

Data
Dividends:

Enhancing Your Information Infrastructure

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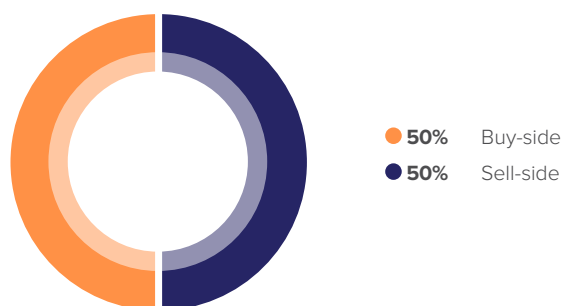
Methodology

In Q3 of 2022, WBR Insights surveyed 100 Chief Data Officers and similar from buy-side and sell-side firms across Europe and North America, to find out about the challenges they are facing in 2022 and the innovative solutions being brought to the table.

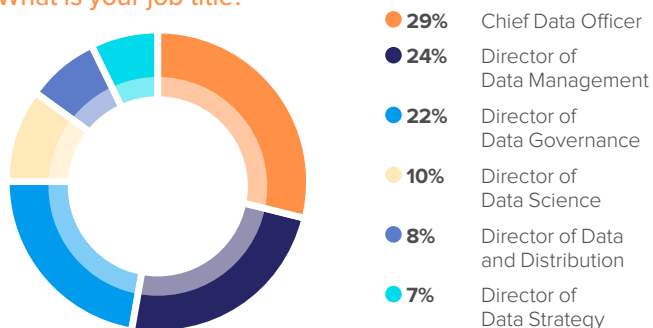
The survey was conducted by appointment over the telephone. The results were compiled and anonymised by WBR Insights and are presented here with analysis and commentary by FINBOURNE Technology, Informatica, InterSystems, and the FIMA community.

The WBR Insights topics detailed in this report will also be covered in the FIMA event, download the agenda [here](#).

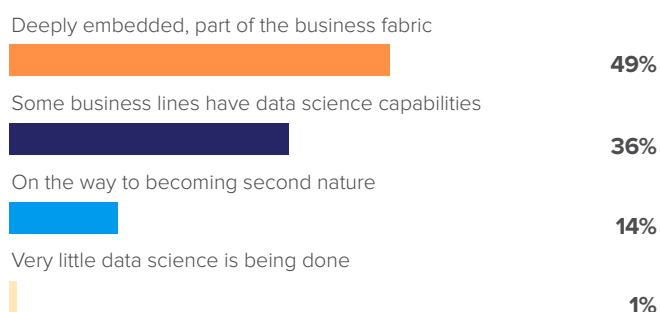
What type of organisation do you work for?



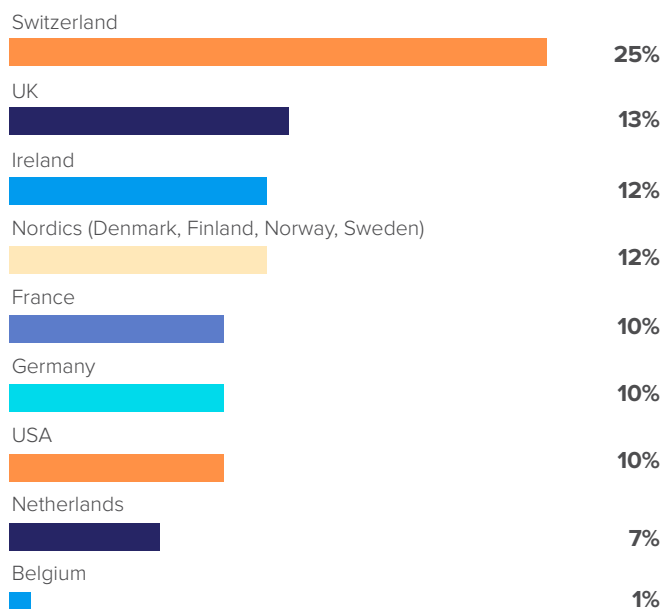
What is your job title?



How embedded is a culture of data science in your organisation?



Which country are you currently working in?



"It is encouraging to see almost half of respondents say that data science is deeply embedded within their business as it's a sign of how far things have come in recent years. Organisations must remember, however, that data science is highly dependent on access to clean, current, and accurate data - and lots of it.

With the right architecture in place, businesses can ensure they can provide their data scientists with the data and secure working environment needed for data wrangling and exploration tasks, feature engineering, model building, and so on, without the complexity and latency associated with making batch copies of large data sets."

Tim FitzGerald, EMEA Financial Services Sales Manager, InterSystems

Key Findings

1.

Data challenges continue to persist for both buy-side and sell-side firms. 47% of respondents spend between 25-50% of their time tackling challenges relating to siloed data environments. An additional 23% are spending up to 75% of their time locating the right data across multiple data sources. To tackle these challenges, CDOs can look at unifying their data management by adopting integration software to save time and resources.

2.

Almost half of our respondents (45%) already have a mature ESG data management and reporting process in place which is not automated. Only 14% of respondents have a mature and automated process in place. Although investing in automation can help improve efficiency and accuracy, a large number of respondents are yet to do so.

3.

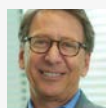
IT resources (30%) and security gaps (27%) are the biggest issues facing CDOs due to untimely access to data. To overcome these challenges, CDOs should remain vigilant and continue to develop their data security strategies to reduce the risk of gaps. Working to tackle existing IT infrastructure silos and obstacles, CDOs can invest in streamlining existing processes and integrating new data management tools.

