Xceptor

Xceptor provides a platform that automates financial services processes involving all types of data, with a focus on unstructured data. Already a well-established and respected player in the financial sector, it is taking this opportunity to enhance, expand, and potentially transform its business by using AI to automate and replace complex and costly end-user computing activities.

Founded 2003 | HQ London, UK | 250 employees (approx.) December 2023

The Company

Xceptor provides a platform that automates financial services operational processes, converting structured and unstructured multi-format and fragmented data into trusted, reliable sources for capital markets clients including Citi, Deutsche Bank, HSBC, Northern Trust, and State Street.

Xceptor was founded in 2003 and was acquired by equity firms Astorg Partners and Corsair in March 2021. The company is headquartered in London and has offices in New York, Cape Town and Singapore. Xceptor is led by CEO Michiel Verhoeven, who joined the firm in April 2023 after a decade working as Managing Director of SAP for the UK and Ireland.

The Technology

The Xceptor platform is, at heart, a data automation engine designed to ingest an extensive range of unstructured, structured, and semi-structured data at scale. This includes data from multiple business applications and processes, and in multiple formats such as emails, PDFs, contracts, messages, and more. Once ingested, the data goes through a process of cleansing, transformation, validation, and ultimately matching, to ensure it is accurate and ready to distribute.

On top of this core layer are tools and technologies that facilitate automation and design workflows, build applications, conduct analysis, and make reports. In short, the platform can be configured and integrated into complex financial services infrastructures to automate part or all of an end-to-end process. Of note here is that all clients have access to the same functionality regardless of their

Figure 1
Xceptor Platform
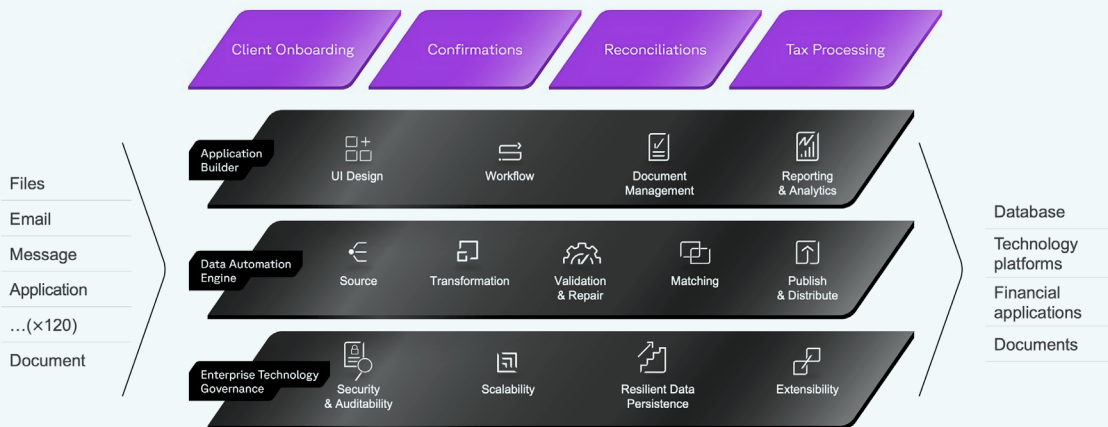
project's scale or complexity. Both the platform and products can be deployed in the cloud via a SaaS model or, as is common in financial services, on-premises.

Many customers engage with the platform via four modular Xceptor applications (solutions): client onboarding, trade confirmations, tax processing, and reconciliations (see Figure 1). All in all, this is a comprehensive and well-designed technology stack that has rightly gained considerable traction in the financial services sector.

What truly interests Deep Analysis is that Xceptor started as a business process management (BPM) platform and has evolved, and continues to evolve, into true intelligent process automation, incorporating intelligent document processing (IDP). Capital market activities involve vast amounts of unstructured information; historically, much of what workers do is opening and reading files and undertaking manual key entry activities. Xceptor provides the technology to reduce this manual work and increase the speed and accuracy of transactions and workflows, improving efficiency and reducing risk. It combines powerful and complex automation capabilities with AI (IDP) to unpack, understand, and process documents. AI is used extensively across the platform for processing documents, analyzing intent, flagging items needing human intervention, summarizing long-form text, and recommending more efficient process activities.

Xceptor utilizes a range of AI modules from Google, Microsoft, Amazon, and Eigen Technologies (focusing mainly on NLP) to extract and categorize data from unstructured file formats. But most interesting, and providing insight into where the firm is heading, is that it has also started utilizing AI for legal clause analysis.

