



**FROM DATA SILOS
TO SMART DECISIONS:
A GUIDE TO MASTERING
DATA FOR ASSET MANAGERS**

INTRODUCTION



66%

Of Asset Managers
Reported Difficulties With
Data Fragmentation

Data is the lifeblood of successful asset management. However, managing that data effectively can be challenging in today's complex world. In a 2023 study by [Accenture](#), a significant 66% of asset managers reported difficulties with data fragmentation. This fragmentation hinders comprehensive data analysis and informed decision-making, critical factors for achieving alpha (superior risk-adjusted returns) in today's competitive investment landscape. Fragmented information, data quality issues, and outdated technology can all hinder your ability to make informed decisions and maximize returns.

In this article, we will equip you with the knowledge and strategies to overcome these hurdles. We'll explore the top data challenges asset managers face and provide practical solutions to get you back on track.



THE DATA MAZE: COMMON CHALLENGES AND EFFECTIVE SOLUTIONS



1. Fragmented Data Silos:

Imagine financial data locked away in separate databases, making it impossible to see the bigger picture. That's the reality for many asset managers struggling with data silos. This fragmentation creates a roadblock to comprehensive analysis and informed decision-making.

Solution: Break down the silos! Implement a centralized data management platform that unifies your information from different departments. This allows for a holistic view of your investments, leading to better portfolio management and potentially superior returns.



2. Ensuring Data Quality: Garbage In, Garbage Out

Measuring and maintaining data quality across the enterprise can be a significant challenge for asset managers. Just think about it - a [Harvard Business Review Study](#) found that data scientists spend 80 percent of their time preparing and cleaning data before it can be used for analysis across industries. This highlights a significant pain point: garbage in, garbage out. Only accurate or complete data can lead to good investment analysis and costly miscalculations, ultimately impacting your bottom line. A study by [IBM](#) revealed that poor data quality costs businesses an average of 15% of their revenue annually. That's a significant chunk of change!

Solution: Establishing robust data governance processes is crucial. This includes defining data ownership, implementing data validation mechanisms, and conducting regular audits to ensure data accuracy and completeness — ultimately enhancing the reliability of analysis and investment strategies. By prioritizing data quality, you can ensure that your decisions are based on solid information, not misleading metrics.

80%

Time Spent By Data
Scientists To Clean And
Prepare Data For Analysis

15%

Annual Revenue Loss Due
To Poor Data Quality



3. Data Security: Building Trust Through Protection

Protecting sensitive clients and financial information is paramount in today's digital age. Data breaches can lead to significant economic losses, and erode client trust, a cornerstone of any successful asset management firm. According to a recent [IBM Report](#), the global average cost of a data breach in 2023 reached a staggering \$4.45 million, a 15% increase over the past three years. This alarming statistic underscores the growing threat of cybercrime and the importance of robust data security.

Solution: Implementing robust security measures is essential. This includes encryption to scramble sensitive data, access controls to limit who can view information, and regular security assessments to identify and address vulnerabilities. By taking these steps, you can safeguard data integrity, build trust with clients, and minimize the risk of a costly data breach. Remember, a strong security posture demonstrates your commitment to protecting your clients' valuable assets.

\$4.45 Million

Global Average Cost Of
A Data Breach In 2023

↑ 15% ↑

Over The Past
Three Years



4. Gaining a Firmwide View: Data Governance is Key

Many asset managers need help to see their data from a company-wide perspective. This leads to a fractured understanding of information and consistency in reporting.

Solution: Formalize your data governance with a data council and designated roles like data stewards. Automate manual data integrations to streamline processes and reduce risks. A centralized data governance approach fosters better decision-making across the organization.



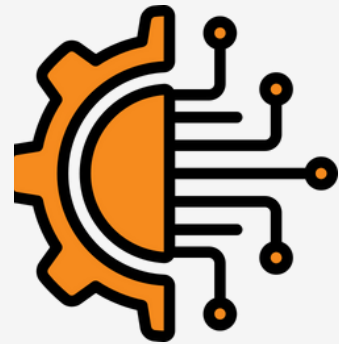
5. Master Data Management: The Key to Trustworthy Data

Master Data Management (MDM) is critical in ensuring consistent and reliable data across your entire organization. However, implementing a robust MDM strategy can be challenging for asset managers. According to a recent Accenture study, a **83% Of Companies Need Enterprise-wide, Multi-domain MDM Capabilities**, and half need to update their data governance processes regularly. A centralized approach is necessary for a firm's ability to adapt and respond to changing market conditions.

83%

Of Companies Need
Enterprise-wide, Multi-
domain MDM Capabilities

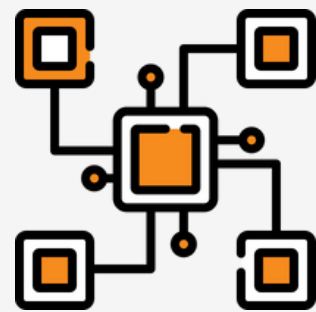
Solution: The answer lies in implementing a centralized and controlled MDM strategy. This approach allows you to aggregate and validate data from various sources, ensuring its accuracy and suitability for different investment strategies. By establishing an enterprise-wide MDM capability, you can adapt efficiently during project implementations, minimizing disruptions and ensuring a smoother workflow. Organizing shared data centrally by domain also streamlines data processes and creates a standardized data model that caters to the diverse needs of everyone who relies on your data. With a strong MDM strategy in place, you can unlock your data's full potential and confidently make informed decisions.



6. Modernize Your Approach: Leveraging Technology for Success

Outdated technology platforms must catch up with modern asset management demands. Legacy systems often need help to integrate with new data sources and hinder your ability to innovate.

Solution: Consider cloud-based solutions or outsourcing data management services. **Cloud platforms** offer increased scalability, efficiency, and cost savings. Modern technology empowers you to stay competitive and unlock the **full potential of your data**.



7. Unveiling Hidden Connections: Data Integration is Essential

Understanding market trends and identifying lucrative investment opportunities requires integrating data from diverse sources. This could include market feeds, news sources, and alternative data providers.

Solution: Invest in data integration tools and leverage APIs to streamline data exchange between your systems. A comprehensive view of market dynamics allows you to spot hidden opportunities and make data-driven investment decisions.



8. Compliance Made Easy: Staying Ahead of Regulations

Asset managers need to navigate the complex web of regulations like SEC and GDPR. Failure to comply can result in hefty fines and reputational damage.

Solution: Stay up-to-date on regulatory changes, implement robust data governance frameworks, and conduct regular audits. A proactive approach to compliance minimizes risks and ensures your operations are running smoothly.



YOUR DATA-DRIVEN ADVANTAGE

Asset managers can gain a significant competitive edge by effectively addressing the **data challenges**. Investing in the right tools and processes allows you to overcome data silos, ensure quality, enhance security, facilitate integration, and stay compliant. You can unlock superior returns and achieve your investment goals with a data-driven approach.

READY TO TAKE CONTROL OF YOUR DATA?



Don't let data challenges hold you back. At A5 we offer a suite of [data management solutions](#) designed to help asset managers like you conquer these hurdles and unlock the full potential of your data. [Contact us today](#) to learn more about how we can help you transform your data strategy and achieve superior investment results.

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A5 started in 2004 as a systems implementer focused on Configure-Price-Quote. Over the last 15 years, we have expanded our partnerships and service offerings in order to bring more value to our customers across multiple platforms. A5 guides our customers through the five A's of our Digital Transformation process of Audit, Align, Advise, Attain and Assist.

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