

Cloud-based data solutions unlock big benefits for the asset management industry

Why shifting to the cloud allows firms to free up resources – and find new ways to collaborate

“What we have seen in 2021 is an acceleration in the adoption of cloud-based infrastructure,” says Alex Dobson, SVP of Product at global financial technology and professional services firm Arcesium.

“The pandemic certainly played a role as firms that leveraged cloud-based technology adapted to the challenges of being fully remote. As firms struggled to manage legacy in-house infrastructure, a cloud-first approach went from being a choice to the choice for many of these firms.”

However, for many asset managers, the migration to the cloud can be a daunting prospect.

While the process of shifting operations from in-house technology to a cloud-based solution requires careful planning, the long-term benefits are enormous. Potential risks can also be mitigated by establishing a strategic relationship with an established SaaS provider, such as Arcesium.

Headquartered in New York, Arcesium is a developer of cloud-native financial software that services clients in the financial services industry, including hedge funds, banks, fund administrators, institutional asset managers, private equity firms, and sovereign wealth funds.

The firm helps these organisations manage their financial data and their post-investment processes through technology solutions. Arcesium also offers its clients dedicated teams accounting, operations, treasury, and data management professionals to help support their operational needs.

Arcesium’s solutions are delivered via

client-specific virtual private clouds provided by Amazon Web Services (AWS), the world’s biggest cloud provider.

Dobson believes the advantages offered by the cloud are becoming increasingly clear and more compelling as time goes on. The cloud provides the most efficient way to ensure availability, scalability, and reliability over time while also facilitating compliance with leading information security protocols. Leveraging AWS has allowed Arcesium to quickly address clients’ changing business needs as well as adapt to market changes and volatility.

Opportunities for innovation

The advantages of cloud-based solutions extend beyond the ability to access highly scalable storage and computing power.

The cloud also opens up new opportunities for innovation, allowing customers and providers alike to quickly embrace new technology. This flexibility allows firms to revolutionise how they’re doing business.

“With some of the new cloud-based technology available today, firms within the financial services space are completely rethinking processes – many of them manual – that have remained the same for decades,” says Dobson.

Arcesium has embraced new, innovative technology through a partnership with Snowflake, a cloud-based data warehousing company. This partnership allows corporate users to store and analyse their data in Arcesium’s platform far more effectively than before.

“It’s a modern way for us to work with our customers to share data. We’re able to provide

our customers with direct, real-time access to their data via Snowflake Secure Data Sharing, eliminating redundant and inefficient data stores across organisations.

“Additionally, Arcesium works with customers to allow them to independently contribute other data sets to be easily integrated with their middle- and back-office data in a flexible, self-serviceable manner. This ensures both organisations can access a rich, consistent data set across all relevant stakeholders.”

Combined with business intelligence and data visualisation tools, these newly available data sets allow Arcesium’s customers to unlock additional value in their workflows, ranging from quickly analysing historical data to deriving new data sets in order to meet the demands of a fast-changing environment.

“Asset managers have to be able to quickly react to the demands of their investors,” he says, citing the recent surge of interest from investors in environmental and sustainable governance (ESG) as an example.

“A current example is the embracing of ESG data. With that comes the requirement to manage that data properly and verify to investors that you’re following ESG guidelines.”

What’s next in cloud-based solutions

Dobson believes cloud-native solutions like Arcesium allow asset managers to respond to clients’ ever-evolving demands much more rapidly. Users can swiftly address the needs of investors or regulators given the open access to their data and scalable computing power offered by cloud service providers.

While Arcesium has made significant gains in how data is shared with customers, it continues to work with many other providers in the ecosystem. Data is shared on a daily basis with prime brokers, custodians, and fund administrators. Many of these communications still occur via files being shipped back and forth across organisations.

“As we look ahead, we’ll see firms, including Arcesium, moving to embrace new technology such as Snowflake Data Marketplace. These new tools will enable faster and more efficient flows across disparate organisations, with clients benefiting from a solution with a time-to-market that is measured in days and weeks, not months and years,” Dobson notes.

He continues: “While machine learning has been a buzzword for a few years now,



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Alex Dobson is a Senior Vice President leading Arcesium’s Product team. Prior to the formation of Arcesium, Alex was a Vice President with the DE Shaw group for 8 years where he led a trade accounting and operations team supporting the macro and liquid alternative trading desks. He graduated with honours from Pennsylvania State University with bachelor’s degrees in finance and economics.

the move to a centralised, efficient data store supercharges the potential utility of such technology. You can deploy various algorithms ranging from new data mapping to daily anomaly detection to get data analysts out of the business of mapping and cleansing data. Instead, those resources can be redeployed to higher-value activities with an eye toward strategically growing the business.” ■