

STRATEGIC PARTNERSHIPS - GROWTH DRIVERS FOR REVENUE AND PRODUCTIVITY FROM ADVISORY BOARD MEMBER EMMANUEL DOE

INTRODUCTION

This is the third in a series of interviews that leading journalist and author David Myton conducted to drill down on how companies in capital markets are coping in the current global environment. The final interview with Emmanuel Doe focuses on how companies need data and systems suppliers to become strategic partners to build and maintain a competitive position in the capital markets industry.

Emmanuel Doe is a RoZetta Technology Advisory Board member and North American strategic business development partner. Emmanuel is a seasoned executive, having run and built market data, FinTech, and financial data companies to service both sell-side and buy-side audiences. Among others, he has built businesses for Thomson Reuters (Refinitiv) and Interactive Data (ICE Data Services).

SET THE SCENE

David opened the interview by asking, “What are the implications for companies and enterprises of the crises triggered by slowing global growth, energy supply risks, and growing political uncertainty like Russia’s invasion of Ukraine?”

Emmanuel: “The markets are in turmoil; there’s a lot of movement in the markets and growing negative pressure.

As a result, many companies have to consolidate or de-lever their balance sheets. They are looking at assets that are not proprietary or don’t need to be owned by them, continuing to accelerate the outsourcing trend we’ve seen over recent years.

It also points to a few things around trust in the marketplace. There’s a lot of anxiety around who one can trust from a supplier, vendor, or counterparty perspective. Reputation counts. It’s a very challenging environment.

Interview with Emmanuel Doe,
Advisory Board Member by David
Myton

The other thing is that data is becoming more voluminous, complex, and fragmented. The need to combine disparate data sets to analyze to make sense of it all is evident. The other key issue is that in times of increasing volatility, the ability to make faster decisions is key to growing value and managing risks in investment portfolios.

This trend has been a growing problem over recent years. It is accelerating exponentially because of the amount, range, and volume of data generated by our world.”

What’s needed to survive and thrive in this marketplace?

Emmanuel continued, “Having the technology to integrate and analyze data on a frequency consistent with the need to make faster and better decisions. It is interpreting the analysis and then taking some sort of informed action. Meaning suppliers must demonstrate that they can create value through innovation and productivity.

That is the crux of the challenge for many firms today.

David: “You’ve said that financial institutions are actively rethinking what they need to own and manage versus what they can outsource, such as data and software, in the light of current market conditions. What’s the implication of that?”

Emmanuel: “The implication is that suppliers need to be strategic partners, not just a vendor. Strategic partners play a role in the day-to-day operations of the sell-side and the buy-side firms, but they must demonstrate they can add immediate and ongoing value.”

“Clients say, I don’t want to deal with this entire data and analytics stack. But, if a supplier only takes care of 50% of my stack, then I still have a problem with the other 50%. That doesn’t help me. The partner has to bring together 100% of the solution to be viable as an alternative to the current in-house processes. If I still have to do the other half, I might as well do it all.”

Emmanuel adds, “One of the challenges is that firms are also short of a workforce with the right skill set for any significant transition.”

MANAGING MARKET DATA AS A SERVICE

David: “Emmanuel, you say that market data as a service is top of mind as an area for cost synergies and opportunities to shed operating costs. How does that play out?”

Market data no longer needs to be managed in-house. Cloud technology has progressed, and so has market data infrastructure.

Effectively you can utilize Cloud technology to deliver market data as a service in a robust, real-time, historical way because the input-output of the Cloud has advanced so much over the past five years.

But I want to make one crucial point: The Cloud is not just Databricks, it’s not just Snowflake, it’s not just AWS. It’s not providing computational and storage capabilities because that isn’t very helpful. Knowledge of the data, the application, and organizing the data for actionable use is critical. You can’t just dump it into a Cloud and assume it will be figured out. The Cloud is simply a means to collaborate, innovate and compute.

Otherwise, the Cloud is a large dump truck you’ve put all the data into; the Cloud doesn’t know how to get value out of it.

Real partners understand the content’s underlying tenets: commodities, energy data, FX, fixed income, or equities data. A detailed understanding of the data has to be there for market data as a service to thrive and flourish.

Without that dimension of knowledge, moving to the Cloud doesn’t take away the internal resource cost and pain.

Many firms don’t understand the true costs of their technology as they are buried in business unit or central IT budgets, as a result they can’t clearly see the opportunity for efficiency.

David: “So, they’re not really conscious of it?”

Emmanuel: “I don’t think that people are conscious of it as they’re not tracking the costs per use case because it comes through a bundled IT bill that’s accounted for somewhere else.



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David: “If you went into a firm looking to leverage the Cloud, what would you say to them? How would you analyze their situation?”

Emmanuel: “I’d ask them to show me the existing workflow and align the cost base to support this process. From there I would test the various hypotheses for efficiencies that could be garnered by leveraging a flexible cloud solution and the value of getting a strategic partner to deliver and end to end solution. Measure that in demonstrable timeframes across the entire workflow and assess not just the piece outsourced to the Cloud but the end-to-end improvement achieved.

The Cloud is supposed to help in two ways to save costs, make you more efficient and improve processes.”

THE WAY FORWARD

“On a slightly different topic, I think many vendors out there are non-congruent with one another.

The problem comes down to the firm having to be the translation engine between five different vendors and bringing it together into a digestible form.

In a sense, many vendors are causing more work for the firms just to make the data fit for purpose. The lack of vendor alignment is challenging and very costly for the market. It is up to the customer to bring together the same data that varies by source and make a judgment call on that data concerning their workflow.

The real challenge is finding a partner that can automate and integrate the content from various providers in various formats and pre-process existing models to make significant productivity gains.

Your most expensive resources should be focused on creating value, not struggling with source data.

Contact us today to learn how we can help enhance your enterprise data management.

ROZETTA TECHNOLOGY

RoZetta is a Data Science, cloud technology managed service provider who has specialized in building and operating financial markets solutions since 1997. RoZetta Technology has delivered multiple white-labeled cloud-based, petabyte-scale data and analytical platform solutions for global data vendors and users. RoZetta has expertise in working with structured and unstructured data from all major data vendors covering over 450 stock exchanges, including emerging Alt data sources.

MORE INTERVIEWS

David explored the grassroots level of data management during an [interview with Rama Chandra and Sreeja Subash](#). He followed up with an [interview with Dale Richards](#) on the strategic changes in the overall industry.