JUMP TECHNOLOGY

INVESTMENT MANAGEMENT

How to handle your digital transformation?

Investment management firms must make significant changes to their strategies and operating models if they are to succeed in an increasingly competitive environment. They must **seize multiple growth opportunities, and invest in data** and new technology, including the **Cloud**.

Implementing the right migration strategy is critical to getting the most out of the Cloud. A smart approach will ensure accelerated innovation, improve efficiency, and create a competitive advantage.

These changes, taken as a whole, are often labelled 'digital transformation'. A transformation such as this can seem overwhelming because the stakes are so high.

Thankfully, you don't have to undertake your digital transformation alone, developing your own proprietary software systems from scratch to achieve your goals.

There are many **pre-packaged and flexible investment management solutions** that will meet your expectations, however choosing the solution that is a perfect fit for your company's structure and objectives is not so simple.

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The use of data and digital transformation

Before explaining how to find the right third-party solution, let's first identify the main factor driving the global trend:

THE USE OF DATA. What matters most is not what you know, but what you do with what you know and how fast you do it!

The goal of this enigmatic 'digital transformation' is **to collect the best quality data and turn it into a competitive advantage**.

Turning data into a long-term competitive advantage requires **a focus on two interrelated actions** between business and technology:

// Define a robust data management program

Establishing a data management program is key to **turning data into an asset**, achieving business goals, and successfully completing complex projects. This data management program should include:

- **Determining your data governance model**
- **Establishing a Master Data Repository**
- **Defining data quality management rules (presence, consistency, uniqueness)**
- **Identifying and implementing the appropriate data technology platforms**
- **Establishing a clear architecture for the data supply chain**

Data Governance

An effective data governance program **establishes reliable and certified data** for all business users, regardless of their department. It also **sets standards for data transparency, data protection, and audit trail integrity**.

Data governance is defined by an **organization–process–technology triptych**. The organization requires **the establishment of a data committee and the assignment of roles and responsibilities**, for example identifying data owners who manage a defined perimeter of data. **Processes define the complete end-to-end data lifecycle**, from initial data capture to the delivery of reporting and/or analytical views where the data has been normalized to meet the needs of the business users and data consistency across the company. Technology underpins the organization and processes.

Master data management

Centralized and shared data in a Master Data Repository **increases efficiency in terms of data acquisition, validation, and enrichment**.

Ultimately, all sources are standardized and consolidated into **a single standard model that meets all data users' requirements**.

Data quality and accuracy

Across all industries, data scientists spend more than **80% of their time preparing and cleaning data to make it usable for analysis purposes**.

Implementing a data quality validation approach is necessary across the data ecosystem. **A comprehensive set of validations can provide end-to-end guarantees.**

In data quality, the goal is **data veracity.** «Veracity» refers to the state of data quality in terms of what is fit for purpose and ready for the data consumer.

Data Supply Chain Management

In asset management, we know that a supply chain requires a coordinated effort to **search and run data through key enterprise systems**.

Establishing a supply chain-focused database helps companies **move forward with confidence** and **quickly ingest external data sources to proactively propose new use cases**

// Leverage new technologies

An investment manager's ability to make large-scale use of emerging technologies is critical to **increasing efficiency and driving growth.**

Reporting

Few firms are truly leveraging analytics to the full. According to a Forrester cross-industry study, **between 60 and 73 percent of all data in an organization is not used for Reporting and Analytics**.

And yet, **analytics technologies** are revolutionizing the way asset managers conduct research and evaluate opportunities.

Investment management software allows investment managers to **access previously inaccessible or unreadable datasets**, helping them **inform their analytics and research platform to experiment and validate investment ideas**.

