Transforming Global Risk & Compliance
Pneuron Distributed Platform
Pneuron provides the unique ability to configure and deploy real time, mission-critical GRC functions, components, products, rules, models or analytics without the cost and complexity of centralizing data, integrating diverse systems, or acquiring added technology platforms. This breakthrough distributed technology not only allows clients to rapidly create new GRC intelligence, products and operating models, it also extends the life and capabilities of existing GRC systems by integrating new data and functions without risky system re-writes or replacements.

These key capabilities are realized through the Pneuron Distributed Platform in two ways. First, clients can visually configure Pneurons, data interaction, analytics, matching, and modeling in order to create applications, intelligence and operating models as networks of functionality. These networks connect diverse and distributed sources and functions without the need for traditional data integration and centralization. Secondly, clients can leverage analytics, models and key functionality already available in existing systems and incorporate these “remote” components within the Pneuron solution. Pneurons also import existing analytics and models, “wrap” existing system functionality, and deliver results to existing Business Intelligence tools to further simplify the process of leveraging advanced analytics. By combining a new and powerful approach to accessing and integrating critical data, systems and functions with the ability to leverage and extend existing technology, Pneuron delivers unparalleled agility in the GRC space.

The tangible result is a real-time, globally distributed analysis, transparency, interdiction and intelligence solution delivered at around 40% of the time and cost of current approaches. Pneuron deployment bypasses the need for large data and systems integration, requires little to no additional hardware, does not require replacement of existing investments, and adds multiple years of reuse for existing GRC applications.

“The more I think the more I am convinced that @Pneuron_Corp. is the coolest GRC 3.0 technology.”

-Michael Rasmussen, GRC 20/20
The principal challenge in GRC is not analysis but the opacity created by distributed, multi-source and multi-location data that undermines decision support, analytical time to value, and transparency.

Pneuron directly addresses this challenge, revolutionizing time to market, cost of deployment, organizational agility, operational productivity and GRC application longevity.
Pneuron provides an “Innovation Multiplier”, focused on enabling critical Intellectual Property (IP) to be integrated, merged and distributed in a highly resilient, real time and fully distributed platform that is non-invasive and non-imposing on existing technologies or applications.

The key design point is the use, distribution and management of low intrusion, “uniformly interoperable” components (Pneurons) that connect and interact directly with any data sources, systems or applications. Pneurons are deployed as interoperable networks across all components of the GRC value chain, without the need for traditional data and systems integration, ETL, Business Intelligence, BPM or alien and abstract data models. The result is the enablement of huge efficiencies in GRC deployment, increased transparency and interdiction, and operational agility that most previously considered impossible.

Speed, agility and interdiction are the foundation to the Pneuron design, ameliorating the need for an abstract or alien data model that imposes expensive and time consuming normalization requirements. Pneuron also removes the performance bottleneck of current centralized database dependent business intelligence or GRC applications. Further, the cost, time, risk and productivity challenges that constantly undermine GRC because of distributed data, applications and functions are inherently mitigated with Pneuron’s distributed approach to connecting data, systems and ultimately creating intelligence.

The platform is business problem, technology and deployment agnostic – counterparty, credit or liquidity risk, market volatility capital alignment stress tests, regulatory reporting, AML behavior detection, global derivatives pricing models/ revaluation methodologies, Dodd Frank regulatory adherence, global ethics standards discipline.

The key to all of these challenges is the effective, timely, flexible and cost effective access to globally diverse and distributed data. Pneuron has solved this distribution challenge by eliminating the costly and risk-laden processes of data normalization, movement and duplication. The tangible result – Pneuron can take current GRC applications, business intelligence solutions, rules, models or analytics and enable them to be independent from the need of the central database or data model. This approach to GRC enables the business to reduce the TCO of the implementation business case by around 50%, with that value increasing as the business need is ever more complex or global.

Moreover, as regulations change, business models evolve or acquisitions increase an Enterprise’s complexity. Most GRC products are either replaced, rebuilt or renewed through expensive upgrades. With Pneuron, such cost is reduced by over 60% through the enablement of new functions, rules, models, and analyses. In fact, entire applications can be added, merged and distributed through the Pneuron platform as additional components, or as either a compound or hybrid product. This all occurs without the need for reprogramming, refactoring or reliance on the vendor to provide additional services and development support.

Pneuron provides the capabilities to define and deliver new GRC models, combine these models together into different GRC evaluations, and provide real-time visualization and analysis of the results.
In short, Pneuron seeks to revolutionize the total cost of ownership and return on investment within enterprise GRC investments. Real time leverage of existing assets and investments without the need for new hardware and without the need for data integration or normalization services can now be achieved with the Pneuron solution. With Pneuron, clients now have an alternative approach to the reactive, expensive, and one-off solutions that hampered their ability to address changes in the market and regulations in the past.

