

THE WORLD'S MOST IMPORTANT ASSET

BNY Mellon has combined new technologies, collaborations and a philosophy that data has become the world's most important asset class, according to Steve Taylor, head of BNY Mellon Data Vault, who explains the custodian's approach.

What change have you seen in client demands that has sparked this acceleration in your strategy and investments in data services?

I think it's scale of the transformation that has been the biggest change. This has been brought on by macro and systemic industry changes. You've got increased competition in markets, more diversified asset classes, increased M&A activity and obviously the pandemic.

We've seen first-hand that our customers' needs are evolving quickly, and we believe we can offer a more comprehensive, more modular platform that gives them the flexibility and insights they need to grow.

They are asking us 'how can you help future proof my business? And how do I re-imagine it?'

We recently completed a study with about 200 asset managers globally on trends and what was amazing to me was the pervasiveness of themes around data, with 93% of respondents indicating that they are expanding plans to increase the use of analytics and insights in portfolio management. Many of their growth strategies rely on leveraging advanced data and analytics. That level of laser focused activity really speaks to the comprehensiveness of these changes.

There was also substantial acknowledgement of serious hurdles they need to overcome. Many of them are still living with siloed data. They don't have access to the data in the way that they need it and the quality is inconsistent. I should say, coupled with that, they have a user population that is much more data hungry and more tech savvy than ever before.

Do you think custodians are in the rare position of being such a trusted provider for asset managers, and therefore you are relied on to aggregate and partner?

We know data very, very well. We believe we're uniquely positioned because we've delivered investment data software and services to clients globally for more than 25 years through our Eagle product suite. We continue to invest heavily in that business, while also harnessing the rich intellectual capital developed there to take our capabilities to the next level. This includes our complementary Data Vault, and our ability to deliver differentiated data sets that can help our clients grow. Being able to pair that deep software and data expertise with exceptional BNY Mellon services creates unique value for our customers.



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Steve Taylor, head of BNY Mellon Data Vault



How do you keep pace with these fast-moving client demands when it comes to your own strategy and technology?

It's really important to have a sound and well understood architecture strategy - and I don't mean just a kind of technical architecture - but an understanding of where we fit within the industry.

That's very much aligned to the core principles around OMNI - our open, modular, networked and integrated platform. It connects a portfolio of capabilities and solutions together.

Ultimately, we want to give clients choice. They are all at different stages of their journey, and they want optionality that allows them to plug into a broad ecosystem of providers and suppliers.

How we keep pace is by recognising that we alone can't build everything, but focus on building a platform that allows our industry to come together in more meaningful ways.

So allowing our customers and our data suppliers to build meaningful content on the platform is a big, big part of how we see ourselves keeping pace. I have talked to my team a lot about how we have probably interfaced with more systems than any other firm in the industry.

Finally, I should mention that working

with Microsoft and adopting Azure services has allowed our product and engineering teams to focus on differentiating our capabilities while leveraging Microsoft's expansive, global technology expertise. By collaborating with Microsoft, we can extend our capabilities faster than if we built everything ourselves. So it's a win for us and a win for our clients.

Why have you decided to also focus on front-office data and why are you well-positioned to provide this in addition to middle- and back-office data, which you've been more traditionally known for?

We really hone in on how data can deliver business outcomes for our clients. So I think of the front-office no differently. Everyone is grappling for faster access to data to drive an information advantage. They want to know how they can access new datasets or combine them to create new insights. Those same recipes or ingredients are critical, regardless of where someone sits within the organisation.

We've spent decades building products and services for the middle- and back office so we have deep relationships with those customers and over time they've

provided us with invaluable insights and experience in terms of what they want to see next. And they're telling us that data management and insight discovery can help them drive better investment decisions or improve sales efficiency. That's what we're hearing and reacting to.

I see it as a continuation of the journey. The lines are blurring, and we're helping break down silos of data, and making that data more accessible to them. This is what our clients want. They want to be able to interact with that data in new and more natural ways. The more accessible the data is, the more they can explore the art of the possible.

What do you think the future holds in this space from both a client perspective and for your services?

If we think about some of the motivations around our strategy - and also specifically with our Data Vault product, which functions as the backbone of OMNI - what's really important is to create a platform that allows our clients to quickly acquire and interact with larger, more diverse data sets and remove a lot of those traditional technology hurdles that you see with on-premise data management solutions.

Using ESG as an example, I think that we see an industry that's shifting to a much more agile way of thinking about how that data is used. Fast experimentation followed by rapid or robust industrialisation of the data is a key point that we see and hear from our customers. To make that data more accessible - that ultimately unlocks more opportunities, which has historically been something that's quite challenging.

Through our relationship with Microsoft, we're providing cloud-based capabilities that allow our clients to run faster, cheaper and ultimately gain insights sooner. This lends itself to a future that will focus on the acceleration and creation of analytics to drive investment, risk, operational and cost optimisations.

But this requires integrated platform capabilities operating cohesively, from data acquisition, to discovery, to quality controls and dissemination. The adaptation of artificial intelligence has helped our capabilities keep pace with that explosion of data our clients are seeing.