Machine Learning

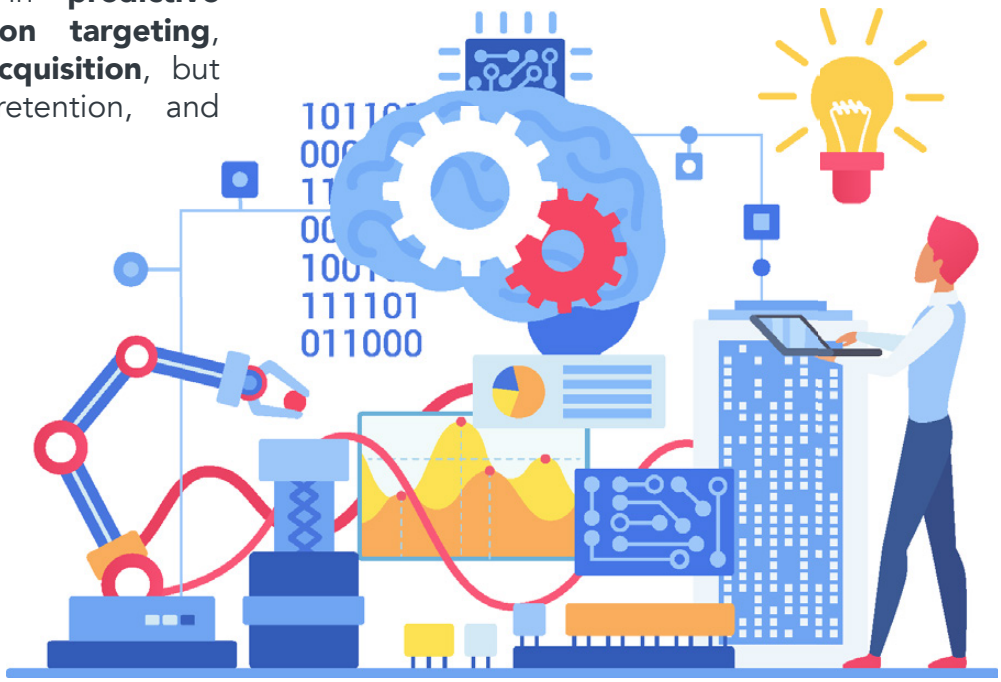
Machine Learning can help create highly contextualized customer experiences. Machine Learning combined with new customer analytics records can result in **predictive models for precision targeting**, including not only a**cquisition**, but also **cross-selling**, retention, and **repurchase risk**.

Artificial intelligence

AI can **improve decision-making processes** for portfolio management, by **automating the identification of buy/sell opportunities** as well as the **comprehensiveness of order information** in the order management solution (OMS), based on criteria that comply with the asset investment strategy.

Using the Cloud

To stay competitive and reduce costs, companies must establish a **modern technology platform** with scalable data integration technologies, including the use of the cloud.



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Selecting an investment management solution

Now that we have determined that more efficient data use by harnessing the latest technologies is the main benefit of any digital transformation, it is time to CHOOSE THE PERFECT SOLUTION FOR YOUR BUSINESS.

An outdated investment management solution can cost you time, money and inevitably make your services less attractive than those of your competitors who are prepared to **adapt quickly to changing customer expectations** by adopting the latest technology.

It is important to take the time to weigh up your options by using a methodical approach and asking the right questions of the potential solution provider. But which questions are the right ones?

How have you helped other investment management players?

Find out about the investment management tool's references and **current client base**, as well as **the type of businesses** the provider primarily serves. Needless to say, it's best if they already serve similar clients to yourselves, as they will have a **better understanding of how your business operates**, as well as **its needs**.

You can simply go to vendor websites and **look at case studies**, relevant **press articles**, **blog posts**, and industry awards, but few things are more revealing and objective than **feedback from other customers** that use the solution in question. By all means, ask for several references you can contact.

Does your tool integrate easily with existing and future systems?

Investment management solutions that implement cloud usage, microservices architecture, and API technology can help **integrate easily and securely** with your existing systems, without costing a fortune or disrupting your workflow.

Native and advanced connectivity with your **business ecosystem** (asset servicers, market data feeds, brokers, trading tables, etc.) is also critical: ask vendors about their connectors' **functional and technical coverage** with your key counterparties, and the extent of their API catalog.

In addition to your existing systems, a **cloud-based platform** will allow you to easily integrate with any external services you may decide to integrate in the future.

How do you maximize security and minimize risk?

Choose an investment management solution that **makes cybersecurity a priority** and protects your company's data adequately. Regular monitoring and continuous improvement to keep up with changing security challenges should be a key demand.

You should also ask whether the system provider meets **your regulatory requirements**, has been audited for compliance, and follows industry standards. The International Standardisation Organisation issues and publishes international standards to ensure **sounder operations, better regulation, and more efficient products and services**.

Do you offer production backup and ITO services?

Whether or not you need business and IT backup services now, it is important to know from the outset whether your provider can offer these services, in case your company **needs additional support** in the future.

Business and IT backup services can help your company to **successfully tackle unexpected challenges or projects** (e.g. a transformation of your target operating model or a process digitalization project) without having to bear excessive additional costs. In general, **it is better to have a provider with too many services and functionalities than not enough**, even if it means taking a 'lite' version at first and expanding it later.

How often do you release product updates?

It is important to choose a supplier that **anticipates future challenges** and is committed to **keeping its solution at the cutting edge**, both functionally and technologically. Ask the vendor in question how often they **update their solution**, and how much time and money they invest in **research and development**.