No Replacement Growth in Value
Pneuron Intelligence Segments are easily and continuously updated in real time. Additionally, services allow for continuous creation of new products, output and models as business evolves and new data or product demands are invented. No replacement required.

Replacement, Third-Party Dependency or Enterprise-Wide Upgrade (4-6 years)
Current solution designs degrade in performance and value as volume and complexity grows. Functional value becomes antiquated, expensive or a huge code-line base over time as requirements and user demands evolve.

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The Value/Return to Organizations That Adopt It

Implementations are showing 40-50% reduction in cost of deployment of global analytics, the extending of the usefulness in access and time of Compliance and GRC legacy applications (versus replacement, system wide upgrade or rewrite) and the reduction in maintenance costs by around 60%. Specifically Pneuron provides:

- Move analytics to the data rather than the traditional movement of data to the analysis. As a result huge efficiency is realized by bypassing traditional systems and data integration.

- Leverage and improve current GRC applications or Business Intelligence (BI) investments, and integrate the enterprise to create real time intelligence at a fraction of the cost of traditional vendors.

- Expand the capabilities of GRC applications within Pneuron without imposing changes to existing applications nor significant SI, rewrite or replacement demands.

- Evaluate and apply GRC changes on visualized results and automatically apply changes from any source – existing applications, mobile, web.

- Eliminate of the need for a centralized data warehouse or large computational hardware.

- Deliver realtime enterprise intelligence, risk transparency, enterprise arbitrage, single customer view, enterprise performance metrics or any number of business solutions, realizing value immediately and bypassing intermediary technologies like ETL, BI, MDM or centralized databases.

- Triple the life span of existing multi-million dollar IT project investments.

- Increase enterprise productivity and speed to interdiction by 40-60%.

- Gain greater flexibility and independence for IT and the business to be creative, competitive and cost effective in their pursuit of operational and enterprise excellence.

With Pneuron, organizations have been able to triple the lifespan of existing multi-million dollar IT project investments.
Global Risk and Compliance Business Examples

GRC Example 1: Compliance Operational Productivity – Anti-Money Laundering

Pneuron offers a simple but compelling alternative to the current expensive, onerous and often slow investigative process resulting from huge numbers of case alerts generated by transaction monitoring systems and other processes – adding 60-70% improvement in productivity across the FIU – without the need to change or replace your current Transaction Monitoring or Case Management systems.

Currently alert data and information (from TMS’s, web sites, KYC systems, and relationship systems) need to be accessed, aggregated, organized, aligned and reviewed before conclusions and investigation can be started. Yet over 92% of alerts are false positives, a duplicate or a low priority issue (according to ACAMS).
Instead Pneuron quickly and simply connects (Data Interaction Pneurons) all components of the investigative process and workflow with real time analysis (Analytics Pneuron), matching (Matching Pneuron), and rules (Rules Pneuron) to immediately provide alert disposition and recommendation including identifying false positives, duplicates, client triage requirements and finally alert importance. This approach reduces investigation times of 20-30 minutes down to just a few seconds.

All analysis, rules and preferences are the clients, with no replacement or rewrite of existing IP or applications, nor the requirement to retrain the existing team, acquire new hardware or require reduced volumes from the monitoring system. In fact, the Pneuron solution and the productivity it offers encourages the customer to decrease thresholds and so actually increase alerts coming from the transaction monitoring systems.

The implementation enables the investigator to review and decide on pre-processed recommendations presented in the existing case system with input and analysis from Pneuron – which, is operating in the background connecting data, applications, workflows and generating real time analysis and intelligence directly to the investigator.

The entire process works seamlessly, integrates with the current transaction monitoring, case, ETL, client rule and analytics preferences and other legacy systems, adds additional functionality and also automates the investigative process, tripling investigator productivity, cutting alert volumes in half and allowing the AML or Fraud Investigation Unit to focus on what is really important – identifying money laundering and fraud.

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GRC Example 2: GRC Capital Analysis and Global Risk Performance

Although the market and its regulators are coming to some consensus in the analysis of Risk, Risk Management remains a highly problematic data access and integration challenge – often burdened with distributed data and systems, integration budgets and training challenges.