This is interesting because the financial services sector is on the brink of AI-led change, and when most think of AI and capital markets (for example), they think of digital assets. However, an equally profound AI change comes from long-form document analysis and processing. It is one thing to extract data from unstructured files accurately and another to understand the contents and their relationship to other documents and data. In targeted financial processes through AI, there is the potential to automate much more manual work, often removing the human from the loop entirely. In parallel, there is the possibility to reduce the potential for errors, uncover hidden insights, and enhance risk management. To achieve this, the data that feeds the AI modules must be in perfect order. And this is where Xceptor excels, as it automates standardizing, cleaning, categorizing, enhancing, and validating unstructured data at volume before processing. The AI modules then feed and run on accurate data, and potential errors and risks are identified from the get-go. This may seem obvious and logical, but it's surprisingly rare in automation and IDP products.

In summary, Xceptor has been designed to automate and replace complex and costly end user computing (EUC) activities. This type of automation is increasingly in demand across the financial sector, not just to reduce costs but also to meet regulatory requirements like the recent SEC T+2 to T+1 rule amendment, which demands that routine trades are all completed within 24 hours.

💬 Our Opinion

Xceptor is a well-established and respected player in the financial sector, and it has spotted an opportunity to enhance, expand, and potentially transform its business. For all the hype surrounding AI, particularly GPT, large and complex enterprises move slowly as they need to assess and mitigate risks and adhere to regulations. Xceptor is leading the charge; it understands its customer needs in (excuse the pun) exceptional detail, particularly in the context of the extensive regulatory, audit, and control requirements, and is positioned to be a trusted partner.

💡 Advice to Buyers

If your company wants to automate complex tax processing, capital markets operations, or reconciliations at scale, consider using Xceptor. Similarly, if you already work with consultancies such as Wipro, KPMG, and Delta Capital, discuss with them the value of partnering with Xceptor. In our analysis, Xceptor is one of the few all-in-one, end-to-end options available on the market.

🔍 SOAR Analysis

Strengths

→ Well-established and trusted technology vendor
→ Deep understanding of its customers' needs

Aspirations

→ Become market leaders in the use of AI in financial services
→ Onboard all of the world's leading banks to its platform
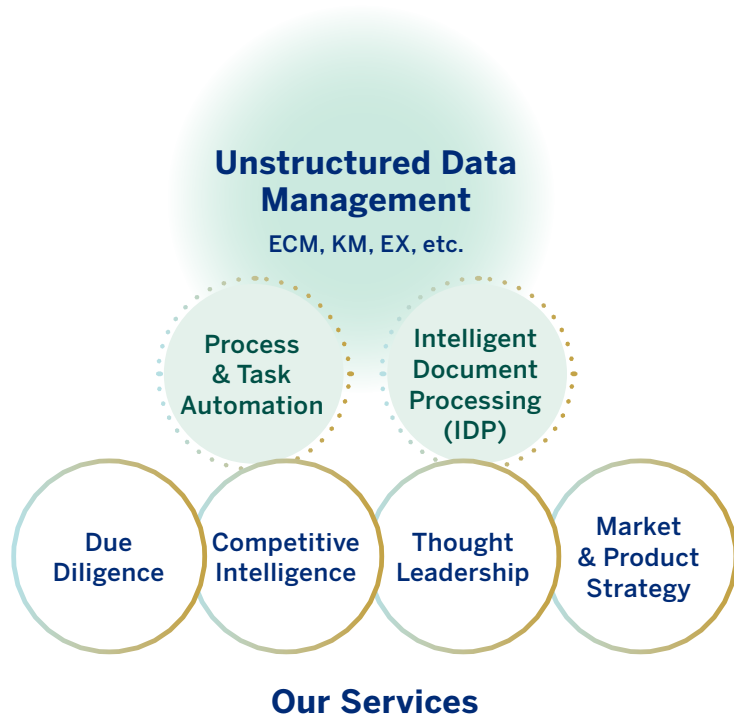
Opportunities

→ Introduce and lead the use of AI in its core markets
→ Build innovative applications for new markets

Results

→ Fourteen of the top 50 banks are clients
→ Operating in over 40 countries

About Deep Analysis

We Research Innovation

Unstructured Data Management

ECM, KM, EX, etc.

Process & Task Automation

Intelligent Document Processing (IDP)

Due Diligence

Competitive Intelligence

Thought Leadership

Market & Product Strategy

Our Services

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Deep Analysis is an advisory firm that helps organizations understand and address the challenges of innovative and disruptive technologies in the enterprise software marketplace.

Its work is built on decades of experience in advising and consulting to global technology firms large and small, from SAP, Oracle, and HP to countless start-ups.

Led by Alan Pelz-Sharpe, the firm focuses on Information Management and the business application of Cloud, Artificial Intelligence, and Blockchain. Deep Analysis recently published the book "Practical Artificial Intelligence: An Enterprise Playbook," co-authored by Alan Pelz-Sharpe and Kashyap Kompella, outlining strategies for organizations to avoid pitfalls and successfully deploy AI.

Deep Analysis works with technology vendors to improve their understanding and provide actionable guidance on current and future market opportunities.

Yet, unlike traditional analyst firms, Deep Analysis takes a buyer-centric approach to its research and understands real-world buyer and market needs versus the "echo chamber" of the technology industry.