

Transcript: ACCA Data and AI - Karen Smith

IBM, June 2021

SUMMARY KEYWORDS

data, insights, banks, qualification, accountancy, holding, customers, holidays, ibm, pmo, ai, mortgages, produces, payment, person, stead, regulator, governing, consulting, hotel chain

Hello, my name is Karen Smith, and I'm a partner at IBM. I started my career at PMO training with ACCA. And from there I was the accountant at a software house. And one day, the managing director came to me and said, Karen, you know all about these charts and accounts, things are the ledgers. Can you come and talk to some clients for us, just to explain what we're doing with the software. I did that. And then that led me into, into consulting out of out of Accountancy into consulting. And where I am today, which is now responsible for data and in financial services at IBM. And it's been an interesting journey. So what types of things do we see at the moment that are trending AI, of course, is a big thing. But I think we should just be clear about what we mean about AI. If we look at data science, data science produces the insights, machine learning produces predictions, and then the AI is the the actions off of that so that these are the next best actions that we can take from those predictions and those insights. Some new case examples that I could give would be particularly around the mortgages space. These these are trends that we're seeing very big at the moment, particularly last year with COVID, we saw this, and they can either be or could either be payment, holidays, perhaps, or even churn. So on pay, let's look at payment holidays, on payment holidays. A lot of people last year struggle to pay their mortgages. And we could gather data that the banks were holding, with externally available data to produce the insights, then to use machine learning to predict what people couldn't pay, why they couldn't pay. And then either give them a payment holiday and the bank with an offering people holidays based on the insights that they had gathered on that data. Some of the issues that we see with that are the quality of the data, the data absolutely has to be good quality. So if you're bringing in external data, then you need to make sure that it's good and qualified, a lot of the government data is pretty good. And you will hopefully be fairly safe with that. And then the internal data, you need to make sure it's clean. And by contacting their their clients, customers regularly, the banks are hoping to keep this as clean as it possibly can. So now, you know, you've got somebody who would benefit from a payment holiday. within your organisation bank, you might also be holding other data about their household, that family, that person, and the regulator is looking very closely at whether if you bring those two pieces of data together, they could act differently for that person. So for example, if if you're also holding in marketing, let's say the fact that this person works for a big hotel chain, and that that hotel chain has just released a lot of people due to COVID. But on on the mortgages application, it just says hospitality or something like that. The fact that you know that they may be losing their job could bring a different insight into it. And the regulator's looking very closely at banks not using those two pieces of data together to treat the customer fairly. And it's all about treating customers fairly, as you would hope. How are they resolving this? They're resolving this by looking at that platform. So it's all important now what data are you holding it? Where are you holding it? And how are you governing it?

So by knowing what data the banks hold, governing it appropriately, then they can foresee these challenges and actually get a better insight into their customers. So that's a couple of examples that I could give. Having, having an accountancy qualification absolutely sets you in great stead many reasons why it gives you the attention to detail. And the accuracy required when dealing with data it makes ensures that your numerator, you can add up I would hope you can add up, which means that you recognise patterns with data you recognise patterns with numbers. And it's all that emphasises attention to detail again, that makes accountancy such a relevant and applicable. qualification to have within data is certainly served me very well. And I know other people that asked to so all the very best Good luck, enjoy your qualifications and don't forget the data.