Using our new approach, Pneuron allows the establishment of global, integrated reporting standards, regulatory reports and risk transparency through the distribution of any analysis, models, what-ifs, sensitivities or other rules through Pneurons positioned directly at or near source systems. Integrated intelligence from the entire global enterprise is then passed to any reporting, BI and risk system, providing a Risk and Capital “Heartbeat” of the global enterprise, its risk performance and its assessment against any preferred risk metrics – all displayed and managed through interactive dashboards on the Global Risk Officer’s (GRO) i-Pad.

Through Pneuron, Enterprise Risk Management transforms from a batch or scheduled amalgamation of reports, data and information reconciled periodically by various businesses, and becomes a minute by minute understanding of all global operations, their activities and their interactions. True global risk transparency and operational productivity – delivered at a fraction of the cost and time of previous alternatives.
GRC Example 3: Enterprise Regulatory Platform™

The response to financial regulations has not changed in two decades: procuring dedicated applications, spending 70% of project costs on identifying, normalizing, moving, storing and then optimizing necessary data before any level of transparency can be attained. High cost, low return projects fail to address a specific, regulatory defined requirement. This process has been unable to create consistent, cross enterprise transparency, reporting and risk interdiction. Moreover the deployment and management of regulatory solutions has undermined institutional agility and failed to solve the very objectives that cross system regulations have sought to address.
Pneuron customers have solved these challenges. They are addressing any number of regulatory, reporting and GRC requirements – Dodd Frank, FATCA, AML/KYC, Credit & Counterparty Risk, Insolvency & Resolution Planning, anti-Corruption – from a single screen and at a fraction of the cost, time and risk of traditional approaches. The Pneuron Regulatory Platform™ enables the identification, access and analysis of necessary data by targeting only required data and eliminating bulk data transfers and normalization. The client also uses existing applications, models and analysis with no replacement or rewrite. Pneuron clients quickly implement a uniform, seamless and non-intrusive regulatory reporting “connective tissue” without the need for data integration, data management and unnecessary application or hardware procurement costs.

This “one ring to rule them all” approach allows global regulatory reports to be created at 20-30% of current costs for individual regulation projects. Pneuron customers, as a result, are addressing any number of regulatory or internal MIS demands, are enabling real time interdiction, and have achieved cross enterprise transparency that is increasing rather than hindering business agility.

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**GRC Example 4: IRS FATCA Reporting**

FATCA deploys Query Pneurons (to acquire required data from distributed sources and databases), Matching Pneurons (to run name derivations, fuzzy name, deterministic or probabilistic matching) and Analytics Pneurons (to identify US citizenship and assess total holdings) on a global basis to identify bank customers subject to this IRS ruling.

Once completed the client may also want to run predictive models against the results to identify flight risk, peer profile metrics or propensity analysis. Such complex additions with Pneuron are simply a function of adding a new Pneuron using a single screen. Output can be to dashboard, reports, other applications or IRS reporting templates.

With this process in place additional Pneurons can be added to focus on Credit Risk, establish a foundation for LEI, or any number of other advanced analytical services. A recent deployment of Pneuron addressed a Customer’s needs and completed global deployment in 5 months covering 100+ systems, 3 continents, and 18 countries.

**GRC Example 5: Insurance Risk and Claims Automation**

A global insurance company used Pneuron to seamlessly automate their claims management and processing flow, creating a real-time evaluation and claims management process with associated reporting in just over a few weeks. The alternative had been a year-long centralized database project.

With this network in production the client is now, with no assistance from Pneuron, adding new analytics Pneurons with Client Risk and Activity analytics. Adding these enhancements is simply a function of visually configuring and connecting Pneurons (in the Design Studio) with the Pneurons and networks already in production. Now the customer’s distributors and relationship managers run risk and probability analysis for pricing, for KYC, opportunity analysis – all from their mobile device!
Pneuron’s rapidly configured integration and analytics support risk harmonization, analysis, and alerting to staff and systems globally with one consistent, real-time risk “fabric” – no matter what model, analytics or systems are required to address your chosen risk model.

This approach addresses the traditional problem in which disparate systems, lines of business, and risk schemes and models preclude effective roll-up, analysis, and management of enterprise and cross business risk. Now, organizations can realize global risk transparency while gaining consistency in analytical standards and reporting structures—all at a dramatically reduced time and cost investment. Pneuron provides the agility to change risk analysis, metrics and decision criteria as business, markets and regulations continue to change and evolve in today’s rapid economy.

For more information on the Pneuron Solution and the benefits it can bring to your organization, please feel free to connect with us:

- info.pneuron.com
- youtube.com/PneuronCorp
- plus.google.com/+Pneuron
- linkedin.com/company/pneuron-corporation
- twitter.com/Pneuron_Corp

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