4.

Our survey revealed 45% of CDOs are having to spend between 1-23 hours validating the lineage of data used in business decisions. However, 20% are spending up to 5 days doing so. Although having high-quality data is crucial, spending too long validating this can lead to a waste of time and resources.

Making Decisions in the Moment: Overcoming Data Silos to Achieve Business Agility

Against a backdrop of ongoing market volatility and global disruption, in which data has never been more important, InterSystems Joe Lichtenberg, Global Head of Product and Industry Marketing, and Tim FitzGerald, EMEA Financial Services Sales Manager, discuss the challenges financial service firms are facing when trying to access data to make real-time decisions – and the business impact of overcoming them.



Joe Lichtenberg,
Global Head of Product and Industry
Marketing, InterSystems



Tim FitzGerald,
EMEA Financial Services Sales Manager,
InterSystems

Q: Are the FIMA findings representative of conversations you've had with other organisations?

Joe: Today, financial services firms want to make faster and more informed decisions based on data they trust, is clean and can be surfaced quickly. It's evident that firms are now recognising the correlation between simplifying complex IT systems and achieving real-time data access.

This is highlighted by the respondents too, as 43% cited accessing real-time data as the top benefit of simplifying their data architecture. Gaining this real-time access to data on demand allows firms to make more informed, accurate, and timely decisions while achieving a 360-degree view of customers and the business.

However, often, the inability to access the data stems from having an overly complex data architecture. This results in significant data silos, and businesses are restricted in finding the opportunities that will help move their business forward, whether that's complying with changing industry regulations, improving the customer experience, or stronger risk management.

Tim: Simplifying their data architecture will also help overcome other challenges that firms currently encounter because of complex systems, including their IT resources being stretched (30%) and loss of revenue (20%). It's imperative that those outside of IT must also have the capabilities to understand and explore the data to leverage it to its best advantage.

Q: Do you think it's surprising that 32% of respondents believe having access to real-time data is only slightly important or don't consider it a priority?

Joe: Many organisations are often overwhelmed by the volume of competing internal initiatives that accessing real-time data has likely not become their top priority. This is usually coupled with the idea that updating architectures already in place is a time-intensive and difficult task to undergo, which isn't the case.

Leading financial services firms today are leveraging a smart data fabric approach to simplify their data architecture. This type of architecture helps them bridge data silos and gain access to real-time data, from both inside and outside the organisation, on demand, without requiring them to "rip and replace" their existing technology. Instead, it allows them to leave the data where it currently resides and continue to extract value from their previous investments.

Q: How do smart data fabrics help firms overcome some of the other challenges identified by the survey?

Tim: In a separate survey InterSystems conducted, we found that 86% of financial service business leaders lack confidence in using their data for decision making, notably as 63% are using data that's more than a day old. This means organisations are left struggling to understand and react to market changes in the moment.

Joe: With such a reliance on IT to service these data related initiatives, which is even resulting in loss of revenue, smart data fabrics democratise data thanks to embedded user self-service analytics capabilities, putting the data and data exploration capabilities directly into the hands of those who need it. This means even the business users can freely explore the data, ask ad hoc questions, and then 'drill down' via additional queries based on initial findings.

Tim: Ultimately, end of day and even intraday numbers are no longer going to cut it. For a financial services firm to be the most competitive, people need to see and work with accurate data in real-time, and smart data fabrics help with that. Armed with these insights, firms will gain the resiliency and agility needed to anticipate and adapt to a constantly moving landscape to better serve their customers and grow their business.



Chapter One:

Delivering Safer, Better-Quality Data to Your Enterprise

In the past two years, buy-side and sell-side firms have been utilising data. 66% of respondents see their trustworthiness of data as good. Similarly, 48% see their timeliness of data as good.

Due to the impact of poor data quality on customer experience and financial transactions, which result in high costs and lost revenue, overall data quality is critical for every organisation.

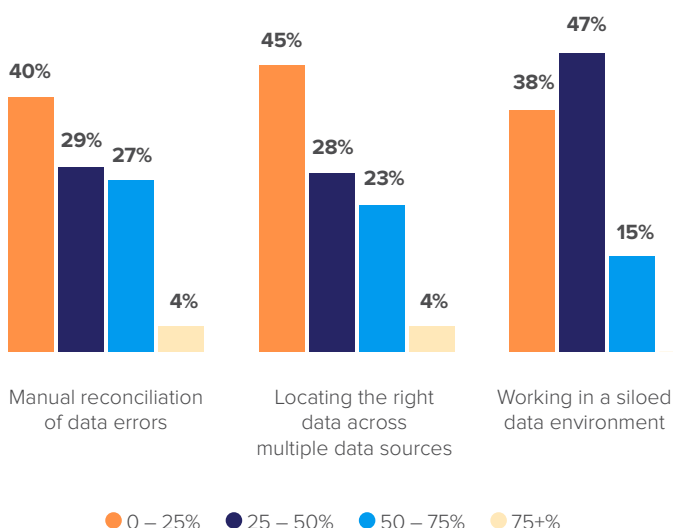
A majority of our respondents (65%) said their firms are able to aggregate and translate complex data sets such as ESG.

By investing in tools and training that help employees translate complex data sets into usable information, businesses can give themselves a competitive advantage.

