smarsh®

CHOOSING THE RIGHT COMMUNICATIONS INTELLIGENCE SOLUTION: THE ENTERPRISE CONDUCT ADVANTAGE

Future-proof your communications compliance strategy with Smarsh

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Executive summary

Given the potential risks and costs, selecting the right communications intelligence solution is crucial for your financial institution's success. Smarsh Enterprise Conduct is the logical choice, not only due to the company's strategic innovation and extensive investment in research and development, but also as a result of its unwavering commitment to delivering superior business outcomes. With over 20 years of experience and a track record of success with the largest global financial institutions, Smarsh is poised to address the challenges of communications compliance effectively through a comprehensive, cloud-native platform.

Introduction

Ensuring communications compliance is a challenge for financial institutions. Compliance professionals must find the right solution by partnering with an industry vendor, which can make the compliance journey easier. However, if the solution fails to deliver as promised, it could waste time, money, and resources. Your decision is crucial; it impacts not only your organization but also your career.

Should you invest in a company with limited experience and resources that overpromises and underdelivers a vision? Or should you choose a vendor with a proven track record in compliance, organizational stability, and a commitment to innovation?

Smarsh, a global leader in communications intelligence, is dedicated to addressing complex financial services challenges, focusing on understanding compliance teams' priorities and concerns. As the preferred vendor for communications intelligence solutions for over 20 years, Smarsh provides a unified cloud-native solution, the Enterprise Platform, to address all compliance requirements, from capturing and retaining data to oversight and e-discovery. Enterprise Conduct is the supervision and surveillance solution integral to the Enterprise Platform.

This solution utilizes regulatory-grade AI and machine learning (ML) to automate compliance processes and help financial institutions fully comply with regulatory requirements. Unlike other offerings in the market, Enterprise Conduct stands out as the sole solution that seamlessly aids in achieving compliance objectives both now and in the future. By choosing Smarsh, you can be confident in your decision for long-term success.

Shaping the future through market evaluation and strategic investments

Assessing the current market offerings

Smarsh has carefully evaluated all approaches to addressing communications compliance issues within the market to provide current and future customers with best-in-class solutions. Three main categories of solutions are available in the market:

1. Unified communications intelligence

2. Single-point product

3. In-house-built solutions

In today's market, a unified communications intelligence solution like Enterprise Conduct is the most effective choice. It allows financial institutions to manage risk and improve operational efficiency by offering speed, scalability, compliance agility, and intelligent analytics. This comprehensive solution accelerates risk coverage across all communications through a unified cloud-native platform.

While integrating a single-point product solution may initially appear relatively agile, it's crucial to consider its ability to adapt to the evolving communication landscape. Point product solutions may need to demonstrate greater reliability in the eyes of regulatory enforcement, potentially exposing organizations to significant risk. In contrast, Smarsh's unified communications intelligence solution offers a more secure and reliable alternative, ensuring peace of mind.
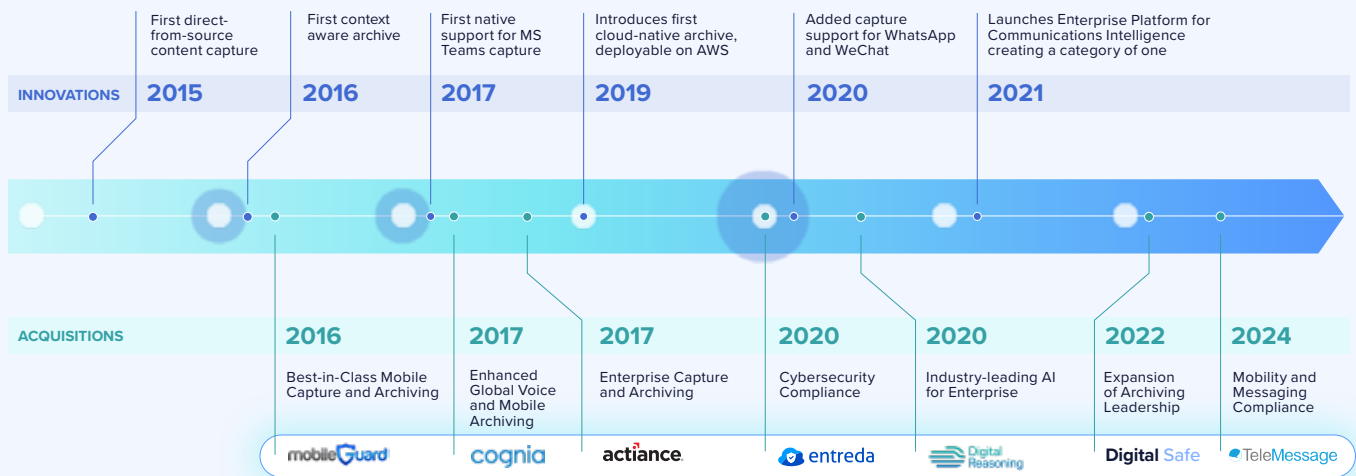
Designing an internal solution to handle risks might seem reliable for addressing business requirements, but more sustainable approaches exist. It is expensive, demands expertise in data science, takes a long time to establish, and involves costly maintenance. Ultimately, the organization and its stakeholders are held accountable if anything goes awry. This decision could endanger the organization's future and incur millions of dollars in creation and upkeep costs.

