

Greater Insight and Data Optimization

“I needed to understand what data license accounts were downloading third party data, and how many times. I had to try to solve a licensing issue, but I did not know who was using the account. Maybe I could track it down, but where then is that data flowing?”

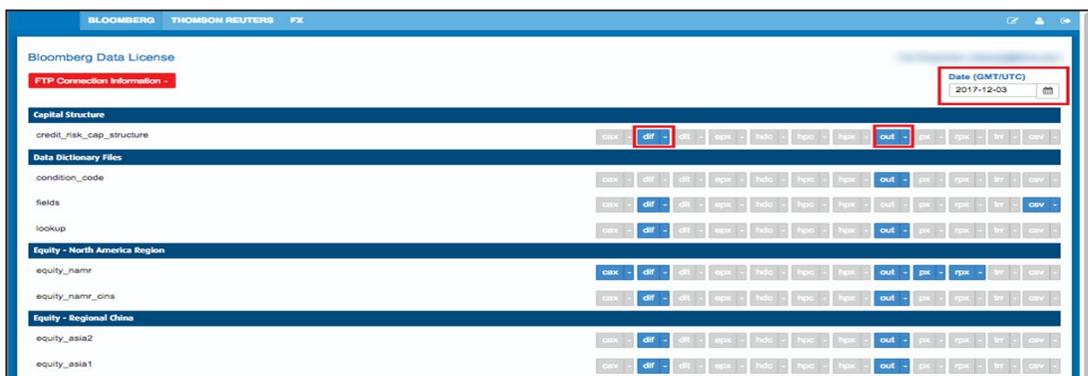
—Rich Weston
Former Director and Global Head of
Market Data, BMO Financial Group

Overview

Costs for real-time market data and historical reference data are expected to rise. Commercial requirements from vendors continue to shift adding complexity to an already challenging business landscape that market participants need to manage.

As a result, today's market data managers face a number of major challenges:

1. Uncontrolled data usage
2. Increasing data costs
3. High compliance risk
4. Growing demands of data security
5. Increasing complexity of support infrastructure



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A large Canadian bank embarked on an initiative to tackle these head winds. The bank wanted a centralized method to address critical usage issues such as data entitlement, tracking, use allocation, and compliance. In addition, the firm needed transparent and efficient internal data management as a way to optimize usage.

The Xignite Market Data Cloud Platform reduces the total cost of ownership through better data management and governance. Every data request made by any user is logged so that data officers can more easily understand usage and ensure compliance is being managed. It helps optimize data spend by analyzing consumption patterns and eliminating duplicate data requests.

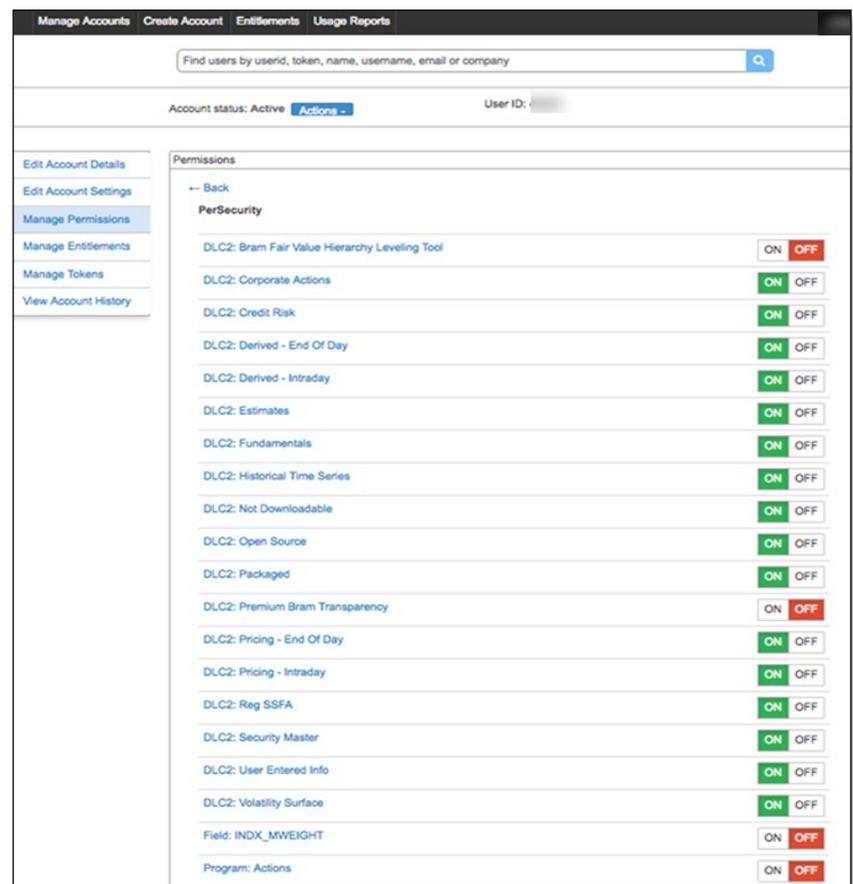
By centralizing data that traditionally has been accessed at multiple points throughout the organization, the market-data cloud provided the bank a way to build a system that would facilitate faster responses to new regulatory demands. It also helped empower users to fulfill their own requests—without vendor compliance risk.

