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## Overview

### Challenges

Deliver secure and anonymous exchange of high-quality operational risk loss data. Automate time-consuming loss data collection and distribution. Provide scalable system for rapidly growing member base.

### Solutions

OpenPages-based core data system provides Web-enabled operational risk loss data capture and analytics. Automates the process of identifying, measuring and monitoring operational risk. Flexible platform enables ORX expansion into new service lines and reporting options.

### Benefits

Removed the potential for human error and ensures a higher level of accuracy and completeness. Reduced processing time by 50 percent. Improved ORX members' collective capacity to understand and quantify operational risk.

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# ORX – Transforming operational risk analysis at the world's largest banks

The Operational Riskdata eXchange Association (ORX) is the world's leading operational risk loss data consortium for the financial services industry. Incorporated in Zurich, ORX is a not-for-profit industry association that was founded in 2002 with the primary objective of creating a platform for the secure and anonymous exchange of high-quality operational risk loss data. The organisation currently has over fifty members made up of the world's leading banks and has, over the past three years, developed a database of approximately 143,000 operational risk losses, totalling over of EUR 47 billion.

## Challenges

ORX collects and holds operational loss data from across the banking industry in order to improve its members' collective capacity to understand and quantify operational risk. Historically, ORX's system for data collection was largely manual – member organisations would have to burn encrypted data onto CD ROMs and then send them to ORX who would then unencrypt them its end. Then, once the analysis had been done and the reports compiled, ORX would encrypt the reports and burn them back on CD ROMs, before sending them back out to its members.

In the last seven years ORX has grown from 12 members to over 50 and while this system sufficed in the Association's early days, it was proving costly and time consuming as the organisation grew. To help meet these challenges ORX needed a scalable, technical solution that would enable it to collect data and distribute reports efficiently and securely.

“The system we were using met our needs when we were a fledgling organisation with just 12 members,” said Simon Wills, executive director, ORX. “But we now have 52 members made of up the world's largest banks and we needed a solution that would help us deliver a service appropriate to such a group.”



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*“This next-generation system has allowed us to significantly improve the service that we offer our member banks and will support our plans for growth.”*

— Simon Wills, Executive Director, ORX

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## Solutions

In early 2008, ORX selected OpenPages to help transform and web-enable its operational risk loss data capture and reporting capabilities. ORX chose OpenPages based on its ability to deliver a scalable, tailored solution that would support its plans for growth and the delivery of additional, sophisticated services. ORX was also impressed by OpenPages domain expertise and partnership with IBM, which was providing the supporting infrastructure.

“OpenPages worked closely with our team to ensure a smooth and efficient implementation. We had a really strong project team and the implementation was executed well. The OpenPages team was extremely focussed and responded professionally and with expertise when any problems did arise,” continued Wills.

## Benefits

In January 2009, ORX's new web enabled service, powered by OpenPages enterprise risk management solutions, went live. The next-generation platform has transformed the service that ORX provides to its 52 member banks. Data can now be securely exchanged across the internet, eliminating the time consuming use and delivery of encrypted CD ROMs. The new system greatly reduces the potential for human error and ensures a higher level of accuracy and completeness by automatically alerting member organisations when data is due to be submitted, and providing guidance through every step of the process. The system provides ORX with visibility into the status of the collection cycle and enables them to identify any organisations that are struggling.

The implementation of OpenPages software has reduced the time from data input to the publication of reports for members' consumption. The process used to take between six and eight weeks, but this can now be done in around four weeks. The OpenPages solution runs on IBM WebSphere®, and uses IBM Cognos software to deliver enhanced reporting capabilities. Previously, ORX only produced 12 standard reports but it can now create customised reports which can be viewed at any time.

Data security is the highest priority for ORX. The OpenPages application hosted in the IBM Wintertuhr facility provides a secure environment for the exchange of data while also allowing a more efficient process for the Association and its members.

“This next-generation system has allowed us to significantly improve the service that we offer our member banks and will support our plans for growth. We can now gather and process data far more efficiently and are able to offer enhanced analytics,” said Wills. “The flexibility of the OpenPages platform means that moving forward, we can offer new services to our existing customers and extend into different regions.”

“In the current economic climate all eyes are on risk management,” said Michael Duffy, president and CEO of OpenPages. “This new web-enabled system is a critical step towards improving operational risk management at the world’s largest banks and will enable ORX to deliver sophisticated new services to its members.”

### **About IBM Business Analytics**

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