Our respondents are heavily relying on technology to address operational challenges and deliver more value to the investment process to achieve high-quality data.

Several respondents mentioned their firms are focusing on “additional investment in automation technology”. AI, in particular, has been utilised across the financial services industry to unlock greater potential from data and to improve quality.

What percentage of time do you or your team spend on data challenges in your organisation?



“It is evident that firms are spending significant amounts of time on data challenges that largely stem from data silos. Consequently, bridging those silos is a vital step in helping them to overcome these problems.

By connecting the data, firms will be able to pivot to use data as an enabler to achieve a wide range of new initiatives, including real-time operational intelligence and a wide range of predictive and prescriptive analytics, including reducing risk, increasing resiliency, and being able to respond to volatile market conditions.”

Joe Lichtenberg, Product and Industry Marketing Director, InterSystems

“First and foremost, these results are roughly what I expected. I am however surprised that more respondents are not working in a silo data environment, which has been a common challenge for both buy-side and sell-side.

I feel that horizontal data platforms, which from my experience I see becoming more popular as firms start working with real-time data by default. Real-time data will help drive real-time automated reconciliation, for example.”

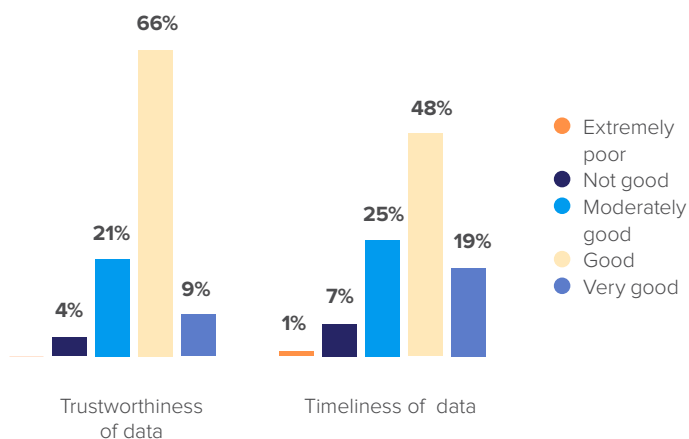
Duncan Cooper, Head of Omni Digital Services, BNY Mellon

“It is encouraging to see so many organisations investing in and seeing positive outcomes from greater automation. There is clearly a significant amount of time being spent discovering what types of data are relevant and investments being made in smarter data platforms and data access strategies.

I think with the reconciliation of data errors there is still a lot of work to do alongside working in a siloed data environment. This suggests to me that data connectivity and cross-functional collaboration on data management has a long way to go still.”

Tom Webber, Conference Producer, FIMA 2022

How would you rate the quality of data that is feeding into your organisation's investment decision making and analytics insights?



"High-quality data is the holy grail for every organisation. However, despite decades of human and technology investments, many continue to have difficulty with delivering the data that a business needs to make critical decisions.

While there is evidence that these issues are being resolved, the cost and effort to manage and deliver high-quality data in a timely manner still needs improvement. Too many companies continue to deal with these issues by throwing bodies at the problem and/or relying on legacy tools that are not designed for today's complex data environment."

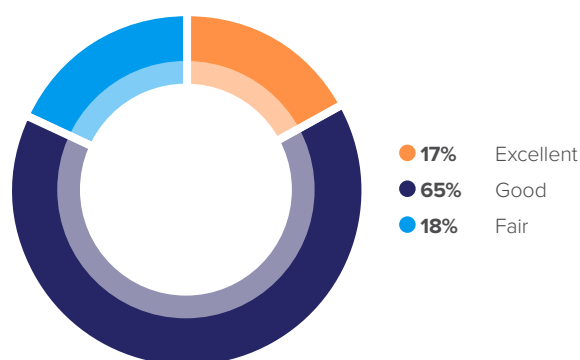
Peter Ku, VP & Chief Financial Services Industry Strategist, Informatica

"I am surprised by these results actually. I think people are looking at data to answer specific questions, but organisations should be focused on what data tells them. Asking direct questions gives direct answers only. The question of, 'What does this data really tell me' should be more interesting, albeit potentially more surprising.

I think the important thing is the trustworthiness of the data. I am surprised that half of the people think it is good or very good. That, again, is probably the split between buy-side and sell-side. There is a trend in the buy-side that the timeliness of the data is not where they need it to be due to historical operating models, whilst the trustworthiness possibly is."

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

How would you describe your organisation's ability to aggregate and translate complex data sets, such as ESG and Private Markets investment data sets, in a timely manner, to support your portfolio management?



"This is an interesting result. When firms industrialise a process for aggregation, they get it to a good level and things like ESG, where it is a mature market, has become more industrialised.

The flip side to that is I think there is arguably 40 tier one type ESG data providers and firms are saying I can aggregate two of them. But then the other 38 completely different taxonomies adds lots more complexity to that problem, extending it."

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

"I would say that although a promising result, it is optimistic. CDOs are obviously likely to be biased to their own organisation but from my experience speaking to my peers, I think the reality is that these abilities are probably closer to fair."

Jo Coutuer, Chief Data Officer, Member of the Executive Committee, BNP Paribas Fortis

"This is a great question but there is an element of unknown. I think the bar can be raised significantly, especially when it comes to aggregating and translating ESG data. Banks and asset managers are spending a lot more money and resources on ESG now. I think that there is a lot more progress being made but there is also much more to be done.

