

Customers in control

Extracting more value from data will be a hot topic at Money 20/20 Europe. **Smartstream's Peter Moss** describes how it is powering the automation which will enhance customer experience



Data is the beating heart of modern finance. Many talk about it as 'the new oil', and like any good natural resource, big data needs to be thoroughly refined in order to extract its full potential. Good customer service depends on good insight.

Over the past two decades, leading software provider SmartStream has been particularly busy in this area, dedicating around 25 per cent of its revenue to research and development (R&D) in the pursuit of optimum data collection and validation. The company's clear mission is to mine information to help its clients thrive in this challenging financial climate.

Hunting for better data

In 2015, SmartStream formed an ambitious joint venture partnership with Goldman Sachs, JP Morgan and Morgan Stanley to search for better, more consistent data. This prompted the creation of the flagship SmartStream Reference Data Utility (RDU), which provides banks and other financial institutions with a sleek managed service to deliver complete, accurate and timely reference data for regulatory reporting, trade processing and risk management. It simplifies the data collection process and helps to reduce the unnecessary costs

that mount up for financial institutions.

The RDU is an industry first, which the utility's CEO Peter Moss has previously described as a 'security master for the industry'. He is now focussed on Money 20/20 Europe, taking place on 3-5 June 2019 in Amsterdam. The RDU team will be there, engaging with existing and new customers and showcasing exactly how it can help financial organisations leverage this valuable substance to better meet their needs.

"This is an interesting conference, not least because the attendees are perfect for us; business-focussed, commercially-aware individuals who are involved in the day-to-day running of trading organisations," says Moss. "What we do is very much focussed on helping those trading organisations to automate their businesses, so this is a great opportunity to come and show people what we can do, and give them some ideas about how they can actually make some improvements in their own businesses."

"Data flows around trading and the volumes of activity are now huge. You really need to automate your business as much as you possibly can to maintain

any sort of reasonable margin," continues Moss. "What we've found is that, as you automate a business, you first focus on the technology. The second thing you have to focus on is the data because, if the data is wrong, then the technology doesn't work and you've just wasted millions of dollars in the technology buildout. So we focus on the data aspect and making sure that it is good enough to drive your automated processes."

Money 20/20 Europe will be huge; it's getting bigger year after year. This mammoth event will bring together the payments, fintech and financial services sectors during an action-packed three days in the vibrant Dutch city. The forward-looking programme invites the best businesses to explore the latest, most disruptive technology available in the market. The sessions shine a spotlight on the changing needs and behaviours of their customers, and how interactions with them will look in the future.

This year's 6,000 or so attendees will be exposed to around 100 hours of carefully-curated content across seven stages, with sessions covering in-depth case studies of how businesses are implementing new technologies and adapting to changing regulations. With themes including data-driven innovation and transformational technology, the agenda is certainly right in SmartStream's sweet spot.

A case for automation

Money 20/20 Europe will provide the perfect platform for SmartStream to highlight how the RDU is a common resource with the ability to resolve an industry-wide problem. The fact is that much of the data that is currently being pumped into banks' operations is not consistent, with various inaccuracies filtering in from individual exchanges and financial news agencies.

These discrepancies can be time consuming and expensive for banks and financial institutions that then have to fill in all the blanks. The SmartStream RDU offers a solution – it does the hard work on their behalf, eliminating any duplication of banks' individual efforts and ensuring an improvement in speed, accuracy and cost effectiveness in the processing of reconciliations.

"As the name suggests, it's a utility that brings together best practice from a whole range of different firms, all of which are very actively trading in the market, and provides good quality security reference data to support that automated flow," explains Moss.

The RDU picks up data from myriad financial exchanges, along with feeds from digital financial news and

information providers such as Bloomberg and Reuters, in order to deliver a greater level of accuracy. An experienced global team, operating under the compliance frameworks of their customers, then delivers data that is fit-for-purpose, consistent and in a format that is specific to each customer's needs.

"There are multiple benefits to automating your business," says Moss. "Of course you can become more operationally efficient and you can take costs out. But one of the really big benefits of actually having the better quality data, and the automated services, is that you can provide algorithms to your customer base. You can make sure that your customers are getting the best possible experience, and I think where the market is going is much more focussed on that customer experience, rather than the operational cost takeout.

"Yes, that is still important. But until we hit the next recession, frankly, it's all about revenue growth and how we can actually get more flow, take more market share, and a lot of that is around actually just making sure that customers are getting a wonderful experience. Automation and high-quality data can help with that."

So the RDU is all about delivering rich, clean data to inquisitive financial institutions through far more developed data sets than banks can access individually. The more accurate and the more comprehensive this data is, then naturally the easier it becomes to avoid losing trades due to data failure.

Fast-evolving proposition

SmartStream's continued innovations in the critical data arena certainly haven't gone unnoticed. The company was named 'Best Sell-Side Back-Office Platform' in the prestigious Sell-Side Technology Awards, organised by Waters Technology and held at the Corinthia in London in April 2019.

Until now, the SmartStream RDU has been focussed on exchange-traded derivatives. However, it has just recently onboarded its first clients using additional data sets for equities and, later in 2019, it plans to upload futures, options and fixed income data.

The RDU's main value-add for its expanding customer base is vastly improved information, which reduces the number of corrections that need to be made manually and therefore frees up resource. It is essentially giving financial institutions their time back. A most valuable commodity.

Moss is anticipating getting involved in data-led discussions at Money 20/20 Europe, where he and the team can explain the benefits – and the full potential – of the RDU to peers from around the world. It's often said that the real value of such events is in the unrivalled networking opportunities they provide, and Moss certainly agrees:

"The nice thing about these conferences is that everybody from the industry comes together in one place and you can have 20 conversations in two days. This would take you months to get done at any other point in time. That community effect is going to be great. And of course the bar tends to be a very good opportunity as well in the evening, so I'm looking forward to that!"

It's this customer-driven collaboration that will help the industry to overcome challenges and harness the full power of the abundance of data in the business world.

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Game-changer:
SmartStream's RDU
is giving FIs access to
data that matters