The more frequently they make significant improvements, the more likely they are to become your trusted partner for years to come.

What does the implementation process looks like?

Before approaching suppliers, you should first ask yourself whether you want to **adopt the solution** wholesale

(use the solution's standard processes and forget about your own) or **adapt** it (set up the solution to meet your own needs). This will determine the type of solution and implementation. Then see how quickly they can implement their solution and make it operational. A solution with an extensive library of standard settings (ratios, controls, reporting, imports, etc.) will require less manual configuration and waiting time.

If you are moving from a **legacy system to a new solution**, you will also want to ask how complex the changeover process is, how it works with your current infrastructure, and how your daily workflows will change.

Which is the TCO (Total Cost of Ownership)?

TCO (Total Cost of Ownership) is the method for evaluating the direct and indirect costs of a product in order to quantify its real value and everything that is required to make it work. **TCO provides better economic predictability** before making an investment or purchase.

The price quoted on a vendor's proposal is almost never the TCO of the solution. Regretting an investment management solution is not uncommon for the companies who are faced with unexpected costs that force them **to exceed their budget expectations**.

// How to calculate the TCO of your investment management solution?

Basic requirements - hidden costs + hidden values = TCO

Core business requirements are the capabilities you expect from any investment management software provider. They should be the **minimum set of features** that vendors offer to meet your most basic business needs. Any potential candidate who cannot meet these requirements should be ruled out early in the selection process.

Hidden costs

Hidden costs are not initially indicated in a supplier's price proposal, but nevertheless, **accumulate throughout the lifetime of the solution** in your organisation.

Examples of hidden costs are:

- **Maintenance** and **upgrade costs**
- **New release costs**
- **Market data costs**
- **Support** and **hotline costs**
- **IT infrastructure costs**
- **Licence fees**
- **Customisation or integration costs**
- **Cost of changing the system** if it does not meet your needs

Hidden values

The 'hidden values' of a solution **add value** either upfront or as your business grows but are often overlooked when assessing the total cost of ownership of investment management software.

Examples of hidden values include:

- **R&D commitments** for continuous product improvement
- A **service model** that is **broad** enough and **scalable** enough to meet the needs of your staff
- The **breadth of services** available to you as you grow, including **managed and strategic services**
- A platform approach that leverages **technology** and **best process practices** to deliver maximum value
- **Outsourced Trading Desk** (OTD) integration
- Access to **third-party applications and solutions**
- Industry **experience** and **reputation**

By assessing the TCO of a solution, rather than simply comparing upfront costs, you can more accurately compare vendors and determine which solution will deliver the most value to your business over the long term.

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How can you expect to achieve long-term goals?

Instead of just comparing the price tags of potential investment management solutions, you want to **choose a provider that will help you achieve your long-term goals**.

For example, if you are considering perhaps implementing **new asset classes, new functionalities, or working in new countries or with new counterparties** (asset servicers, brokers, management companies, ESG data feeds, etc.), you want to make sure that the new system can **accommodate these upcoming strategies with the necessary technology and regulatory compliance features for the investment manager of today and tomorrow**.

Is the service as good as the solution?

This is a question that will be answered indirectly. **It is up to you to test and see** how their service team is structured and how well they answer your initial questions about their investment management software.

Ultimately, you want an investment management solution with a team of people behind it who **treat you as a partner and make your goals their goals.**

JUMP TECHNOLOGY

OUR MISSION
Provide the investment management industry with the most innovative platform to support them in their regulatory, business and digital challenges.

Comprehensive and modular asset management platform

Manage Financial Risks
Automatically detect discrepancies

Industrialize your processes
Throughout the entire value chain

Control regulatory risks
With compliance controls and a complete audit trail

Reduce costs
And reduced processing times

Control operational risk
Secure processing and reinforce controls

Monitoring & Reporting
With dashboards, KPIs and business reports

JUMP TECHNOLOGY

Innovative Cloud Solutions for Investment Management

Accelerate your digitalization to focus on your core business

Awards:

European Business Awards™

Deloitte. Technology Fast 500™

Finance Innovation
Pôle de compétitivité mondial

They trust us:

AURIS GESTION

GROUPE VYV | Entrepreneur du mieux-vivre

FLORNOY & ASSOCIES GESTION

UMR Union Mutualiste Retraite

Rothschild & Co

LE GROUPE Groupama

APICIL ASSET MANAGEMENT

MONETA asset management

MANCO PARIS

AMADEIS

MONTAIGNE CAPITAL

ZADIG Asset Management