Xignite’s Market Data Cloud platform helps financial institutions reduce market data expenses by eliminating duplicate data usage between departments and across vendors, while also driving accountability and compliance through its embedded entitlement controls and detailed usage tracking metrics.

The innovative deployment of the Market Data Cloud Platform at BMO Financial has won numerous industry awards, including Best Cloud Solution – Wall Street Letter Institutional Trading Awards, Best Enterprise Data Management Initiative—Inside Reference Data Awards, Best Cloud Provider —FTF News Technology Innovation Awards and Best Cloud Initiative—American Financial Technology Awards.

“The platform will pay for itself within a year to two years’ time, through hard dollars and optimization. There’s also a soft-dollar save, which is mitigating your non-compliance risk.”

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Easily manage permissions for users for market data access. For the Per Security example, toggle on/off the different fields that a user is entitled to access. The platform allows the admin to control access by individual Per Security fields and also makes it easier to administer by grouping these field entitlements together.

Challenge

Uncontrolled Data Usage

In our case study, market data within the bank was originally managed system-by-system with multiple market data requests. It was unclear which accounts were downloading data, how many times the data was being downloaded, and if the data was being downloaded across different legal entities. This lack of transparency made it challenging to support audit requests, counter vendor file discrepancies, and determine actual consumption for funding allocations. This lack of transparency made it challenging to support audit requests, counter vendor file discrepancies, and determine actual consumption for funding allocations.

