

The Customer Data Management Group 2010

Programme overview

The CDMG is a special interest group (SIG) hosted by JWG, a think-tank of senior professionals with extensive experience in Financial Services (FS) operations and technology implementation.

It was established in response to comments by participants at JWG's 2008 FORUMS, which identified that improving customer data was a top priority. It is defining the reference operating models required to meet the principles-based demands of customer data management. The CDMG's recommendations have been developed to assist firms aspiring to comply with data regulations and as a benchmark tool for those wishing to enhance their operating model.

CDMG membership is drawn from senior operations, risk and compliance officers from major firms and their suppliers and includes member firms of the Futures and Options Association (FOA) and the Association for Financial Markets in Europe (AFME).

The group is examining the impact of new legislation as it appears – this is not just an IT issue, this is for all people that manage the many functions affected by the regulations.

What are CDMG's 2010 objectives and what is in it for me?

Following 400+ man days of collaborative effort, we distributed our industry guidance on customer data management for UK wholesale firms to 300 financial institutions. Regardless of your position in the value chain, three major activities will add value to your programme this year.

1. Keep on top of and filter/collate relevant issues. Over a dozen new regulations that raise the bar on customer data management requirements have been proposed, or are going into law in 2010. Our analysts stay on top of a fast moving G20 FS regulatory landscape that grows by over 1,000 pages a week and alert members to the top challenges.
2. Analyse hot topics, publish findings and actively promote them. We are conducting surveys across the firms and their suppliers, benchmarking capabilities, summarising the conclusions and engaging with trade bodies, regulators and standards setters to promote intelligent and integrated action plans. Members benefit from helping to define their data agenda and from working on collaborative exercises with other firms to produce analysis reports and guidance documents.
3. Socialise findings and facilitate supply chain meetings to set agendas. In 2010 we have been asked to promote our success to date, recruit new members and help set practical guidelines by working with vendors and firms to create detailed standards and certify working proofs of concept. Members are able to present their views to the market and regulator within the safety of the CDMG brand.

CDMG research indicates that the cost to UK firms of managing their customer updates is over £1 billion per annum and that any efficiency savings will be significant.

Why is it different?

Since 2008, the JWG think-tank, in conjunction with practitioners from 20+ leading firms and their trade associations, has been analysing the implications of new customer data standards on banking infrastructures. The results of their extensive research have been incorporated into a detailed framework that will facilitate development of standards and best practices across the industry.



This CDMG reference operating model provides members with the opportunity to determine their position within the financial herd. The key to the success of the programmes is the ability to confront the common challenges and, as with all of JWG's SIGs, the CDMG is member driven.

- ▶ Individual face-to-face analyst time
- ▶ Peer discussion group - members are self-selecting
- ▶ Output and discussions kept within member group
- ▶ No 3rd party involvement - unless requested
- ▶ Progressive member issue discussion
- ▶ Platform for sharing best practices
- ▶ Framework for deeper research, discovery and initiatives

In order to protect participants, all members sign a collaboration agreement enabling protected and neutral discussion

How does it work?

- ▶ Focused agenda based on member requests regarding specific new regulatory requirements
- ▶ Eight member-only meetings per year with regulatory updates
- ▶ Formally minuted meetings and professional presentations for members' use
- ▶ Members only research on the protected JWG website
- ▶ Quarterly member newsletter
- ▶ Daily, weekly and monthly alerts with flash emails for top issues
- ▶ Complimentary access to 10 regulatory discussions via the FS Club Capital Markets Chamber
- ▶ Entitlement to purchase ancillary services (e.g., training, bespoke analysis) at 5% discount

Who is it for?

- ▶ Operations managers
- ▶ Data quality specialists
- ▶ Anti-money laundering/KYC specialists
- ▶ Risk managers
- ▶ 'Change the bank', technology and compliance programme leaders
- ▶ Data providers and technology vendors

Who is JWG?

JWG seeks to be recognised by regulators, financial institutions and technology firms as the independent analysts to help determine how the right regulations can be implemented in the right way

We are unique. Our independence permits us to collaborate with regulatory and industry bodies, financial institutions and technology firms without serving the interests of any constituent over another.

How do I learn more?

See www.jwg-it.eu or www.the-cdmg.eu for full details of membership, subscription and services.

