

Finding the Best Solution to Investment Managers' Technology Needs



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Technology as an essential ingredient in investment management success is no longer in question. Running on a differentiating investment strategy and some Excel spreadsheets simply isn't viable. Fast-paced global markets, asset diversification and complexity, data volumes, investor servicing demands and intense competition mean advanced system capabilities are a must-have.

What is in question is the best way to deploy and use that technology. In the past, the question has often been choosing between a best-of-breed or all-in-one approach. Industry opinion had veered from one to the other over the years. However, cloud-delivery, integration capabilities, global complexities and closely embedded service options now deliver flexibility and have reframed the debate.

Secure cloud delivery and complementary outsourced services are key elements in this significant change to the landscape. Cloud delivery provides users with expert support and full access to the solutions' functionality, reporting capabilities and underlying data. It also removes the upfront cost of buying the hardware and any ongoing in-house maintenance expense. Managed services outsourcing of technical and/or certain operational tasks—such as reconciliations, data management and investor servicing—can further alleviate investment managers' back-office staffing and infrastructure burdens.

In recent times we have witnessed an acceleration in the speed and quantum of market change and demand. Investment managers need to be able to embrace change in the way they select and deploy technology in order to compete.

FOCUSED CAPABILITIES

This component-based approach to technology brings many operational advantages. Now firms can choose the high-quality client portal, order management system or portfolio management platform that best suits their needs. Solution builders dedicated to those specific areas will have the expertise and industry insights to develop the best-in-class functionality firms desire, and keep on top of emerging trends so the technology remains cutting edge.

In order to maximize this strategy firms must ensure that their infrastructure is fully integrated, with the components providing a single, seamless, workflow driven operating model. Data should

flow through the organization in a timely and accurate manner, and be presented to all stakeholders in the most appropriate fashion.

Experience has taught us that the user interface in the back and middle office is driven by very different needs to those in the front office. Merely extending existing systems from one domain into another will not create the focus and function required to evolve and compete. Purpose-built systems designed for particular activities will be far more effective and intuitive to use.

A component solution set-up also future proofs firms. It allows them to build their infrastructure as they grow, rather than being locked in to a single, full-scale system. Depending on the investment manager's budget, preference and need, components can be deployed independently, or—thanks to the modern breed of open architecture principles, flexible APIs and on-demand data interfaces—be integrated seamlessly together as a unified end-to-end infrastructure offering complete trade lifecycle management.

Start-ups and smaller managers may want a lighter technology footprint. As the business develops they can then acquire further functionality—for instance, a multi-asset class order management system to support investment diversification, and automate complex allocation methodologies and portfolio modeling workflows; or a sophisticated front-end portal to keep pace with clients' self-servicing expectations. Having the flexibility to add or remove systems in this way provides much-needed operating scalability to support firms' changing business demands and keep pace with industry shifts.

These are all changes we are observing across our client base. Firms are evolving, and quickly. As they struggle to provide innovation to some elements of the company, whilst simultaneously bringing greater efficiency and stability to others, a component approach is the optimum way forward.

SS&C ADVENT LEADS THE WAY

At SS&C Advent, we believe in affordable excellence. Our technology offerings combine industry-leading component solutions to give users the functionality and flexibility they need, while providing seamless integration to deliver the interconnectivity of a unified platform. For our investment management clients, the result is the best of both worlds.