65% of respondents selecting good in this survey is great, but I think these numbers will become excellent in the next two to three years as the ESG landscape consolidates and banks and asset managers tighten up their ESG strategies and comply with ESG regulation."

Tom Webber, Conference Producer, FIMA 2022

We asked the respondents about how their organisation plans to deliver more value in the investment process and address operational challenges. Here is what they had to say:

“We need more technology upgrades to manage new asset classes and compete significantly with fintech participants who continue to challenge us.”

“The organisation realises that it is the right time to increase investments in digital tools that will provide value and address operational and data associated challenges.”

“The organisation plans on the mentioned prospects by strengthening the data management and operation process through AI.”

“Promoting operational growth and development of digitised processes from within will allow us to generate better ROI and value.”

“We are set to develop from a cost centre to a value generation unit from this year with tactical investments in digital solutions.”

“Reducing our sensitivity to market triggers so that we focus on delivering value in almost every challenge.”

“The response that most resonates is ‘we are set to develop from cost centre to a value generation unit’. I think it is very fair to see we need to be more cost centred and I fully agree with that statement. It is a novel ambition and generally, the market lacks a rigorous approach to articulate value, to measure it and to report it.

The industry is too focused on tools and technology and needs to focus on making the link with general management, financial management and business domains. You need to make a deliberate effort to articulate value from data and AI.”

Jo Coutuer, Chief Data Officer,
Member of the Executive Committee, BNP Paribas Fortis

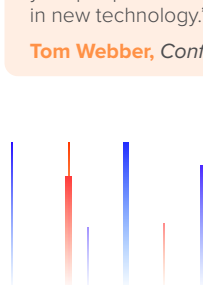
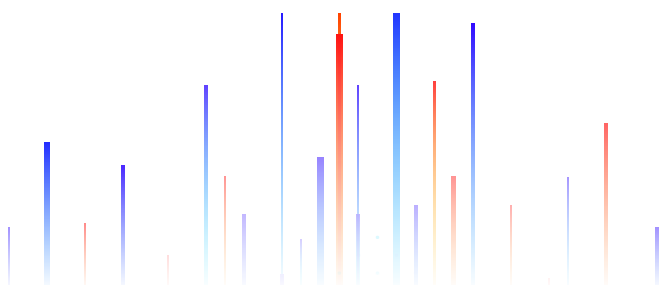
“People are looking at solutions without looking first at the problem they want to solve. Many CDOs are saying that, ‘We need more technology’ and ‘We need more AI and all the shiny new tech my competition has’. I was taught years ago that if you think technology will solve all your business problems, then you do not understand the business problems, and you don’t understand technology.”

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

“Banks and asset managers are now more than ever open to opportunities from AI-enabled tools and machine learning to automation in general.

Leading the way are the ones who have managed to integrate AI into the normal business processes without disrupting ongoing projects and without replacing experts and analysts. Augmenting your people rather than replacing them is as important as investing in new technology.”

Tom Webber, Conference Producer, FIMA 2022



Chapter Two:

Managing, Governing, and Democratising Trustworthy ESG Data

ESG data is a key priority for CDOs as they adapt to the shifting market demands and client expectations. Our survey revealed that 45% of respondents are currently preparing to align with levels 1 and 2 of SFDR and CSRD while 40% prepare for TCFD.

As firms prepare to align to new regulations, access to accurate and reliable data is crucial to making investment decisions. However, almost a third of respondents (33%) find this somewhat difficult with 25% finding it difficult.

What is your current level of ESG Data Management & Reporting Maturity?

Just starting out our ESG Data Management and Reporting



12%

We have a mature and automated ESG Data Management and Reporting process in place



14%

We already do some form of ESG Data Management and Reporting, but it's on a best endeavours basis



29%

We have a mature ESG Data Management and Reporting process in place, but it's fairly manual



45%

"This is interesting from a regulatory perspective. I am not a regulatory expert myself but from my experience working with such experts, I can agree you have to have a process but for a process to be both mature and manual I find to be unusual. Respondents here are indicating that they have a system, but it could be better, cheaper, and more automated with less people involved.

All these things you would expect as requirements mature but I think there needs to be some move away from this also being manual, reducing manual risk, but more importantly reducing the operational cost. There is no competitive advantage in compliance with regulations."

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

CDOs should look towards increasing transparency and collaboration to gain access and set standards.

Our respondents paint a mixed picture of their ESG data management and reporting maturity. 14% have a mature and automated ESG process in place. However, 45% have a mature process that has not been automated. CDOs should look toward automating processes for greater efficiency and higher data quality.

"With ESG reporting now mandatory, it is no surprise that the majority (45%) state that they have a "mature ESG data management and reporting process in place, but it's manual." Much of this has been done on a "best endeavours basis," yet ESG reporting needs the same level of controls that you would have on financial reporting.

With the exponential uplift in ESG regulatory reporting requirements and the need to have these numbers verified and audited, it is vital to have a robust ESG data governance framework in place."

Levent Ergin, Head of Data Governance, Privacy, ESG, Informatica UK & Ireland

"To say a process is both mature and manual is surprising. Overall, I agree firms' processes being fairly manual is accurate. Having manual processes although cheaper, generates poorer quality and lack of completeness. Today, completeness is the biggest challenge regarding ESG data.

A lot of companies are struggling to find the right mix to ESG data as there are so many variations out there. By using external data when it comes to the consumer market, you have a larger selection, but the quality is doubtful.

