

# **How Owlin Helps Companies Benefit from Leading Indicators & Timely Insights**

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The idea of driving your bike with a blindfold isn't something you might fancy, right? Nobody wants to risk hurting himself or those around. Such activities always require complete focus and concentration on the things that surround you, and most importantly, those ahead of you.

Yet, when it comes to investments, many are voluntarily willing to put the blindfold on and ignore what lies ahead. Asset managers have gotten used to trusting the past rather than acting on the future. While the reliance on obsolete data and backward-looking indicators might not crash you directly into a tree, it will surely complicate the process of getting where you want to be.

So, let's put the blindfold aside and discover what leading indicators and timely insights can do for your organization.

## **Overcoming Informational Asymmetry and Deficiency with Leading Indicators & Timely Insights**

In around 1500, the Dutch philosopher Desiderius Erasmus said that prevention is better than cure. But to ensure prevention, one has to identify the threats. In today's dynamic world, more often than not, risks are laid in the future rather than in the past.

Yet, when it comes to investment firms and portfolio managers, we still witness the fixation on using outdated backward-looking data. Whether it is GDP results, credit ratings, or earnings reports, the indicators have one thing in common – they become obsolete the minute they are released.

Companies need to adopt platforms that ensure the collection of forward-looking data and unlock the benefits of actionable intelligence insights. Alternatively, to look beyond yesterday's ecosystem and emphasize what happens now because the news that moves the market are the most recent ones. Ensuring such a timely grasp of the latest developments gives asset managers the freedom for immediate action in capturing opportunities and hedging the risks looming on the horizon.

## **How Owlin Helps Organizations Benefit from Forward-Looking Indicators & Timely Insights**

Our white paper, [How to Remove Informational Barriers From Non-Transparent or Emerging Markets](#), goes into detail to cover the theoretical importance of leading indicators and timely insights.

But nothing speaks better than seeing the platform in action. To do that, we will look at how Owlin has empowered different organizations in their hunt for arising opportunities and efforts to protect from emerging risks.

Let's go through some of our success stories that illustrate the importance of forward-looking indicators for handling challenges across various industries.

### **Schroders – ensuring complete coverage of counter parties and risk assessment through forward-looking indicators**

As a risk-conscious firm, Schroders continuously seeks new tools to ensure its clients' peace of mind.

“Our clients want to take risks through the investments we make on their behalf like buying equity or placing a derivative trade, but don't want to compromise on where we place these trades with.”, shares Emmanuelle Mathey, Global Head of Credit Risk at Schroders.

Schroders' task is further complicated by the task to ensure the best possible execution for their clients' trades. As a result, the asset manager relies on an extensive network of counterparties & vendors for trade execution – from well-renowned investment banks to local broker-dealers from emerging markets.

This diversity raises lots of challenges. In the first case, there is an abundance of information that complicates the process of finding really meaningful insights. Schroder's team has to face the arduous task of navigating through an informational tsunami of hundreds of media alerts. On the other hand,

dealing with foreign brokers often goes hand-to-hand with informational deficiency as entities might not be listed, rated, and with limited news or data, available only in foreign languages. Furthermore, the due diligence and credit risk analysis of the vendors is considered significantly complicated because the majority of the reports are issued yearly or bi-annually. This means the data is retroactive and a couple of months old at best. This makes it hard to predict and avoid unexpected defaults or identify changes in the creditworthiness and insolvency risk of the entities Schroders conducts business with.

To overcome these issues, the asset manager relies on Owlin's platform and its ability to filter relevant topics and gather news from 12 languages, shedding light even on unlisted entities.

By curating a list of forward-looking indicators, Owlin ensures a timely warning system that identifies any potential risks or instabilities in the extensive network of banks and brokers Schroders works with.

That way, Owlin brings Schroders' risk management team only the things they want and need to see and nothing more.

### **KPMG – from static outdated credit-rating reports to timely detection of looming risks and emerging trends**

In a niche where providing market intelligence and real-time actionable reports is of utmost importance, organizations need to stay on top of the latest trends and timely spot emerging themes.

Owlin helps multiple KPMG departments get ahead of the latest developments in various industries within the European and American markets. Our platform fueled the switch from a legacy system, relying on backward-looking indicators and historical data and ensured timely delivery of leading indicators and actionable insights.

