

COGNITIVE COMPUTING HELPS CENTURY-OLD UNIVERSITY FUND LIFE-CHANGING RESEARCH

Cognitive computing helps a British university seek crucial new funding while protecting the reputation that makes its research credible.

CLIENT	The University of Sheffield
INDUSTRY	Higher Education
BUSINESS NEED ADDRESSED	Stronger due diligence for crucial new funding
SOLUTION	DDIQ, the most comprehensive due diligence tool available for compliance
BUSINESS IMPACT	Reduction in average due diligence search times and better search results

BRING IN BIG MONEY WITH NO ETHICAL COMPROMISE

New pressures have forced Britain's universities to scramble for funding in ways unimaginable until recently. The government has reduced public funding; businesses have scaled back research and development; global competition has increased; and immigration policy has reduced enrollment of international students, who in 2012-13 generated some £3 billion in tuition fees. With their reputation slipping worldwide, British universities now need to bring in big money fast.

Unfortunately, many lack a framework for aggressive, ethical fundraising. That became clear in 2011, when news broke that the prestigious London School of Economics (LSE) had awarded a PhD to the son of Libya's then-ruler Moammar Gadhafi, then six weeks later solicited a £1.5 million gift from the son's foundation. The inquiry that followed cited LSE's lack of due diligence and prompted the resignation of the university's Vice Chancellor. It also found that British universities now operate on a scale comparable to that of a global company but without the standard of global companies.

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The LSE incident shook up university fundraising nationwide, according to Jason J Briggs, Research & Prospect Manager for The University of Sheffield, a top global university founded in 1905 in Sheffield, South Yorkshire, England.

"There was a time when due diligence was more relaxed-- almost like a nod or even just a conversation -- but since the LSE incident, fundraising operations are much more aware of ethical and reputational issues and have started their own due diligence processes." "At Sheffield, the fundraising staff has almost quadrupled over the last five years to help the university seek new and diverse types of income, and a due diligence process provides a framework for the millions of pounds of gifts that fund degree programs, state-of-the-art research and other activities. Now, before the university accepts a donation, researchers prepare a report with a series of critical statements, from "the income

of this person is acceptable to the university's aims" to "this person has not been involved with anything that might damage the reputation or the integrity of the university." A senior staff member reviews the report, answers each statement and then decides whether to accept the donation, reject the donation, or require more research.

Of course, this system depends on accessing relevant information on prospective donors, from how they earned their income to any personal or corporate legal situations to any indication of financial abuse or bribery. That means identifying any directorships, co-directorships, associated directorships, companies, associated companies and other alliances of the donor. "We're looking to complete a well-rounded check that splits out an individual's past in sections like finance, legal, ethical and reputation," says Briggs.

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Getting that information proved a challenge. Even after buying a tool that compiled historical data, fundraising researchers could, in some instances, spend up to 50 hours vetting a single prospective donor. "And that's the kind of work where you can't just leave it and come back to it," says Briggs. "We were looking for a tool that was a bit more intelligent when it comes to accessing live information."

ADD COGNITIVE COMPUTING TO DUE DILIGENCE SEARCHES

The answer came in late 2015, when Sheffield turned to DDIQ, a due diligence tool that uses cognitive computing to find, vet and organize information like hundreds of researchers working together. Based on a system developed by data scientists, big data professionals, and software engineers, DDIQ goes beyond simply aggregating data to act like an investigator. It examines thousands of sources, including publicly available, open web content such as social media sites and blogs; deep web content, such as regulatory sites; and premium content, such as watch list providers and PEP (politically-exposed-person) list providers. It clears out the obvious "false positives" that bog down Google searches with extraneous information. And it catches context that Google searches may miss, recognizing, for example, that a criminal lawyer is not a criminal.

Then it produces a report, usually within five minutes, with a consolidated set of relevant information. "DDIQ puts your mind at rest that you don't have to do all that internet trawling," says Briggs, whose team distills information from DDIQ for its own report. "We use DDIQ to get an overview of a person and to find good live information. It gives us a real sense of what's going on with this person now." The university especially appreciates two features. The first is language capability. DDIQ understands 18 human languages, with 30 more to come, an important consideration for a global research leader that serves students from 125 countries and accepts many gifts from abroad. "Now we don't have to worry so much about trying to access a lot of resources in other languages," says Briggs. DDIQ also finds and recognizes colloquialisms that human researchers might miss even when searching English-language sources. "If South Africans use a different word for 'robbery,' we wouldn't know to look for that," says Briggs.

DDIQ's flexibility also has proven helpful. The university uses DDIQ's configurable confidence settings to customize the amount of information that staff members need to review. For a lower-risk gift of £50,000 or less, the team sets its search for a high high confidence rating in order to focus on a prospective donor's direct involvements, such as

current directorships. For multi-million-pound gifts, which could pose a significant reputational risk, the team lowers the confidence rating in order to get a broad perspective on the donor. "We can turn over stones that may not necessarily be directly associated with that person but are worth checking," says Briggs. "It's a great complement to what we're doing."

IMPACT: FASTER SEARCHES, BETTER RESULTS, BRIGHTER FUTURE

DDIQ has put an end to hours spent navigating ineffective internet searches and has cut the average search time for due diligence checks at Sheffield. Previously, Sheffield's advance due diligence check time took an average of nine hours but has now dropped to six hours. This is substantial when you many do close to a hundred checks a year, saving weeks of researchers' time."

Briggs envisions an even bigger role for DDIQ as fundraising intensifies, and he also sees the tool as valuable beyond due diligence. "We need to start to use DDIQ for more generic research," he says, noting that fundraising

research now includes all kinds of predictive modeling, analytics and segmentation to find individuals who show potential to become a donor. "DDIQ is really good for due diligence, but it's equally good for other research. I think we're still learning everything it can do."

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Most important, DDIQ protects the university's ability to do its life-changing work, including impartial research activities ranging from operating the first center in the world dedicated to studying the causes of neurodegenerative diseases, to testing a groundbreaking miniature MRI scanner for babies, to taking on global challenges of sustainability in food, energy and urban development. "The real quality of a university is its reputation," says Briggs. "If that gets stained, you lose students and you lose faith in the university's research."

While counterparts struggle, The University of Sheffield is maintaining a world-class reputation as a top-100 global university with research ranked in the UK's top 10 percent. With stronger fundraising helped by cognitive computing, Sheffield can look forward to attracting the world's best donors and strategic partners for generations to come.

ABOUT OUTSIDEIQ

OutsideIQ is the leader in investigative cognitive computing. OutsideIQ brings together some of the world's foremost experts on search with the best data scientists, big data professionals and software engineers to solve the complex problems of search for due diligence. Leveraging a proprietary approach to research that combine automated data discovery with the data interpretation abilities that emulate a human researcher, OutsideIQ is changing the way companies vet their customers and handle their complex compliance requirements. OutsideIQ is based out of Toronto (Canada) with offices in New York (US) and London (UK).

