

European Service Provider Insights 2021

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Centralising technology provision

Arcesium: Best Treasury Management Solution Provider

As the dust settled following the initial surge of the Covid-19 pandemic, many hedge funds began re-evaluating their internal infrastructure and operations. As more look to centralise their technology infrastructure, there is now renewed interest in understanding how to best leverage technology within their business.

“The pandemic has been the biggest real-life test for disaster recovery and business continuity plans,” observes Chris Barrow, head of business development for Arcesium in Europe. “It was a perfect storm, with managers having to tackle the transition to remote work while markets remained open for trading with periods of extreme volatility. Professionals in any operational function were under extreme stress from two different angles.”

Barrow outlines that clients who had cloud solutions in place were fortunate to have a fairly seamless transition to remote working. Those with in-house processes and on-premises systems struggled more.

There may be more concern for managers that have taken on a combination of niche providers for specific services. “These are often stitched together by internal developers, and, in cases like these, the organisation’s technology architecture can be quite fragmented, coming from multiple providers. Therefore, in a stressful situation, they face a greater challenge in dealing with different systems and providers,” Barrow notes.

He says this makes a strong case for having more of a firm’s infrastructure or architecture in one place, with a single provider: “It would be naive to assume all clients benefit from a one-size-fits-all platform; however, having spun out of DE Shaw, and now supporting some of the most complex multi-strategy hedge funds around, the Arcesium platform is genuinely multi-asset class. Although we understand that the need for other vendors will persist within certain parts of an organisation, managers are definitely moving towards having fewer pieces of technology from fewer vendors and, ideally, that tech comes in a SaaS delivery model.”

“There is a general trend among professionals towards ease of use and minimal human intervention, with organisations consolidating and amalgamating the technology they use.”



Following the flurry of activity and the struggle to stay afloat when the pandemic first broke out, investment managers are now considering what their business is apt to look like over the longer term in terms of infrastructure, operations, and technology.

“Although change can be a challenge, and the process of moving away from legacy systems and vendors is daunting, managers are already seeing the benefits of having

a more centralised approach to their technology,” Barrow explains, “There are also many hedge funds starting afresh, learning from their previous firms’ mistakes. They are aware that the technology is very advanced now, and they can start out with the most streamlined, automated systems to help future-proof and scale their business.”

Throughout the past year, the industry has experienced extreme volatility, meaning more trades and, therefore, more middle and back office processing. This has resulted in more stress on operations and, effectively, all areas of the organisation. “In this environment, having access to sophisticated data management tools within an interoperable platform that can handle large trading volumes and downstream processes goes a long way. For example, Arcesium’s Treasury Suite provides full margin replication, flagging any disputes and reconciliations surrounding collateral and margin calls; the technology also identifies opportunities to optimise those movements. The system provides intelligent logic to suggest the best assets to use for collateral, helping to optimise value and limit the impact on capital usage in the organisation,” Barrow comments. ■

Chris Barrow

Head of Business Development, Europe, Arcesium



Chris Barrow is responsible for leading Arcesium’s growth in Europe. He has over 20 years of experience in law, banking, and financial technology. Chris started his career as a lawyer, specialising in banking and capital markets, and then moved into business development roles focusing on hedge funds and asset managers. He has run sales globally for Nomura and HSBC prime services and led financial technology businesses at Brown Brothers Harriman and ENSO Financial Analytics. At HSBC, Chris was also head of Diversity & Inclusion in the UK. Chris graduated from Southampton University with a BSc (Hons) in Politics and International Relations and is a qualified Solicitor.