This equipped the client with the ability to actively monitor macro and meso events and competitor activity and better position itself to capitalize on emerging opportunities. Our collaboration helps KPMG's team detect material risks related to supply chain networks as soon as they arise, ensuring the needed time to strategize and react.

*“Their ability to come up with innovative designs, strong data visualizations, and an understandable user interface has exceeded our expectations time and time again.”*

- KPMG on Owlin

Owlin's ability to gather risk data from various third-party and alternative sources helps ensure better protection from arising threats and looming risks. By employing Natural-Language Processing, our platform analyzes the topics of interest that gain the biggest press attention to bring the client the latest relevant information at their fingertips.

## Adyen – an automated merchant monitoring and early-warning system to protect from default risk

As a global PSP provider, Adyen's day-to-day operations involve an extensive network of vendors. The company processes billions worth of transactions over thousands of merchants, which complicates the process of overseeing big merchant portfolios and significantly increases its exposure to default risk.

As explained in our [Building Resilient Supply Chains through Technology](#) white paper, the bigger a supply chain is, the harder it is to ensure continuous monitoring of all nodes. In a merchant network as big and as diverse as Adyen's, the process becomes challenging, labor-effective, and error-prone if handled manually.

All this raised the need to adopt an automated early-warning system to help monitor the client's risk exposure on a daily basis and ease the in-house capital reserve planning procedures.

Owlin automates Adyen's merchant monitoring processes and overcomes informational asymmetry to help the payment service provider remain on top of its niche. That way, should a merchant face financial trouble, the payment service provider is timely notified, thus mitigating chargeback and insolvency risks.

*“Using Owlin has been a resounding success to the extent that we have now also started applying the monitoring solution to other departments internally -leveraging the Owlin dashboard for monitoring of our key partners.”*

- Adyen on Owlin

For global operators like Adyen, it is essential to find a way to protect the organization not only from operational instabilities but also from a failure to comply with the stringent compliance requirements. The Owlin platform performs diligent quantification of the risk scores used for capital allocation to help Adyen ease the transparent and reliable regulatory reporting process.

## Fitch Solutions – transparent credit risk and counterparty monitoring for first-class regulatory compliance

As a global leader in credit ratings and research, Fitch Solutions works with enormous amounts of informational inputs from conventional and alternative data points, which they provide to thousands of credit and risk managers globally. The result is a time-consuming and intensive scoring procedure. Paired with the increased regulatory push for more accurate counterparty monitoring, the challenges for Fitch Connect end users become enough to complicate and slow-down the organizational efficiency.

Fitch Solutions' cooperation with Owlin allowed the company to ensure the adequate and timely informational coverage of an extensive portfolio of private and foreign entities, for which data is usually behind a language barrier, incomplete, outdated, or completely lacking.

Owlin's ability to simultaneously monitor over 4.500 financial institutions and generate actionable insights based on news sentiment and analytics is invaluable between filing cycles and rating changes.

*“A bank’s Head of Risk Management says the ability to filter news sentiment at the portfolio level is “a godsend” because their current system of Google alerts was arduous and overwhelming.”*

- Fitch Solutions on a user of Owlin’s integration in FitchConnect

Credit and Risk managers receive real-time alerts, relevant news, and insights on their portfolios, further complementing the research and credit ratings they already have in place. This allows them to detect the unknown knowns and not only overcome the barrier of the lack of information but even collect data from unconventional and hard-to-access.

### **Interested in Making Owlin a Part of Your Success Story?**

The growing complexity of financial markets has led us to a state where staying ahead of the news is no more a choice rather than a necessity. Being there when a story unfolds and accessing actionable insights at the right time will ensure competitive advantage, improve your risk management, and boost regulatory compliance.

If you want to get ahead of the rest by having Owlin by your side, get in touch to discuss the difference we can make to your organization.

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**About Owlin:** Owlin is a news and text- analytics company, which helps finance professionals around the globe monitor large portfolios and detect early warning signals posing potential risk or creating opportunities that foster their investment decisions. Owlin serves a global client base which consists of Asset Managers, Banks, Pension Funds, Payments Service Providers, and Corporates. Owlin taps into more than 3M global internet sources across 12 languages and creates actionable insights in near real-time. For more information visit our [website](#) or reach out to us via [sales@owlin.com](mailto:sales@owlin.com).