Accelerating Mergers and Acquisitions in Financial Services

Informatica helps financial services companies reduce the cost and risks of integrating, managing, governing, and sharing data between systems and applications post M&A.

Reduce the Cost and Risks of Integrating, Governing, and Sharing Data

Industry consolidation continues to increase across financial services. According to industry experts, mergers and acquisitions (M&A) will accelerate across the globe as companies seek to expand market share, geographical coverage, and access a more diverse product and customer base. Every aspect of the business gets impacted from these events, from sales, marketing, risk, fraud, and compliance to the customers of each organization.

The hard work of rationalizing, migrating, consolidating, and integrating systems and data between companies usually begins after a deal is announced or completed. Corporate functions including finance, legal, and risk management groups must have access to the right data to avoid disrupting day-to-day operations. Sales and marketing organizations need to quickly identify who their customers and prospects are to support cross-sell opportunities while avoiding problems that could affect their ability to service existing relationships.

Data Challenges and Business Impacts

Unfortunately, there are many hidden dangers to acknowledge and work to be done to accelerate and complete the data management and governance work in support of a merger or acquisition, as shown in the chart on the next page.

Top Data Challenges for Mergers and Acquisitions in Financial Services

Top Data Challenges	Business Impact
• Data that has to be integrated and shared between systems of both companies is not compatible or accessible • Data comes in varying formats and structures	• Delays data migration and integration activities, which can have severe consequences on day-to-day business operations from financial reporting to sales and marketing
• Existing data quality issues and problems can multiply exponentially when merging data between systems and databases across multiple systems of both companies	• Quality issues can impact the usefulness of core business applications, which can affect day-to-day business functions including finance, accounting, customer service, sales, marketing, risk management, and regulatory compliance

Top Data Challenges for Mergers and Acquisitions in Financial Services (continued)

• Lacking an authoritative source of critical business master and reference data, including for customers	• Impacts ongoing sales, marketing, risk management, fraud surveillance, and other business functions that rely on a trusted and complete view of the customer • The ability to develop and execute cross-sell marketing campaigns post M&A to prior customers of each organization can be impacted and nullified
• Test data used for development and QA activities post M&A is not readily available and often unprotected or masked manually	• Delays critical development projects • Increases development and testing costs • Increases the risk of an unwanted data breach if sensitive data is not fully protected

Informatica Intelligent Data Management Cloud for Accelerating M&A in Financial Services

Informatica® helps financial services companies who have gone through an M&A—or are looking to merge with or acquire a company—reduce the cost and risks of integrating, managing, governing, and sharing data between systems and applications post M&A. We allow companies to create a single view of the customer from across fragmented sources to support day-to-day business functions, including sales, marketing, customer support, finance, risk management, and compliance. We enable data management, application testing and development, and data governance organizations to accelerate post-M&A data migration, integration, governance, and security requirements. The Informatica Intelligent Data Management Cloud™ supports new and existing investments to accelerate post M&A data requirements by enabling you to:

- **Accelerate application data migration activities:** Connect, transform, reformat, cleanse, and standardize data across multiple applications by leveraging pre-built data transformation and quality rules to accelerate data migration processes in support of larger-scale application rationalization and retirement needs post M&A.
- **Improve business trust in your data:** Accurately identify errors, build and execute data quality rules to fix those errors, monitor exceptions, and deliver data quality reports and scorecards to improve business confidence in your data across the systems that remain post M&A.
- **Gain transparency into data that exists across the combined enterprise:** Discover, inventory, and organize data assets with an AI-powered data catalog. Get a unified view of enterprise metadata to add context to your data to support the business post M&A.
- **Gain a single view of the customer across companies:** Deliver a consistent view of customers, products, channels, and partners across all front office, customer-facing applications. These include branch and online banking systems, core business applications (including CRM, SFA, and Customer Service systems), mid-office applications (including loan origination platforms), and back office systems (including payment processing and reconciliation systems).
- **Create secure test data to accelerate processes:** Generate on-time, high-quality results for continuous delivery of software while ensuring the development and testing process does not expose sensitive data to unauthorized access or use for post-M&A related projects. Ensure development and QA teams have the right test data as accurately and quickly as possible, without violating internal policies or regional and industry regulations.

Managing Data Post M&A

A leading global investments bank with more than $37 trillion in assets needed to rapidly integrate the data of two merging banking organizations to more immediately realize synergies, achieve a higher rate of success, and introduce a reusable technology infrastructure to support subsequent mergers and acquisitions. By leveraging Informatica for real-time application data integration and management, they were able to:

• Harmonize, transform, and enrich the data from the two organizations—introducing a holistic, single view of information.
• Create an integrated information delivery platform for 30,000 global institutional clients of its asset servicing business across both companies.
• Reduce cost of data integration on its asset servicing project by 50%.

Next Steps

For over 25 years, Informatica has helped financial services companies leverage data as a strategic business asset with trusted, governed, relevant, and accessible data to improve customer experience, increase wallet share, operationalize data governance for risk management and regulatory compliance, combat fraud and financial crimes, and accelerate time to value from past and future mergers and acquisitions.

Learn more at www.informatica.com/financialservices.

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