

# Financial Crime Prevention: Reskilling to Minimize Risk and Costs



## Background

Amidst today's rising financial crime rates, the banking industry faces several sizeable challenges including the state of the economy with rising inflation and recession risks, the war for talent and the 'Great Resignation', and increased scrutiny from regulators.<sup>1</sup> With regulatory action and competitive threats driving change across the compliance industry, banks will continue to invest in new technology solutions in 2022-2023.<sup>2</sup>

The fines for financial crime regulatory breaches are costly, totalling over \$5.4bn in 2021.<sup>3</sup> As perpetrators become more sophisticated, the need to **accurately assess and subsequently develop talent internally to combat new threats is even more critical.**

"Only 62% of participants in a recent global Anti-Financial Crime (AFC) study agree that there are sufficient skilled and trained personnel for AFC."

The skills needed to perform Financial Crime and Compliance activities are transferable across FCC capabilities—particularly when augmented via upskilling and thoughtful team configurations, to close the technical skills gap.

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Now more than ever, it's crucial that leaders in financial services have the tools to assess their current workforce and predict necessary changes. SkyHive's solutions provide a visualization of workforce data and prescribes strategic solutions. Because now more than ever, you need to know how to lead through times of uncertainty—in a real-time and cost-effective way.

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<sup>1</sup> Fuller, J. W., & Kerr, W. (2022, March 25). The great resignation didn't start with the pandemic. Harvard Business Review. <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>

<sup>2</sup> ComplyAdvantage. (2022, June 6). The State of Financial Crime 2022. ComplyAdvantage. <https://complyadvantage.com/insights/the-state-of-financial-crime-2022>

<sup>3</sup> Fenergo. (2022, May 17). Global AML Fines Report. Enforcement Actions in a Covid Climate: A Global Research Report on Financial Institution Fines and Enforcement Actions. <https://www.fenergo.com/aml-fines-report/>

## Client Challenge

Banks are investing significantly to improve financial crime prevention measures to meet regulatory needs and mitigate risk, spending up to \$250m annually over the next 5 years.

Recent regulatory fines and challenging market conditions have forced banking institutions to re-evaluate how they view talent internally. It has become increasingly important to:



**Understand and address financial crime skill gaps** to improve performance (e.g. mitigate risk of a significant penalty) while retaining and upskilling staff members who are difficult and costly to replace.



**Continuously benchmark internal skillsets against the external labour market** to understand how to gain an advantage in the hiring and retention of specialist knowledge workers.



**Leverage reskilling insights** to assign necessary training, bridge skills gaps identified, and track individual progress on an ongoing basis.

### Use-Case

A SkyHive enterprise banking customer embarked upon a long-term, strategic project to rapidly assess the level of competence across business units of their employees anti financial crime skills. Using a set of target personas with the expected AFC skills, employees were able to quickly assess their proficiency levels and therefore targeted learning was assigned to close the individuals skill gaps. The approach, powered by SkyHive, resulted in higher training completion rates, increased organizational AFC capabilities to mitigate against potential regulatory fines, and lower financial crime write-offs.

## RECENT REGULATORY FINES FOR FINANCIAL CRIME

Over **\$4.7bn** in fines in **2021** in the US & EMEA alone:

Credit Suisse

**£147m**

for 'serious financial crime due diligence failings.'

NatWest

**£264m**

for AML failures.

HSBC

**£64m**

breaches of the Money Laundering Regulations 2007 related to financial crime in the Retail bank sector. A financial penalty has been imposed.

ABN Amro

**\$574m**

Capital One

**\$390m**

Deutsche Bank

**\$130m**

"Current talent analytics platforms lack the external market data necessary to provide benchmarks against internal findings. SkyHive automates skills detection, forecasts skills evolution and provides learning program recommendations that can reduce skills gaps or support career movement."

—Gartner

## Our Solution

SkyHive's provides advanced skills insights into our client's internal workforce on an ongoing basis using our external labor market data. This ensures alignment of the internal curriculum and learning content development with industry standards.

SkyHive started by conducting a rapid skills assessment for 850 employees across 19 teams, representing 80 unique positions related to anti-financial crime. This was based on a range of anonymized employee data (CVs, job descriptions & employee role history) to determine the baseline skills within the organization and existing role definitions.

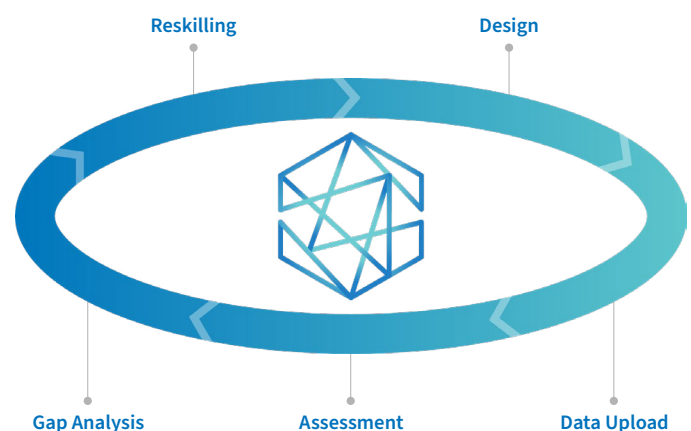
With SkyHive's technology and framework successfully implemented, our client can **continuously benchmark and assess the skills of its employees against the external labor market**, significantly increasing the ability to upskill and retain talent. The client can now rapidly compare its workforce against industry benchmarks and identifying Anti-Financial Crime skills strengths and gaps by team and by role.

This automated, granular skills assessment will be completed on an annual basis to maintain and improve the Anti-Financial Crime skillset internally, however, our product can also be leveraged by other teams and departments to address their specific needs.

## Implementation

The initial skills assessment and labor market benchmarking program took just **8 weeks to complete**, delivering exceptional time-to-value.

**For all subsequent years, this process takes just 4 weeks.** The project was completed in 5 phases: Design, data-upload, assessment, gap analysis and reskilling. This allows hyper-relevant training programs to be rolled out on a continuous basis to address the gaps identified and mitigate potential regulatory fines as well as lowering write-offs result from financial crime.



"Developing a long-term strategic plan that creates a legacy for your financial institution starts with retaining top-tier talent who feel appreciated and animated about your company's focused purpose."

—Forbes

## Outcomes & ROI

SkyHive rapidly identified the financial crime strengths, knowledge gaps and broader skill gaps at an aggregate, business unit, team, and role-level across the client's target population.

The ROI of this engagement for our client was significant:



\$3-4m in cost avoidance, with AI technology replacing manual analysis undertaken by internal resources or external consultants.



Reduce risk of \$50m+ fine by upskilling talent to adhere more closely to Anti-Financial Crime best practices.



Continuous benchmarking and development of key skills both internally and versus competitors—this is only possible through SkyHive's solutions and automation capabilities.



Significantly higher efficiency in Learning and Development through targeted training—the average across our client base is 70% higher efficiency in this area.



Increased employee engagement and retention.

To learn more visit: [www.skyhive.ai](http://www.skyhive.ai)

We are recognized by leading organizations.



**ABOUT SKYHIVE** At SkyHive, we've built the world's only Quantum Labor Analysis® platform to optimize human economies in realtime for companies, communities, and countries. Essential for digital transformation, our platform informs and benefits the entire job cycle from the individual worker to the corporation to the global economy. By marrying economic theory with workforce modeling and human analytics, we illuminate the reskilling journey and provide customers with a capable and future-proof workforce that closes the skills gap with speed and efficiency unleashing human potential for individuals, organizations, and governments.

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