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EBOOK

How automation solves client outreach challenges

The core challenges around client outreach and the role of technology

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Client outreach is a pressing issue for many organisations when it comes to performing Know Your Customer (KYC). In fact, **research carried out by Encompass** showed that it was considered the most challenging element for respondents.

Client outreach is the process of acquiring accurate KYC documentation directly from a client. As part of this process, a KYC analyst determines a client's risk score, and this then defines the client due diligence (CDD) and KYC requirements, initiating the retrieval of information that may not have been available in the public domain.

It brings several challenges, such as ensuring the right client contact is receiving requests for information, receiving a response in a timely manner, and ensuring that information is retrieved from acceptable sources.

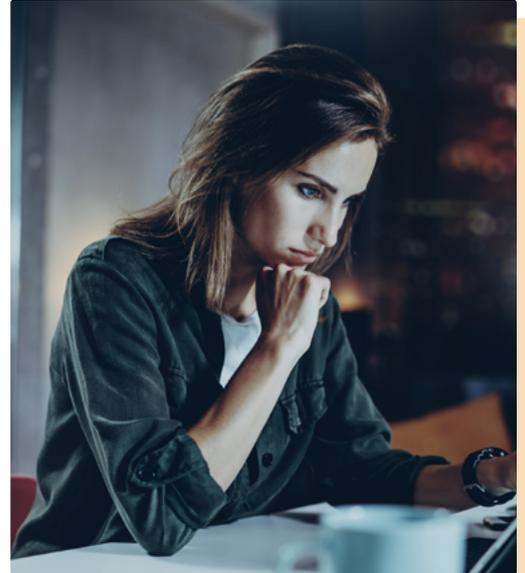
There are numerous processes that have been created, layered and optimised as part of the client journey, but no other task is seen as so vital to customer experience.

In this ebook, we will delve into some of the issues around outreach - from the impact of a disjointed process, to how **Encompass** can reduce the need for these activities, resulting in a more streamlined and efficient client onboarding journey.

Who does it impact?

The client

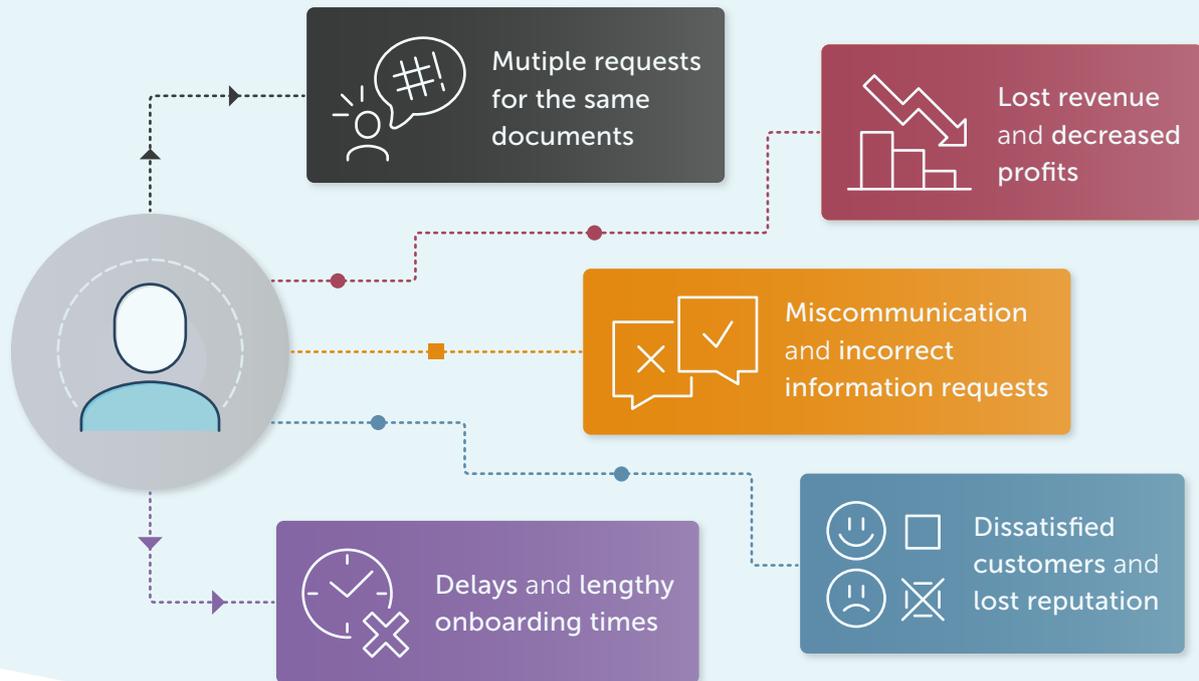
- During outreach, a **client is often asked several times for information**, and also for **the same information more than once**, which can make it a cumbersome stage. They can also be **asked for the wrong information**, or the wrong level of information, leading to frustration and meaning confidence is lost and time is wasted.
- **Delays can happen because of miscommunication** and clients being asked for wrong or ineffective information, which impacts on the client's potential profits and path to revenue.
- Crucially, there can also be an element of **exposure to risk**, if the client is involved as part of a consortium deal that is not accurately completed for related parties.



