

Rapid, scalable, global

Bryan Dougherty of Arcesium considers the wide-ranging benefits of the cloud in the financial services space

Q Why should fund services companies look to using cloud-based technology? How has the cloud proven advantageous to Arcesium in its customer delivery model?

A For the fund services market, we see the cloud as being the best way to deliver the most availability, scale, and reliability – all factors that are critical elements for almost any financial services organisation in 2019.

Given the plethora of critical processes at work at all times for almost every fund services firm, downtime is not an option. Being able to adapt safely, quickly, and at scale is extremely important for the industry and for Arcesium. We've been able to leverage the cloud extensively to respond rapidly to customer needs and market events, and this has proven a huge beneficial advantage for us.



Bryan Dougherty
Arcesium

Bryan Dougherty is a managing director and the head of technology for Arcesium, overseeing platform development, infrastructure, and security. Prior to the formation of Arcesium, Dougherty was head of middle and back office technology at the D. E. Shaw group for nine years. Dougherty started his career at Random Walk Computing, a technology consultancy focused on the capital markets where he worked on a variety of projects for exchanges / marketplaces, investment banks, and hedge funds. He received a bachelor's in computer science from Carnegie Mellon University.

Q How does a cloud-based model help you to be more agile and responsive to your clients' needs?

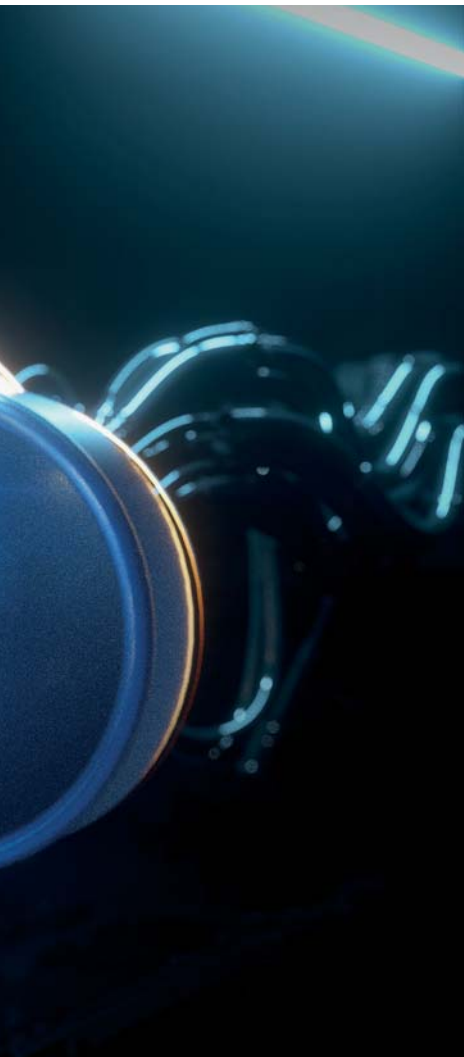
A In the classic datacentre model, you have these extremely long cycles to acquire resources. There's a lot of technical work in getting an order installed, and this may take as long as three months. What ends up happening in practice is that firms order more than they need and end up with a surplus of idle resources. Such resources still require datacentre real estate, which is expensive, and so the cycle is quite horrible. In contrast, adding resources in

the cloud is, in practice, relatively straightforward and can be more or less on demand.

Another significant advantage is that cloud vendors, in general, have a worldwide presence so when working with customers, who almost always operate across multiple regions, we are able to service their demands at pace by taking advantage of the worldwide service of the cloud vendors.

Overall, the industry is changing rapidly, whether such changes pertain to evolving customer needs, the regulatory environment, or technology. We at Arcesium are committed to launching major new product capabilities, so using the cloud has been critical to our ability to respond quickly to the market and in an effective way.

From an information security perspective, we believe the cloud is the best possible stance. We judge this



going to expect within 5-10 years. Anything to do with work flow and data has the potential to apply machine learning to it. It seems to me that we're only now just seeing the beginning of this. More immediately, the utilisation of data is becoming a must-have in almost every context. Customers demand a rich experience; they use their phones to make purchases, view images, videos, and more; and users expect that comparably high-quality experience when they're using a tool professionally.

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Visualisation, functionality, and intelligence is a huge part of this; it's the front-end to the back-end of your machine learning and data story. The cloud has helped to manage and realise client expectations of this nature.

Q How is your offering positioned to manage and respond to unique customer requirements?

A One thing that we do with customers, and have also done with the providers we work with, is to establish strategic relationships to ensure that we understand what they really need. There's often focus on getting things achieved quickly, and this applies whether we are the vendor or the customer, but you need to work with someone who understands your fundamental objectives.

While ultimately we think our platform is best in class, we also take the time to establish strategic relationships between our customers and Arcesium employees who are personally invested in what our customers need. That means that when help is required, we understand the context and what is important. And, when we're working with a vendor, we expect the same level of service provision.

Q How do you anticipate client needs?

A We maintain a professional services practice staffed with people who collectively have hundreds of years of industry experience, so they are at once technologists and subject matter experts, and have all been on the 'other side' of running middle and back offices and managing data. Due to this experience, we can anticipate the needs of our customers very well.

Finally, we also engineer our platform so that it can be extended and customised according to demand. You get an out-of-the-box experience, but we also know our customers will have unique needs and are able to respond to these in an agile, considered way.

Q What are the key considerations when introducing and implementing the cloud in the fund services context?

A Certainly, the strategic relationship will help a lot, whether you're working with a SaaS provider or a cloud platform provider. What we've seen is that the cloud providers, in general, are increasingly committed to understanding and addressing the regulatory and other unique requirements associated with fund services.

At launch, the SEC may, for instance, demand to see the physical location of where you store your data. Early on, a cloud provider would not be able to fulfil such a demand; however, nowadays the cloud industry as a whole is increasingly prepared to find ways to accommodate the unique requirements of the financial services industry.

Vendors, in general, are committed to the FS space because they know it has huge potential, and the cloud can apply well to its innumerable data and work flow processes.

From a CIO/CTO point of view, a high road approach may seem very attractive – i.e., retaining legacy technologies. Going hybrid is certainly a real choice (solutions combining both legacy and cloud), but it does also increase one's complexity and so such decisions need to be made very carefully, and the cost of maintaining that complexity should be well considered. HFM

based on the amount of effort the cloud providers invest in information security; everything we do is then additive to all that they do.

Q What trends and developments have you seen in 2019 so far?

A If anything, the pace of innovation has continued to accelerate. Amazon has launched 70 new services since 2017; they are constantly launching new things that add value, whether it's machine learning, information security products, or otherwise. Our R&D investment is multiplied by the pace of such innovation by others. We have recently launched a machine learning initiative, and the fact we were able to leverage, as it happens, an Amazon service to do this was enormously helpful.

I see machine learning becoming a norm in terms of what our users are