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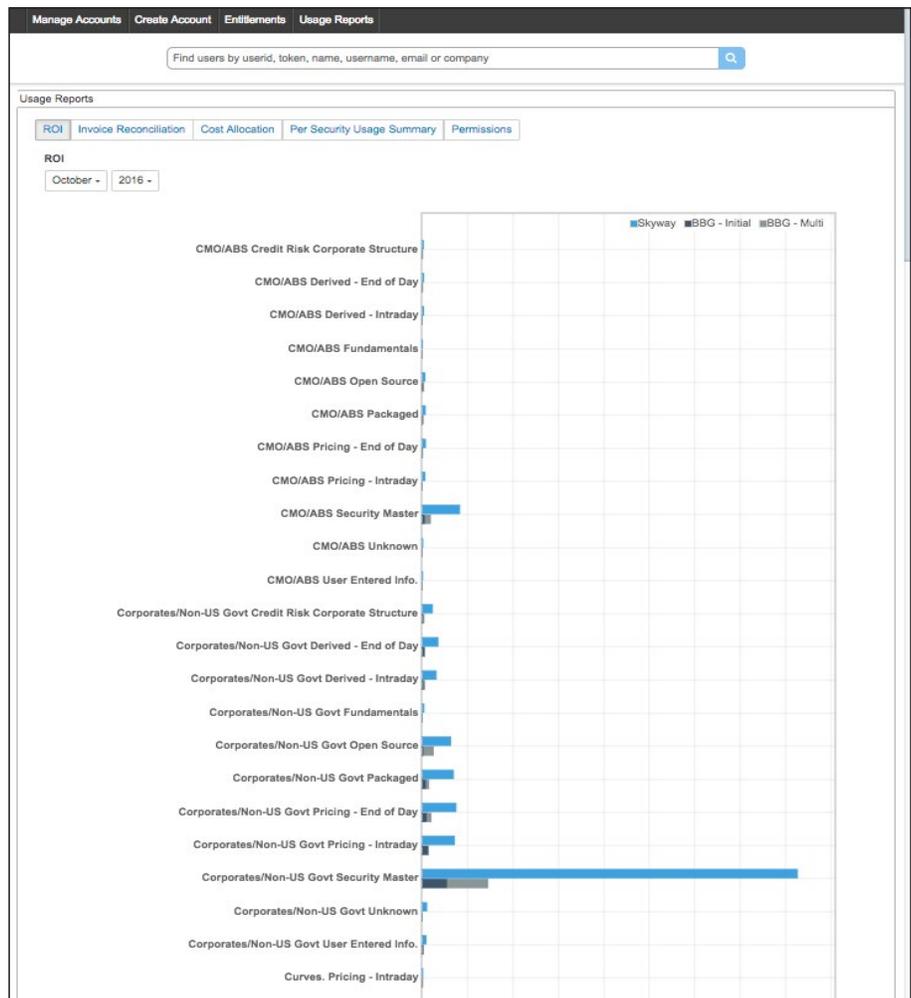
High Costs and Compliance Risk

The inability to quickly pull access and usage information for vendor audit requests increased non-compliance risks. It also increased the likelihood that the bank would pay for more data than was used. Without easily accessible and accurate records at the department and individual levels, the bank had little choice but to accept and pay based on data vendor reports.

Internal inefficiencies compounded the problem. For instance, duplicate data requests came from multiple groups, or requests came for data not used in the current processing cycle. Each request for market data, even if it is unused or duplicate, has an associated fee, increasing avoidable costs. Multiple requests account for 37% of spend industry wide.

Demands of Data Security

The bank needed to be able to identify the source of the information and tie licensing information to vendor data. Access to this market information had to be controlled to prevent unauthorized access of data.



Xignite's platform allows the admin to monitor market data usage individually by user and across the firm. The sample usage report shows the number of Per Security requests made through Xignite, and allows the admin to compare across the corresponding initial and multiple access requests made to their other market data vendors.

Complexity of Support Infrastructure

The bank also needed a solution that was quick to implement, looking to deploy an on-premise solution that would not have high infrastructure setup and maintenance costs.

To support expanding access to market data, the technical solution also had to grow with the clients' needs—an ongoing expense, as an on-premise solution would require greater hardware resources.

Solution

To address these challenges, the bank used Xignite's Market Data Cloud to power an internal project application. Leveraging the Xignite Market Data Cloud to centralize, distribute, and optimize market data management, the bank gained the insight needed to reduce costs, support audit requests, and get better insight into how market data is used throughout the organization.

Data Usage and Access Controls

The Market Data Cloud centralizes data and manages access. With new insight into data usage and data access, the bank was able to optimize enterprise data spend. With their internal application, bank users could analyze usage and consumption patterns, provide faster responses to new regulatory demands, eliminate costly duplicate data requests, and empower users to fulfill their own requests without the risk of vendor non-compliance.

The bank's internal application uses two-factor authentication. Two-factor authentication means that entitlements are granted at a granular level (down to field level if needed), ensuring access is limited to the accounts that need it.

User Control

The Market Data Cloud Platform eliminated duplication of effort within the banks technology groups. Rather than multiple departmental groups managing data, which introduces more risk and additional internal cost, the platform gives control back to the users.

Quick Implementation and Scalability

Xignite's powerful cloud-based platform is quick to implement. It just requires a secure connection to the cloud. Rather than spending months setting up a secure infrastructure, the tool can be set up in a matter of weeks.