Adopting new initiatives, helped by AI, can offer potential solutions to approximate data. With incoming regulations seeking authoritative and exact data, the industry urgently needs data to a higher degree of completeness. Therefore, coming back to the above category of "ESG data management", being mature and manual at the same time seems to be self-contradicting."

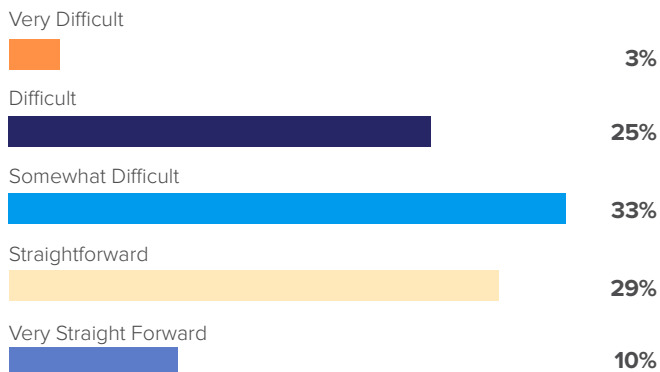
Jo Coutuer, Chief Data Officer, Member of the Executive Committee, BNP Paribas Fortis

"Organisations are burdened with the compliance of ongoing regulations surrounding ESG, which are continuous. Hence, they are investing in management and reporting processes to meet these requirements and are seeing good outcomes. However, ESG is not such a defined set of problems that one set of data can help solve a problem or address an issue. ESG is very complex.

The burden is going to increase so I think a lot of people are investing right now because they have to but this will ramp up dramatically in the next two years as real-world events create new pressures, shareholders apply new demands and investors behave differently."

Tom Webber, Conference Producer, FIMA 2022

How difficult is it for you access the right ESG Sustainability Data to gain insights into your decarbonisation efforts to reach your net zero targets?



"I agree with the respondents who selected difficult to very difficult. Accessing relevant and accurate ESG is complex. I am surprised by those who say it is very straightforward."

Jo Coutuer, Chief Data Officer,
Member of the Executive Committee, BNP Paribas Fortis

"The fact that 61% of respondents experience some level of difficulty accessing ESG data to reach their net zero targets really underlines the critical importance of being able to access real-time, quality data."

By adopting a modern smart data fabric architecture, financial services organisations can gain a much-needed consistent, accurate, real-time view of data assets from both internal and external data sources to make informed decisions and meet their myriad sustainability goals."

Tim FitzGerald, EMEA Financial Services Sales Manager,
InterSystems

"I expected these results. ESG data is difficult as it is someone's perception of a particular subject. It is hard to come to an industry agreement on such subjects as it is so complex and there are so many varying views. Therefore, if the information surrounding the topic is inexact, divergence from a consistent viewpoint will occur."

I think 'somewhat difficult' resonates with me. I think most people have enough information to cover it but there are still issues preventing them being totally comfortable."

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

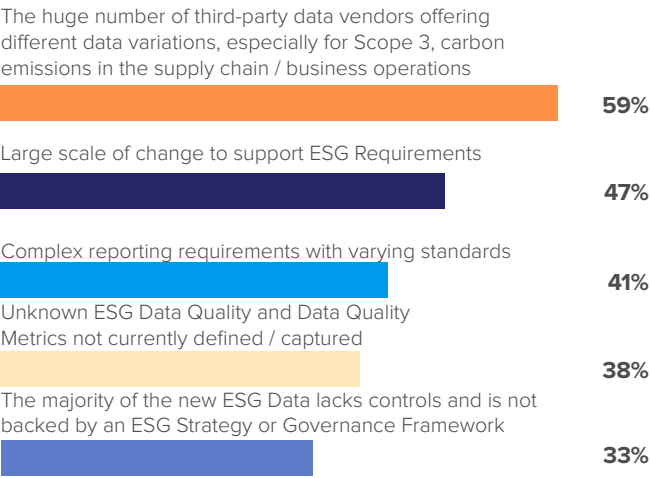
"Over half of the respondents find it difficult or somewhat difficult, which is unsurprising because of the fragmentation in the landscape of providers of ESG data and research. This is because it is not just data, it is research as well. There is a lot of unstructured data that banks and asset managers have access to and the process of simplifying the sourcing of ESG is well underway."

The difficulty moving to somewhat difficult, moving to straightforward by 2030 is something we are likely to see happen."

Tom Webber, Conference Producer, FIMA 2022



What are your current ESG Data Challenges?



“Not surprisingly, 59% of respondents struggle with the number of third-party ESG data vendors in capturing the data required for Scope 3 – Carbon Emissions in the supply chain. It is crucial to bring trust to this data used in your internal ESG decision-making, and when disclosing this information as part of your regulatory returns.

Partnering with a vendor that has the capabilities to help deliver clean, relevant third-party data will aid in building trust within your organisation and will also help gain the trust of your investors and the market.”

Levent Ergin, Head of Data Governance, Privacy, ESG Informatica UK & Ireland

“Looking at these results, this is where I expected respondents to be. You have got so many data vendors in this space. I think this will change over time and there is going to be consolidation of sources and providers. Questions surrounding how this will change is going to be driven by the quality of data and ease of consumption.