The business

- With so many products and services offered by financial institutions, **reputation is key in a competitive market**. If clients are not satisfied with processes, it will have an effect on retaining and securing new business.
- **Loss of business** through onboarding delays.
- **High operating costs** due to the inability to offboard and close accounts (remediation pipeline and resource fulfilment).
- **Duplication of processes and effort**, due to the expiry of information and outreach timescales.

The client outreach problem



Why does outreach become a problem?

- **An accurate assessment of risk is not clear** at the initial stage, meaning you cannot easily determine the appropriate level of information required for a complete KYC profile.
- There can be a **lack of knowledge of the internal policies and compliance regulation** around why data is required and for what reason, which means teams can blindly request a list of documentation, rather than only specific and relevant information, as well as documentation when required. Documentation is required for two reasons, firstly as a secondary information source to back up information from a non-primary source, and also when information is not available from public sources.
- **Client exposure to other risk factors is not understood** as part of the process (related parties, ownership reach and associated adverse relationships).
- **Inconsistent application of the Anti-Money Laundering (AML) and KYC procedures and policies** between teams, functions and regions means that multiple client records exist and client re-onboarding is multiplied by regions, resulting in multiple outreach requests for a global client relationship.

Top 10 questions to consider to reduce client outreach

1

Is there a global CDD and risk measuring standard that can be applied across all teams?



2

What information has already been requested, gathered and stored earlier in the client onboarding journey?



3

What systems/technology are used to store and share this information?



4

Where can teams find it and how can they access it?



5

Do all teams contributing to CDD activities have access to share and view CDD information across the organisation?



6

What tools and systems are available for teams to support the quality and accuracy for client outreach?



7

What controls or processes exist to mitigate duplication and excessive information retrieval?



8

What training do teams receive?



9

Does the existing operating model support the objective to reduce the impact of client outreach?



10

Is there sufficient knowledge and skill in the team responsible for the processes?



Getting to the delta

Too often, the cause of ineffective outreach is regarded as the process itself, however, taking a look at the entire journey, there are multiple contributing factors.

The objective, at least on paper, is to perform the most significant part of the process, CDD discovery, effectively and accurately. This is in order to be able to determine the delta. Essentially, this means performing a gap analysis of data, which may exist on file and have been collected in public sources and retrieved at initiation, before determining if there is a gap.

This avoids having to request additional information, instead focusing on what is required, and ending in a smoother, more efficient experience for all.

What is the solution?

We have addressed some of the key points that contribute to the problems associated with outreach, so, what is the solution?

Undoubtedly, it is relative to the size of the organisation and the layers of processes, technology and operating models at play. However, there is a clear root cause, and it comes back to key things all compliance and operations teams strive for:



Consistency

Applying policies inconsistently across users, in teams across the global operating functions



Technology

Dealing with legacy technology, poor record and data management, unsophisticated artefacts



Accuracy

Manual mistakes, data errors, misinterpretations of policy and procedures



Quality

Resource skills, operating models and controls, user level procedures

How Encompass solves the issues

When it comes to the place of outreach in the overall client journey, there is no perfect process. However, there are ways to reduce the inefficiencies and improve customer experience.

The core benefits of **Encompass** in bringing these efficiencies to what can be a complex process include:



Identifying the risk of a client and the engagement early

Encompass creates bespoke policies for each client. The risk rating of a client and their related parties can be identified at the early stage of the onboarding cycle.



Enabling a structure for retaining documentation, including naming conventions

Configuration of the naming convention of documentation and reports created by **Encompass** can help with record management and record retrieval, while profile number and reference numbers within **Encompass** help with management of data and inhouse records.

Encompass also streamlines processes, allowing organisations to improve their client portfolio and record management quality with a defined structure and consistent application. Following robust, repeatable processes also makes things easier for the KYC analysts, as they are able to be sure of the process and quality of the information they receive, with automation allowing them to focus their time on more business critical tasks.

Find out more at encompasscorporation.com.

About the author

Ketul Patel

Senior Solutions Consultant | Encompass

As a Senior Solutions Consultant in **Encompass'** Delivery Services Group, Ketul is responsible for leading the successful implementation of our solution.

Ketul, who joined **Encompass** in 2019, has a wealth of experience from within the financial sector spanning over a decade. He specialises in operational change within compliance, financial crime and KYC digital transformation.

As an accomplished programme manager, Ketul has led large and complex projects, from concept to implementation, in global banks and leading financial institutions.

Connect with Ketul on [LinkedIn](#).





t +44 (0) 333-772-0002 | +61 (1) 300-362-667
e info@encompasscorporation.com
w encompasscorporation.com

GLASGOW

33 Bothwell Street,
Glasgow, G2 6NL

LONDON

60 Ludgate Hill,
London, EC4M 7AW

BELGRADE

Kondina 13,
Belgrade, 11000

SYDNEY

117 Clarence Street,
Sydney, NSW, 2000

SINGAPORE

9 Straits View,
Marina One West Tower, 05-07,
Singapore, 018937