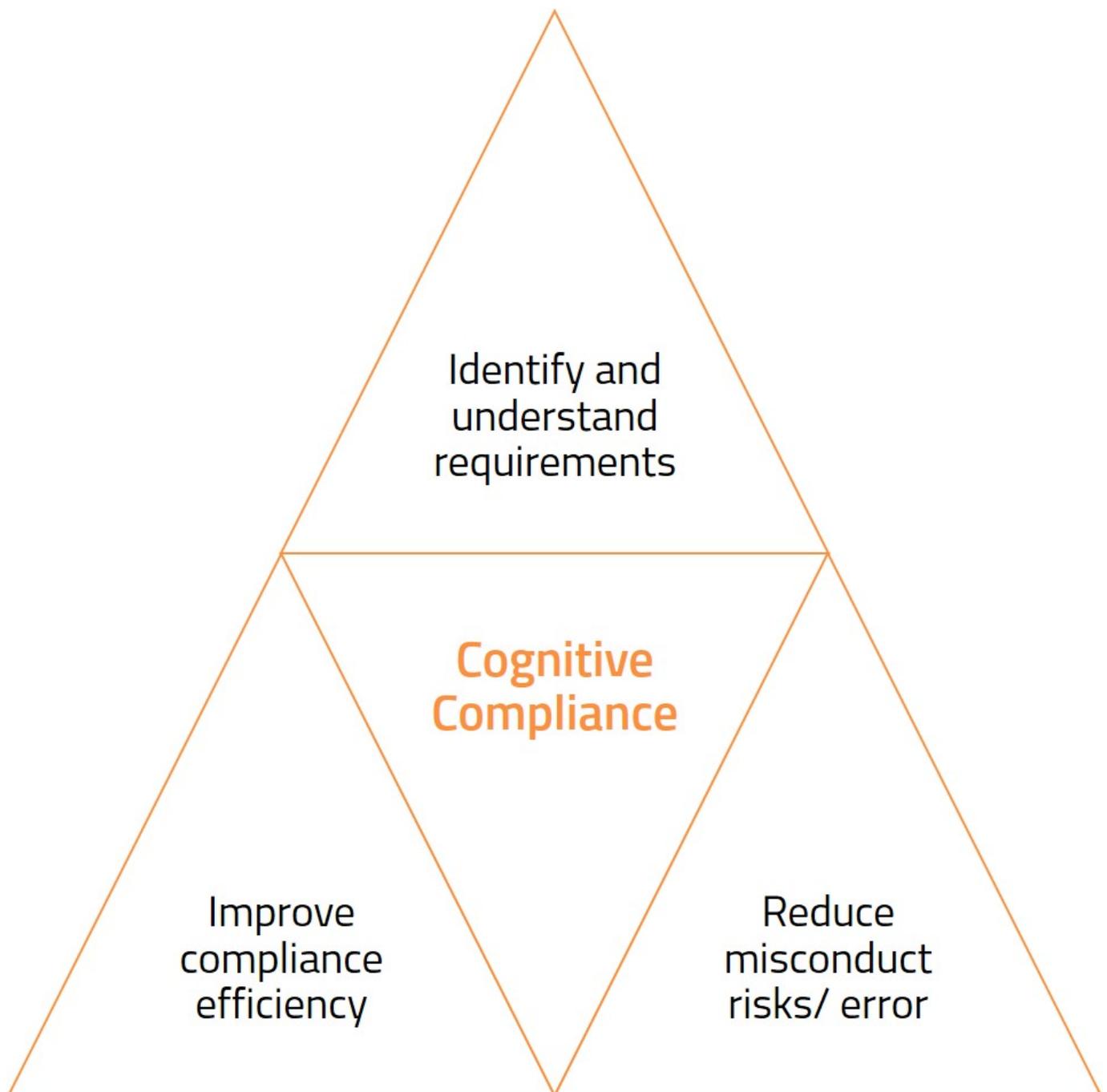
These fields are heavily reliant on manual processes that currently require armies of knowledge workers whose work, the safe navigation of complex and ever-developing requirements driven by an almost infinite matrix of factors, can never be as accurate as is ideal – indeed, Citi GPS [estimates](#) European and US banks have paid in excess of \$150bn in litigation and conduct charges since 2011.

\$270bn per year – the cost of manual compliance and regulation

\$150bn – the amount paid out by banks in litigation and conduct charges since 2011

For financial institutions like HSBC and JPMorgan, where compliance and regulation staff account for 10% of operating costs (\$270bn per year), **Cognitive Automation** provides a compelling alternative.

Driven by artificial intelligence that can build knowledge, understand natural language, interact naturally with human beings, overcome ambiguity and adapt to new types of problems, cognitive automation is the application of [cognitive computing](#) to real-world workflows.



Cognitive automation is already being leveraged to disrupt multiple facets of financial enterprise: cognitive chatbots are interacting with customers, giving them better, quicker answers; in the back office, qualitative information, especially that mined from social media, is being folded in with quantitative information to achieve far superior risk analytics; and finance professionals are becoming disruptively productive by outsourcing their research to cognitive assistants.

In any of these fields and more, the premise is straightforward:

By automating time-consuming low-to-mid value tasks, financial institutions can free employees to focus on more complex and value-added work.

In terms of regulation compliance, there are three key ways cognitive automation can help: driving the identification and understanding of regulatory requirements, improving efficiency in addressing them, and dramatically reducing the risks of misconduct and error.

Take just one branch of regulations, Know Your Customer (KYC), and it's easy to see cognitive automation's transformative potential.

For a financial institution looking to identify and verify the identity of its clients, cognitive-automated systems could interact with and inspect the responses of clients, making its own judgments on whether those responses are satisfactory. It could also rapidly mine private and public repositories, assembling all information necessary for a knowledge worker wanting to better understand KYC, and how it relates to their organization.

The overall result is a drastic reduction in the time taken to complete the KYC diligence process – from weeks to hours. This in turn means faster response, easier compliance and significantly better customer service.

KYC is the tip of the automating iceberg. From account openings and credit limit evaluations to the identification and explanation of changes in risk exposure, the use cases continue to expand.

- Know Your Customer
- Basel III
- SEC Filings
- Internal Compliance Reports
- Anti-Money Laundering

In the nascent market of cognitive automation, two distinct models are emerging. IBM Watson takes an investment of time and money worthy of a supercomputer before combining text, speech, visual signals and others to solve foundational challenges. Coseer takes a more tactical approach, honing in on text-based workflows, going after specific problems like regulation compliance and achieving 98% accuracy within weeks. To learn more about which approach is right for your organization, [request a meeting with our team](#).

What is Next-Generation Enterprise Search?

Coseer's search solutions are transforming industries from healthcare to finance. Our point-and-shoot AI trains finds answers and insights with 95%+ accuracy within 4-12 weeks - all of this in 100% security. The reason? We founded Coseer on the principle that computers should take care of the boring stuff so that humans can focus on creativity and judgment. To that end, we've built enterprise search solutions to complete complex workflows just as humans would in a fraction of the time. Fortune 500 leaders are using Coseer to speed up and automate their most complex work.

We follow a tactical approach to enterprise search:

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- We deliver 95-98% accurate solutions within 4-12 weeks.
 - Our solutions deploy entirely behind your own firewall for 100% security, and every decision point is logged for full transparency.
 - You add the finishing touches, but our point-and-shoot AI practically trains itself. No more huge training data sets or time wasted annotating and tagging.

Visit our [website](#) for in-depth case studies, ROI breakdowns per industry, and other insight.