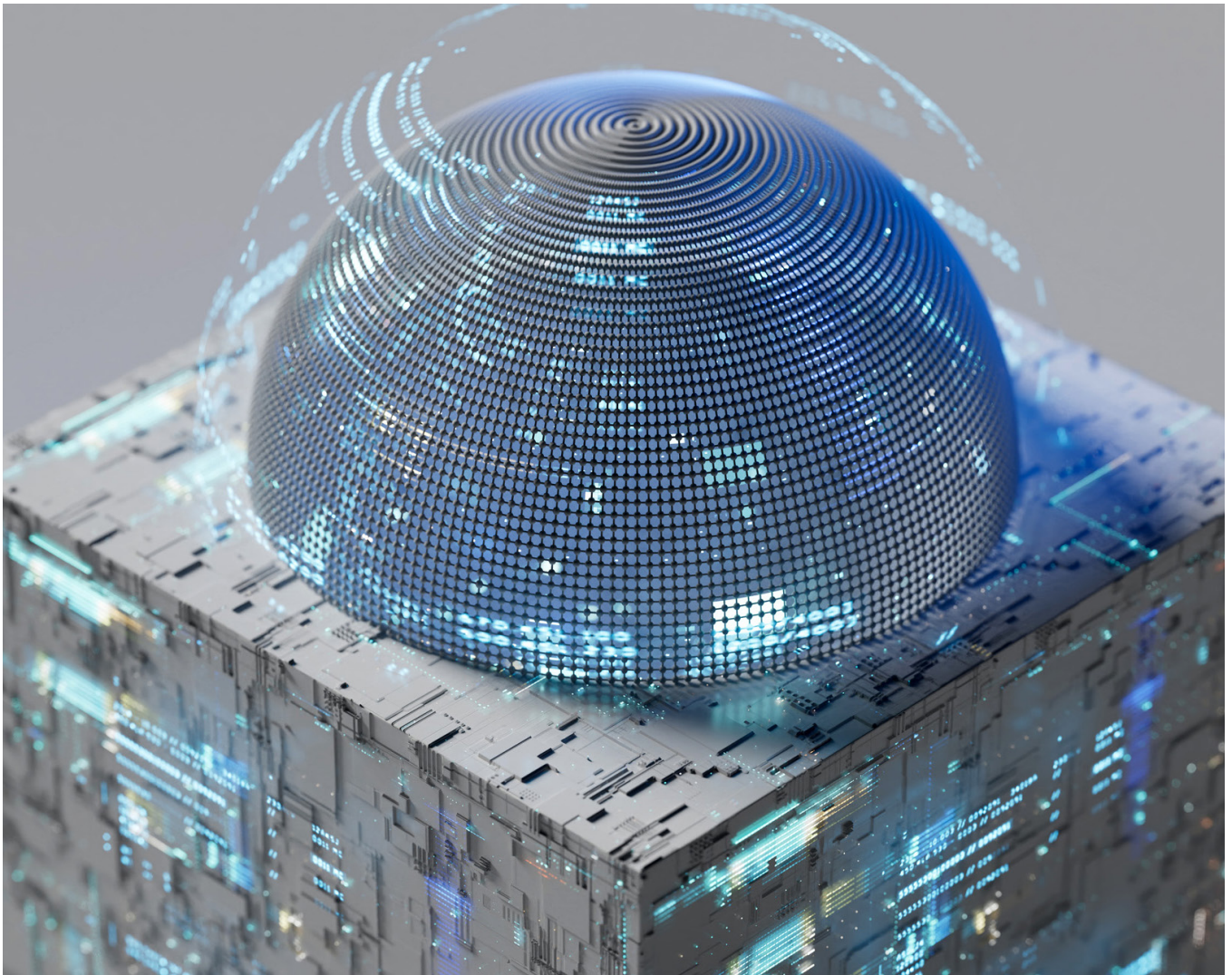


One day, all data will be delivered this way

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waterstechnology



LSEG DATA & ANALYTICS

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It wasn't long ago that, for large numbers of capital markets firms, the *de facto* data consumption model was DIY, or a do-it-yourself proposition, due to the scarcity of relevant managed data services on the market. Now, firms on both sides of the industry are increasingly looking for partners that offer cloud-based data services to manage all of the heavy lifting for them, freeing themselves up to focus on their own core competencies.