Investing in strategic innovations

One of the critical reasons behind Smarsh's success is its strategic investments in acquisitions. In 2020, Smarsh acquired Digital Reasoning, a leading AI and ML risk detection technology company. Smarsh chose Digital Reasoning as a partner over other providers in the surveillance space because it had the most comprehensive market reach and a mature, proven ML stack. This investment kicked off the development of Enterprise Conduct. Digital Reasoning added its unique approach to ML models to enhance the Smarsh Enterprise Platform.

The AI and ML capabilities of Digital Reasoning, now part of Enterprise Conduct, have been used by global Tier 1 Banks for almost a decade. As a proven and fully productized solution, Enterprise Conduct is the only solution that contains ML models that are fully explainable to internal auditors and regulators.

Figure 1.1: The innovation and acquisition timeline of Smarsh

INNOVATIONS	2015	2016	2017	2019	2020	2021
	First direct-from-source content capture	First context aware archive	First native support for MS Teams capture	Introduces first cloud-native archive, deployable on AWS	Added capture support for WhatsApp and WeChat	Launches Enterprise Platform for Communications Intelligence creating a category of one

ACQUISITIONS	2016	2017	2017	2020	2020	2022	2024
	Best-in-Class Mobile Capture and Archiving	Enhanced Global Voice and Mobile Archiving	Enterprise Capture and Archiving	Cybersecurity Compliance	Industry-leading AI for Enterprise	Expansion of Archiving Leadership	Mobility and Messaging Compliance
	mobileGuard	cognia	actiance	entreda	Digital Reasoning	Digital Safe	TeleMessage

In addition, Smarsh has been a profitable organization for several years. Many of these profits are reinvested into research and development (R&D) to improve the solutions. Smarsh invests more in R&D than the total combined revenue of its competitors — that's quite significant. The Smarsh customer base directly benefits from these investments, demonstrating the organization's unwavering long-term commitment and stability for the future.

Illustrating why Smarsh established Enterprise Conduct

Creating a future-proof solution

Enterprise Conduct is a cloud-based SaaS application designed to productize Conduct Surveillance, an on-premises solution obtained from Digital Reasoning. Enterprise Conduct seamlessly integrates with the Smarsh Enterprise Platform, enabling organizations to replace selective components or entire solutions for communications capture, analysis, and archiving. Enterprise Conduct's advanced technology assists compliance teams in addressing and resolving crucial use cases subjected to regulatory scrutiny while monitoring essential data to reduce false positives and identify relevant risks.

