Finding the **Next Watson** Use Case

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**Our Charge**

"Find new, viable use cases for Watson, which leverage its unique analytical capabilities."

**Proposal**

Use **Watson** to disrupt the process of complying with regulations at Banks and Financial Institutions.

**Problem at hand**

The volume of unstructured information to handle.

The collapse of Enron

Sarbanes-Oxley (2002)

66 p.

The financial crisis of 2007-08

Dodd-Frank (2010)

849 p.

Volcker Rule (2014)

900 p.

Millions of internal/external documents

Staggering cost of compliance with the Dodd-Frank Act is estimated at $70B for large Banks.

The Volcker rule alone may result in the hiring of 3000 FTEs, and compliance costs of $350M.

**Use Case**

**As is:**

Rule creation in progress; Cases accumulate daily.

Bank Analysts sift through all the information, identify and connect relative info, then conduct impact analyses.

CFO/Treasurers make decisions on suggested processes/products changes.

**Can be:**

Regulatory Analyst **Watson** can help combining textual analytics of unstructured data, cognitive reasoning powers, machine learning using strong memory and closed feedback loop.

**Future Plans**

**Watson** transforms regulations/governance: not meant to burden industries with paperwork, meant to promote fair competition and best practices.

**KPIs**

**Improved EBITDA:**

Competitive advantage, higher market share, higher revenue and lower operating costs

**Revenue enhancement:** Watson enables faster decision making compliance with regulatory requirements, allowing financial institutions to introduce “compliant” products before competitors and hence capture market share.

**Improved efficiency ratios:**

**Compliance cost reduction:** Watson reduces the need for lower level personnel and allows analysts to focus on higher level tasks.

**Streamlined processes and reduced duplication:** Watson can allow financial institutions to reduce the amount of duplicative or misdirected work that could come from hiring vast numbers of compliance experts to interpret and map the impact of changing regulations.

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