It goes without saying that data is the lifeblood of the financial services industry. Without it, technology is mute and can provide neither insight nor analysis. If the streams of data permeating capital markets were to run dry, the entire industry would cease to function, literally overnight.

And, given how embedded data is within the industry, there are further complexities that cannot be understated. It can be challenging for firms to source, prohibitively expensive to acquire and maintain, and fiendishly difficult to manage and share across the business. This is why so many capital markets firms are now looking to cloud-based managed data services to address their data challenges in a single easy solution.

Private

Jason West, director and global head of LSEG's Real-Time Managed Services, explains that the firm's private cloud offering focuses predominantly on front-office use-cases, and is specifically designed to appeal to firms looking for full-tick data (featuring every tick, trade and quote).

Detailing the offering, West says: "We have 19 locations globally—we're in all the main financial centers—and we've just spent \$110 million restacking it. The reason it appeals to clients is because, if you want to do it in-house, you need a lot of people to do so, and the infrastructure costs a lot of money, especially if you're a tier one investment bank running across multiple regions

and countries. To keep up with change controls, software and operating system updates, hardware failures and the business demanding more and more data, all while controlling how much you spend on reserved capacity – you have to go out and buy more on demand in order to scale up quickly."

“With the Real-Time Managed Distribution Service, you are just buying a service. If you want to be in a new market or country, we can deliver that data to a desk, a machine or, for example, a wealth manager anywhere in the world.”
Jason West, LSEG

Time, money and expertise

Before joining LSEG, West was head of market data at Citi where he recalls buying LSEG's Real-Time Managed Distribution Service, with Citi being the first tier one investment bank to subscribe to the service. He explains that, while it might be theoretically possible to build out that infrastructure—and source, acquire, manage and maintain all that data—doing so takes a significant amount of time, money and expertise. There is also the issue of time-to-market for any new service or datafeed, which, increasingly, is a key criterion firms consider when looking to establish a new relationship or extend an existing one. "Businesses just don't want to wait that long anymore," he adds.

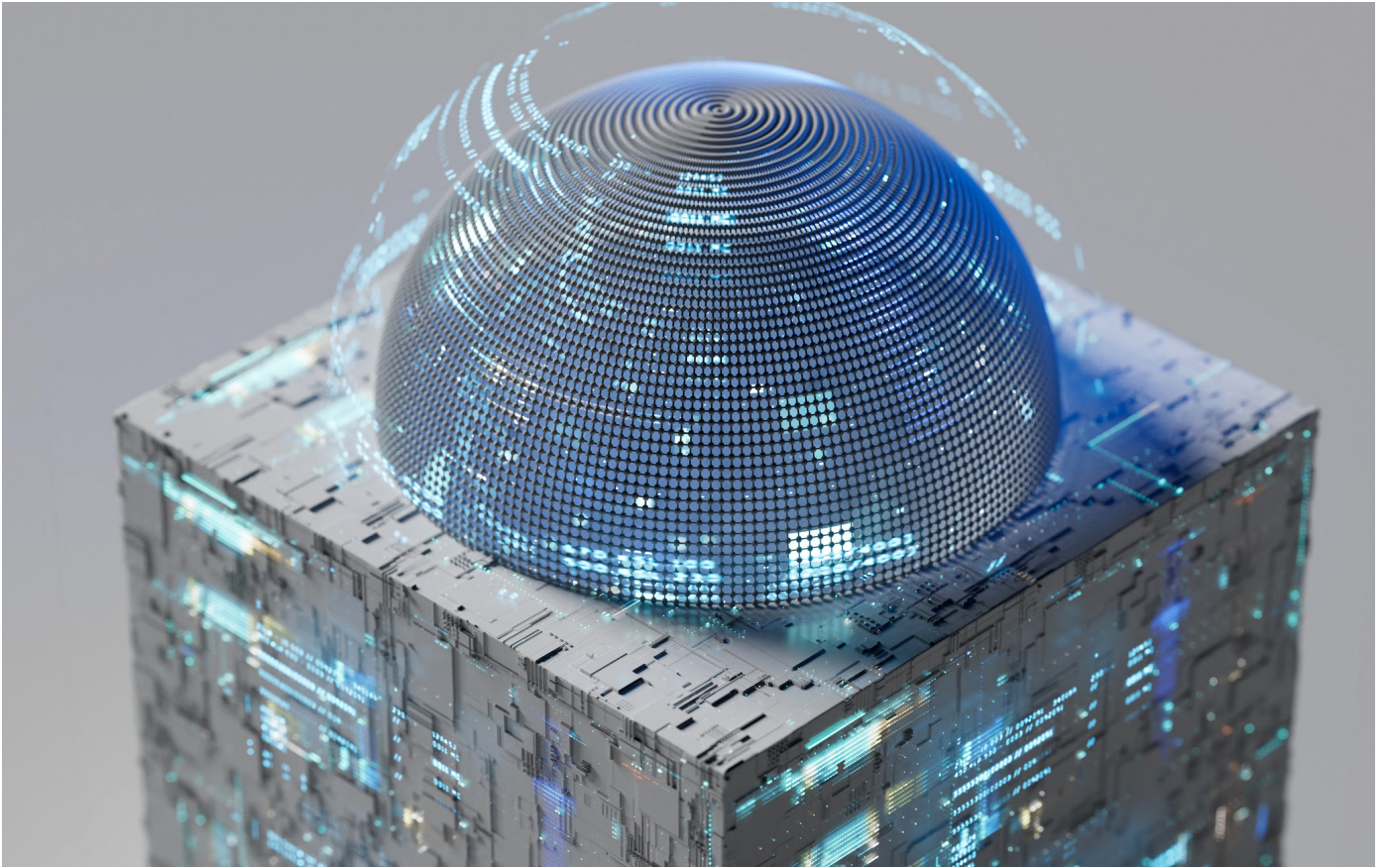
In short, unless you're a tier one investment bank or one of the industry's largest asset managers with a small army of data and technology specialists, and especially deep pockets, running a real-time market data stack is prohibitively expensive and near impossible to make the business case for—the business benefits just don't add up.