Reverting to the world view that the person purchasing has, it helps firms become more compliant. This also comes back to the nuance of ESG data, it is in the eye of the beholder. Therefore, I think the number of data providers consolidates as you do not need to buy the same data from lots of different sources. It is a waste of time and money for no advantage.”

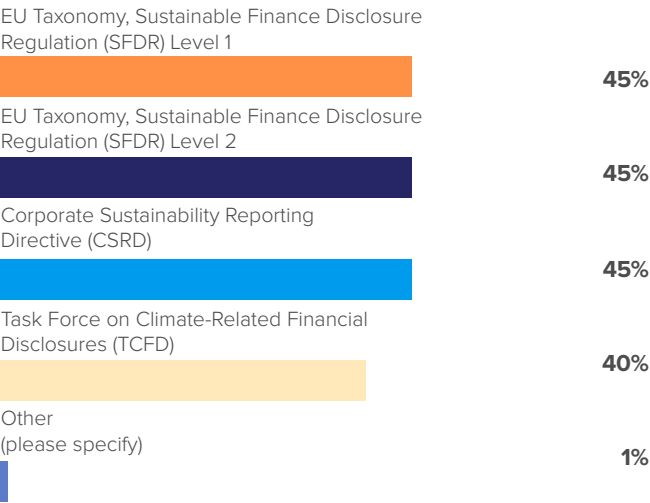
Duncan Cooper, Head of Omni Digital Services, BNY Mellon

“Looking at these results, I see ‘complex reporting requirements with varying standards’ as the root-cause of these problems. Having reporting requirements in a field that is unstable, immature and overcomplex makes meeting these requirements challenging.”

Jo Coutuer, Chief Data Officer, Member of the Executive Committee, BNP Paribas Fortis



Which of the ESG related regulations are you currently preparing to align to?



“ We have lots of conversations with our clients surrounding SFDR level 1 and 2 alongside CSRD. I am yet to hear much mention of TCFD. However, the information will rise in significance as time moves on. I think firms will be more set on preparing for SFDR first.”

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

“ I think these results are so evenly matched because the respondents are probably operating in similar or the same jurisdictions, and so they are having to think about complying with the regulations in very similar or the same ways.

I also think the TCFD is going to become more of a focus as awareness increases. I suspect that it is only under the other three because there may be lower awareness around that than the others.

Interestingly, ‘other’ being, you know, next to 0 on, I do see the very real possibility of new regulations, guidance, adaptations and improvements to ongoing regulations happening. Not just in Europe or the UK but in North America, APAC and elsewhere too.”

Tom Webber, Conference Producer, FIMA 2022



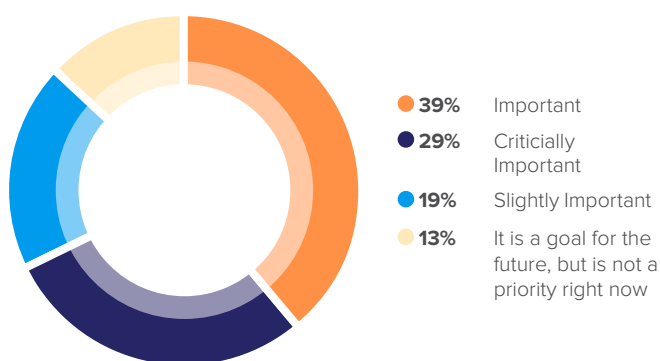
Chapter Three:

Transforming Your Data Into Visualised Actionable Insights

ESG data presents a unique set of challenges for CDOs. 59% of respondents said their biggest ESG data problem is the data variations from third-party vendors. This is closely followed by 47% who face issues relating to the large scale of change required to support ESG requirements.

Tackling these challenges requires a comprehensive and coordinated approach, but CDOs who can overcome these hurdles will be well-positioned to reap the benefits of ESG data.

How important is having access to real-time data for meeting your business needs?



"I am not surprised by these results. The answer 'important' makes sense as it is the middle of the road answer. The question remains: what do they really do about it?"

Jo Coutuer, Chief Data Officer,
Member of the Executive Committee, BNP Paribas Fortis

"I think if it is not a top priority the only reason real-time data access is deprioritised may be because of competing projects and the availability or lack thereof of financing, funding, and budgets to plough into data projects.

Sometimes you will find that a bank or asset management firm has to pivot very quickly and re-channel investment originally allocated to data projects to other higher priorities."

Tom Webber, Conference Producer, FIMA 2022

Over two-thirds of respondents (68%) rate real-time access as important for meeting their business needs. Streamlining access allow CDOs to make more informed and timely decisions that can help their businesses succeed.

Almost half of our respondents (45%) spend between 1-23 hours validating the lineage of data. However, 20% of respondents are spending between 1-5 days. Although validating data to the highest quality is essential, CDOs should work to make this process more efficient to optimise workflow.

"It is encouraging to see 68% of organisations rating real-time data as 'critical' or 'very important', but equally worrying that for just under a third (32%) having access to real-time data is 'not a priority right now', or only 'slightly important'. This may be because the current infrastructure prohibits real-time access, but it is certainly not optimal for a firm's future growth.

Access to real-time data is an important business need, whether it's meeting regulatory requirements, achieving a single view of data to respond to market events or client demands, or demonstrating value through a digital customer experience. Firms need to put these operational issues on the business agenda now to drive vital operational change.