The solution was built to scale. Xignite is an authorized third-party processor of Bloomberg data, but can be used to process any vendor's data. This provides the ability to expand data sets as needed to support enhanced data analysis.

	2017-12-04 1:50:49 PM EST	2017-12-04 12:50:49 PM EST	2017-12-04 11:50:49 AM EST	2017-12-04 10:50:49 AM EST	2017-12-04 9:50:49 AM EST
AUDUSD	0.790905	0.790905	0.790905	0.790905	0.790905
EURCHF	1.10777	1.10777	1.10777	1.10777	1.10777
EURCHF EURCHF	1.084405	1.084405	1.084405	1.084405	1.084405
EURJPY	130.356	130.356	130.356	130.356	130.356
EURJPY EURJPY	131.5705	131.5705	131.5705	131.5705	131.5705
EURUSD	1.166265	1.166265	1.166265	1.166265	1.166265
EURUSD EURUSD	1.092965	1.092965	1.092965	1.092965	1.092965
GBPUSD	1.299745	1.299745	1.299745	1.299745	1.299745
GBPUSD GBPUSD	1.48339	1.48339	1.48339	1.48339	1.48339
NZDUSD	0.743615	0.743615	0.743615	0.743615	0.743615
NZDUSD NZDUSD	0.68529	0.68529	0.68529	0.68529	0.68529
USDCAD	1.257895	1.257895	1.257895	1.257895	1.257895
USDCAD USDCAD	1.38471	1.38471	1.38471	1.38471	1.38471
USDCHF	0.949845	0.949845	0.949845	0.949845	0.949845
USDCHF USDCHF	0.99217	0.99217	0.99217	0.99217	0.99217
USDJPY	111.7725	111.7725	111.7725	111.7725	111.7725
USDJPY USDJPY	120.375	120.375	120.375	120.375	120.375

The Xignite Platform also processes vendor data. In this example, the webpage implemented Xignite's APIs to present currency conversion rates from Thomson Reuters through its Thomson Reuters Enterprise Platform, TREP, interface.

Results

Using Xignite's Market Data Cloud Platform the bank has seen immediate benefits. The organization can quickly on-board new departments, gain insight into usage patterns, and optimize usage to reduce costs.

Using Xignite's Market Data Cloud eliminated 30% data spend.

The bank reduced costs by:

- Collecting Data Centrally
- Streamlining Operations
- Reducing Audit Risks
- Improving Negotiating Position
- Reducing Time to Market
- Eliminating Infrastructure Management Costs

The bank experienced a quick return on investment, "It's a demand driven service, so when you on-board more people or new applications, consumption may actually go up from a departmental perspective. When we on-boarded Risk, which is one of our largest single users, we cut our data costs by 25% through optimization," says Rich Weston, Former Director and Global Head of Market Data for BMO Financial Group.

The solution improved the bank's security posture and data usage control, providing the ability to enforce the traceability of data and track entitlements and distribution of data.

The platform can be used to provide CDO/CEO level project visibility and easy access to the information needed to support vendor audits and compliance requirements, including the Volcker Rule.

In addition, the usage information has been leveraged to improve the bank's negotiating position with vendors. Based on the ongoing success, the bank is driving to quickly on-board additional data sets and expand usage.

About Xignite

Recognized as the data cornerstone enabling the growth of FinTech, Xignite, Inc. makes market data easy. Xignite pioneered the shift of market data to the cloud and is leading the disruption of the market data industry. The Xignite Market Data Cloud platform, hosted in the AWS cloud, allows companies to simplify infrastructure, scale quickly, and innovate faster. Xignite's clients include more than 1,000 financial services, media and software companies including BMO, BlackRock, and Charles Schwab, as well as leading FinTech disruptors Betterment, Envestnet|Yodlee, FutureAdvisor, Motif Investing, Personal Capital, Robinhood, SoFi, StockTwits, and Wealthfront. Visit <http://www.xignite.com> or follow on Twitter @xignite.

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