Organizations can centralize, simplify, and streamline review and audit processes with Enterprise Conduct, ensuring compliance with regulatory requirements. By combining the ML capabilities of Digital Reasoning with the cloud-native functionality and unmatched investment of Smarsh, Enterprise Conduct is purpose-built to tackle the challenges of communications compliance in fast-growing markets by incorporating a mature machine-learning solution.

Enterprise Conduct represents the next generation of communication surveillance innovation and is the only regulatory-grade AI supervision and surveillance solution for communications compliance.

With Enterprise Conduct, financial compliance professionals can implement an effective and efficient compliance strategy that keeps up with evolving collaboration trends, technologies, and regulations with the support of a trusted and experienced partner.

Evaluating Enterprise Conduct vs. competitive offerings

Smarsh understands the challenges and complexities of a bespoke, single-point product. Conduct Surveillance from Digital Reasoning is a good example of why these solutions are unsustainable. Custom coding, single deployments, lack of agility and scalability, as well as rigorous maintenance, are not feasible and highly expensive. For these reasons, Smarsh decided to discontinue support for the product and instead invest in Enterprise Conduct. Like other competitive offerings in the market, the vendors of these bespoke solutions sell organizations a vision but often need more resources to deliver on their promises – which are not obtainable.

Enterprise Conduct's advanced technology assists compliance teams in addressing and resolving crucial use cases subjected to regulatory scrutiny while monitoring essential data to reduce false positives and identify relevant risks.

Restarting a surveillance program with another vendor is a decision that should not be taken lightly. It will require a significant amount of time to work properly and your organization will essentially be starting from scratch with training and maturing ML efforts. This will result in a steep learning curve and several business disruptions, potentially setting your organization back to where it was, or worse, with Digital Reasoning. It's crucial to consider whether your organization can afford to take this risk.

Figure 1.2: Comparing the available communications surveillance solutions

Industry Communication Surveillance Solutions	Smarsh	Competitor A	Competitor B	Competitor C	The Smarsh Advantage
Unified Communications Intelligence Solution	✓	✗	✗	✗	Smarsh is the only vendor that offers a comprehensive cloud-native solution.
No Code Configurations, Evaluations, and Customizations	✓	✗	✗	✗	Smarsh does not require complex coding or data scientists to implement risk coverage – you own your own risk.
AI and ML Model Explainability	✓	✓	✓	✗	AI/ML model explainability is now a standard requirement. With Smarsh, you can trust that the AI/ML model has and will consistently pass regulatory audits.
ML Risk Alerting	✓	✓	✗	✗	Smarsh's ML capabilities have been in production for nearly a decade with Tier 1 banks, leaving the competition years behind in terms of risk detection and alerting quality.
Time-to-Value	◔	◑	◔	●	Only Smarsh delivers the fastest time to true risk identification and productivity in the market.

In Figure 1.2, it is evident that Smarsh differentiates itself from its competitors by offering unique and practical solutions. Smarsh's products enable organizations to progress toward a promising and prosperous future. It's essential to look beyond promises and flashy demos when assessing vendors. Please inquire about the time it takes to realize value, the speed at which ML alerting will be operational, and whether data science or compliance professionals are necessary for implementing the solution. Choose to partner with a company that comprehends your challenges and is committed to collaborating with you to address them.

Demonstrating why Enterprise Conduct is the logical choice

Exploring the reasons to choose Enterprise Conduct

In the communication compliance industry, vendors typically have a very short shelf life. These organizations within this space fail or get acquired for one or more of the following reasons:

1. The scope of their products is too extensive given their resources

2. They cannot keep up with industry innovation

3. They run out of capital and can no longer sustain operations

Smarsh is one of the few organizations — if not the only one — in the industry that consistently innovates, shows stability through profitability, and is dedicated and focused on delivering the best business outcomes for customers. It has been doing so for more than two decades.