Stuart Atkinson, Product Manager, Banking and Capital Markets,
FINBOURNE Technology

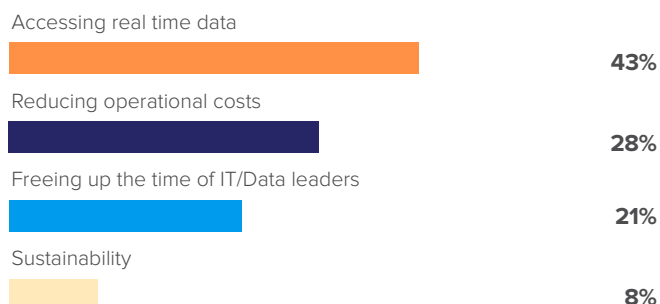
"I would posit that this is a split between buy-side and sell-side. For sell-side, they access data in real-time, prioritising access to data. When looking at the asset management space, they have not dealt with real-time data in general and have never had business pressures to deal with it. Now the demand from their clients is causing them to.

For example, mobile banking apps tell you when you have spent money in real-time. That sort of paradigm is what you get as a retail banker, but in investment management, you put money into an ISA and get a report at the end of the month.

For the buy-side I will say that customer demand for real-time information experiences will drive real-time data consumption, which will increase in importance for them."

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

What is the top benefit of simplifying the existing data architecture for your firm?



“Just under half (43%) of organisations rate access to real-time data as a top benefit, followed by reducing operational costs. It is clear that there is a desire for better quality enterprise data however, achieving insightful analytics and informed data decisions doesn't just come from faster data, it comes from translating and understanding financial data.

This is presently what is missing, and while there is much hype around data warehouses as an answer to this, they are not designed to provide financial meaning, nor understand the lineage of complex calculations in the way an API-driven Modern Financial Data Stack with domain knowledge can.”

Stuart Atkinson, *Product Manager, Banking and Capital Markets, FINBOURNE Technology*

“The way we all agree on data use and storage is increasingly exponential. If you take that into account, most data architectures that are more than five years old are not capable of dealing with the amount of data they have now. So work is being done to simplify this.

Reducing time to market is an interesting one which is not here but will grow in importance in the future. I do see real-time access to data as crucial more so then freeing up time of IT and data leaders.”

Duncan Cooper, *Head of Omni Digital Services, BNY Mellon*

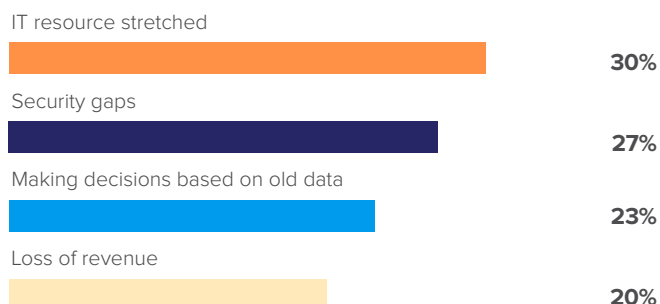
“Simplifying architecture would make things a lot faster and more accessible in terms of data and sustainability. Arguably, faster access to better quality ESG data would help sustainability and the core of this question is simplification to break down the barriers to faster data and faster analytics.

However, simplification is also cultural, accepting that there may be different, new, and better ways of doing so that requires getting rid of existing systems. A huge challenge for any data team to overcome in a short period of time.”

Tom Webber, *Conference Producer, FIMA 2022*



What issues do you face due to untimely access to data and the complexity of architecture?



"I have had lots of experience of this challenge over the years and the consistent thing is that there are not enough technologists. We always want more 'technology', but resources are stretched. I think it is interesting and these results make sense as everyone everywhere faces IT resource strategies.

In terms of security gaps, I am not sure this adds a great deal as there is always a risk with information leakage so this is a consistent theme.

Additionally, you should not make decisions based on old data, but notably old data can be very useful. It is about understanding the entropy in that data and how it has decayed over time and scoring against it for valuable insight."

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

"I agree that stretched IT resources are an important issue to overcome. I have observed wasted financial resources due to the complexity of architectures and the resulting untimely data access."

Jo Coutuer, Chief Data Officer,
Member of the Executive Committee, BNP Paribas Fortis

"We know the sell-side have typically been ahead of the curve with technology adoption. Banks are embarking on API strategies, connecting internal systems, and even interoperating with other banks on shared workflows. I suspect much of the issues highlighted here are mostly affecting buy-side firms who have tended to lag behind – but at what opportunity cost?

Stretched IT resources, security concerns, increased operational risk from old data and the ever-increasing technology cost of ownership are just the top of the iceberg when it comes to issues arising from complex, legacy architecture.

While big bang change carries too much risk and results in inertia, interoperable, open SaaS technologies can critically remove the barriers to operational change and fuel business agility."

Stuart Atkinson, Product Manager, Banking and Capital Markets, FINBOURNE Technology

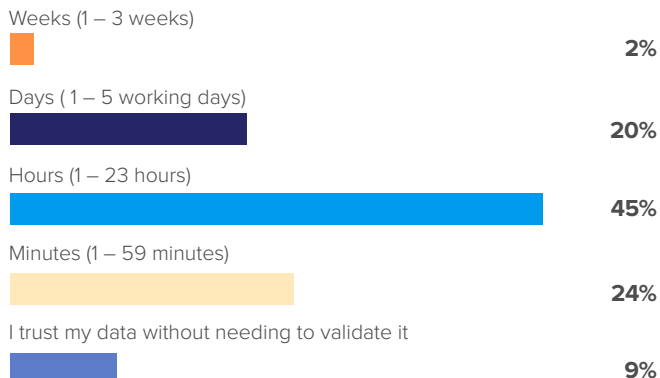
"Concerns around security are worrisome and would be a top priority. If you are facing privacy issues, you should have privacy experts who can quickly address these directly.