Immediate gains

The gains to be made by subscribing to the Real-Time Managed Distribution Service are significant and immediate: firms can shift their expense models from capital expenditure to operating expense, they can specify the data they want alongside where and how they want it, and their total cost of ownership reduces appreciably. "People, systems and database administrators, and restacking the platform every five years—that capital expenditure is a lot of money," West argues.

"With the Real-Time Managed Distribution Service, you are just buying a service. If you want to be in a new market or country, we can deliver that data to a desk, a machine or, for example, a wealth manager anywhere in the world. Also, we've been running it for 12 years and we have 800 instances running globally. Because of the way we have structured it, it simply works for a lot of our clients."

Recently, a North American tier one investment bank asked LSEG to provide data for an additional 1 million instruments, which it was able to deliver over the course of a weekend. "No bank can do that itself. Across our 19 locations,



we have 35% capacity just sitting there ready and waiting,” West says. “Also, the service is designed to offer full redundancy, which increases resilience.”

Going public

The proliferation of public cloud technology and methodologies in the financial markets has led to significant improvements over the traditional on-premises solutions that require expensive infrastructures and resources. Firms can see immediate benefits in shifting their business workflows to the public cloud, including such features as seamless infrastructure failover leading to higher service availability, elastic capacity management with on-demand scaling, service risk controls that are continuously being improved and the ability to build and run new workflows as quickly as the business demands.

But where is all the data sourced? LSEG’s Real-Time Managed Distribution Service has evolved to add public cloud capabilities that are available as ‘off-the-shelf’ models—businesses can simply

choose the data and capabilities needed for their workflows and LSEG will take care of the rest. “We’re up and running with our new product using our Optimized data service, and we’ll be adding full-tick data to the cloud in forthcoming releases,” West explains. “We think this will meet a great deal of our customers’ needs and provide a simpler entry route to the public cloud market.”



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These new solutions will offer the most popular capabilities of LSEG’s Real-Time Distribution System—LSEG’s high-performance data platform that supports the integration, distribution and compliance requirements of data—alongside the data customers need, all



wrapped up in a fully managed service that can scale as business demands change.

Focusing on the business

A lot has been written recently about how financial services firms now resemble specialist technology and data firms and, in many respects, they do. But, while they might produce and consume a lot of their own technology and data, those functions are not their core competence. They are, first and foremost, service providers within the financial services industry, and their business is predicated on providing specialist investment banking and asset management services to their clients.

Managing technology and data in-house just doesn’t make business sense for firms unless it offers a potential competitive advantage. But, even then, such claims should be treated with skepticism. The business gain is simply not worth the technological, operational and financial challenge, particularly when the managed service solution offers such resilience, cost-efficiency and ease. [wt](#)