Enterprise Conduct is the first communications surveillance offering to combine machine learning models that are customizable and improved continuously. Customers using Enterprise Conduct typically achieve an up-to-95% reduction in false-positive results and up to five times more escalations than traditional surveillance solutions. Enterprise Conduct delivers unique value through a mature product to ensure organizations do not get left behind. Additionally, Smarsh enables financial institutions to:

• **Implement productized machine learning:** Enterprise Conduct's ML has been in production with Tier 1 Banks for nearly a decade. The ML models are trained with carefully curated, anonymized customer data to deliver outcomes specific to financial services – trained by Smarsh data science experts with decades of experience.

• **Experience peace of mind with regulatory-grade AI:** As Smarsh's core differentiator, regulatory-grade AI is the backbone of communications intelligence, providing full explainability, versioning control, rollbacks, and reconciliation. This level of support enables the success of financial institutions, and Smarsh AI capabilities, having passed countless regulatory audits, are a testament to their reliability.

- **Surface more risk with fewer false positives:** The Cognitive Scenarios (ML) and Standard Scenarios (lexicon) of the Scenario Catalogue are designed to proactively highlight language in employee communications. The analytic components of the Conduct Scenarios help identify the desired communications needed to review in employee language, empowering compliance and information security teams to manage risks.

- **Own their own risk with compliance agility:** Organizations can customize the out-of-the-box scenarios to fit their unique needs. From the Scenario Catalogue, a model can be built and fine-tuned, evaluated for accuracy with below-line threshold testing, and finally deployed into production to start surfacing real risks promptly.

- **Achieve comprehensive risk coverage with a unified platform:** The Enterprise Platform enables customers to manage the entire lifecycle of data, from content capture and data retention to supervision, surveillance, and discovery. Customers can deploy the platform's solutions individually or as a unified service, providing the highest degree of compliance across diverse communication architectures.

Smarsh stands out as a pioneering force in the industry, consistently delivering innovative and stable solutions that cater to the specific needs of financial institutions. With a focus on regulatory-grade AI, customizable machine-learning models, and a comprehensive platform for managing data, Smarsh provides the tools necessary to proactively identify and manage risks while ensuring compliance agility.

Migrating efficiently from Conduct Surveillance

The surveillance industry is challenging to navigate as it is constantly changing and highly regulated. Smarsh understands that more than just software needs to be delivered. Financial institutions need to ensure that the AI and ML technologies of a surveillance solution can be approved through its model risk management (MRM) — a process that can take several months with a new vendor. With Smarsh regulatory-grade AI, the MRM process is seamless, especially when migrating from Conduct Surveillance.

Smarsh has a dedicated team and resources to help your organization smoothly transition from Conduct Surveillance to Enterprise Conduct while maintaining business continuity and mitigating risks when migrating models, lexicons, analytics, and data. You don't need to start from scratch with a new solution that could take months or years to ramp up. Smarsh can ensure an efficient time to productivity, supported by the stability of a profitable organization.

Partnering for a promising future

Choosing a reputable partner such as Smarsh is imperative for your compliance strategy. Enterprise Conduct offers automation, regulatory-grade AI, and an easy migration path from Conduct Surveillance, making it a compelling option for effectively addressing compliance requirements while reducing costs and mitigating risks. With Smarsh, you will not just have access to a solution, you'll have a mature platform to scale your compliance needs.

It's now more crucial than ever to partner with a vendor who understands how the intersection of communications, technology, and regulations will affect your company. Choose Enterprise Conduct for your communication supervision and surveillance needs and benefit from a future-proofed solution, as well as the stability and support of an organization with your best interests in mind, ensuring your company's readiness for the evolving data landscape. Don't comprise or settle for less — choose Smarsh for long-term compliance success.

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Smarsh® enables companies to transform oversight into foresight by surfacing business-critical signals from the most in-demand communications channels. Regulated agencies of all sizes rely upon the Smarsh portfolio of cloud-native digital communications capture, retention and oversight solutions to help them identify regulatory and reputational risks within their communications data before those risks become fines or headlines.

Smarsh serves a global client base spanning the top banks in North America, Europe and Asia, along with leading brokerage firms, insurers, and registered investment advisers and U.S. state and local government agencies. To discover more about the future of communications capture, archiving and oversight, visit www.smarsh.com

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