Making decisions based on old data is a reason for concern alongside stretched IT resources and loss of revenue. Closer collaboration with the vendor community could play a role in fixing these problems."

Tom Webber, Conference Producer, FIMA 2022



On average, how much time do you have to spend validating the lineage of the data used to make business decisions?



“The time individuals spend validating the lineage of their data correlates with how accurate and complete they believe their data lineages to be. The survey shows that 45% of respondents indicate companies are spending between one to 23 hours on the validation process.

This wide discrepancy may signify underlying gaps in the process and tools organisations use to manage, capture, catalogue, and make data lineage information available for business consumption.”

Peter Ku, VP & Chief Financial Services Industry Strategist, Informatica

“Here, we get to the nuts and bolts of the same data, previously cited as ‘good’ when it comes to trustworthiness. 67% of organisations spend between ‘1 hour - 3 weeks’ validating the lineage of their data to ascertain fidelity. While only 9/100 organisations ‘trust their data implicitly, without needing to validate it’.

While trust can be gained to deliver ‘good data’, it requires hours and even weeks to get there. With the great resignation and competitive climate, operating like this is no longer viable. SaaS technologies can quickly address this, starting in mission critical functions, to free up skilled employees and get back to the tasks that add the most value to your business.”

Stuart Atkinson, Product Manager, Banking and Capital Markets, FINBOURNE Technology

“Validating the lineage of data is really interesting because essentially you are doing a task that simply confirms what you expected. You are doing it assuming that the data you are using is trustworthy. If you are a firm that is spending up to three weeks confirming data, you are wasting three weeks of time.

However, on the flip side, trusting data without needing to validate it is also a risky move. The reality is that you have to be somewhere where you can have automated data checking against lineage, quality, and validity and this should be high speed and very low touch. It should be done automatically. People are spending too much time doing things that do not have business value.”

Duncan Cooper, Head of Omni Digital Services, BNY Mellon

“I am surprised by these results. Validating lineage in less than 24 hours seems very fast. Usually, it takes multiple persons and multiple rounds of validation to get it right.”

Jo Coutuer, Chief Data Officer, Member of the Executive Committee, BNP Paribas Fortis

“What I find most interesting about these results is that 20% of respondents have said it takes them one to 5 days to validate lineage, which is concerning. I would suggest you need to hire more IT professionals or change your data platform if this is your experience.

There are many available solutions to speeding up and automating data lineage and related activities. The challenge should be selecting the right one for your business.”

Tom Webber, Conference Producer, FIMA 2022



Conclusion

Our survey revealed that an increasing number of firms are facing data challenges. 85% of respondents are spending up to 50% of their time addressing issues relating to working in a siloed data environment.

As CDOs face turbulent economic and political times, they are looking to “the power of automation” to help achieve greater efficiency gains.

Financial services firms are currently aligning to a growing regulatory push regarding ESG. Almost half of our respondents (45%) have a mature ESG data management and reporting process in place, but it is not yet automated.

This presents a challenge for CDOs as although manual processes are less efficient, implementing automated processes can be costly.

Real-time access to data is being recognised by 43% of our respondents as the top benefit of simplifying existing data architecture. This aligns with the 58% of respondents who view having access to real-time data as important.

Reducing the complexity of data management is becoming a priority for firms and CDOs can reap the benefits in terms of efficiency and higher quality decision-making.

Key Suggestions

1.

Fully embrace digitisation – Data is key to finance, but financial firms are facing hurdles when it comes to quality and access. To reduce costs and increase efficiency, firms should look to enhance their technological infrastructure. By prioritising AI, digital intelligence, and more, CDOs can better utilise data.

2.

Adopt an integrated approach to ESG data – One of the key challenges with ESG data is the wide variety of third-party vendors offering their services. CDOs should be working to overcome these setbacks through a more holistic approach.

This involves prioritising integrated data from across various sources. By doing so, CDOs will build a more complete picture of their firms’ ESG risks and opportunities and in turn develop more targeted and effective risk management strategies.

3.

Gain real-time access – Firms need to be able to access data in real-time. The precise approach adopted will depend on the organisation, but centralising data or adopting advanced analytics can speed up the process. This will make decision-making more efficiently and reduce operational costs.

4.

Make it simple – Access to data is vital to deliver actionable insights and address operational issues with complex data sets. A simplified approach should be adopted, again through technologies such as analytics or the cloud.

CDOs need to take advantage of these solutions to meet rising expectations and deliver on-demand access to create greater business value.

About InterSystems



Complex global clients, increasing competitive intensity, heightened client service expectations and the dispersion of client data across a wide variety of applications and data silos are making it difficult for financial services organisations to develop, maintain, and fully leverage a complete and current 360-degree understanding of each institutional client's needs and how to meet them whilst also improving profitability, improving competitiveness, and reducing risk.

InterSystems enables organisations to deepen their institutional relationships and grow revenue by providing access to all customer activity and information from both inside and outside the organisation.

Armed with these insights, firms can proactively anticipate clients' needs, quickly respond to emerging opportunities and issues, and provide a differentiated, high-value, hyper personalised experience.

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