

Outsourcing

IN FOCUS 2020

DATA DEMANDS

Increased use of data sees shift to front office functions

REGULATION

Rules on data protection reinforce outsourcing proposition

CLOUD COMPUTING

Blurring the lines between office-based and remote working

Featuring Arcesium | Cowen Prime Services | Linedata Technology Services | RFA

Data demands shift outsourcing to front office

Interview with Libby Vanderkaay

With fund managers' demand for increased access to larger datasets, the opportunity arises for service providers in the outsourcing space to enhance these already-expanding datasets. The increased use of data and evolving use cases are leading to a shift towards clients' front office functions.

Libby Vanderkaay, Senior Vice President and Head of Account Management at Arcesium, says: "Historically, we've managed a great deal of middle- and back-office data for our clients, so consuming data for the front office is simply a natural extension of our capabilities. We see this development as an opportunity to have a real single source of truth for our clients."

"These days, fund managers want unprecedented access to massive amounts of data, and they need this information in a cleansed and normalised way. The mandates include real-time access to data in a user-friendly format. Built in a scalable, flexible manner, the Arcesium platform can provide that."

The requests include information around treasury data, swap financing, hedge ratios, concentration risk, and real-time Delta-adjusted positions.

Delivering on client demands is Arcesium's forte. Vanderkaay comments: "We allow clients the ability to access their data through a multitude of solutions including platform dashboards, data visualisation and business intelligence, and application program interfaces (APIs). We want clients to spend time reacting to data, not pulling data together, and we've invested in our platform to ensure that data is easily accessible and manageable from the managers' perspective."

Primarily, Vanderkaay says that clients' objective in outsourcing is to achieve a scalable business model and gain access to specialist expertise: "Clients outsource duties and activities to us, of course. However, this is not the only thing they look to us for. They're also leveraging us for approaches to some of their most complex problems to gain access to our subject matter expertise in a scalable manner."

An essential building block of this specialty is related to regulation. As the financial industry continues to come under more substantial regulatory burdens, managers are looking to outsourcers for support in this regard. "It

takes time and effort to keep up with changing regulations, so firms are often looking to outsource more of these functions. As a manager, the last thing you want is to be unprepared for regulatory events or recording requirements."

"The ramp-up of regulation has fast-tracked outsourcing in this space because managers have to react quickly and report on information which we have anyway. By delegating these functions to Arcesium, our clients have peace of mind that experts are staying ahead of the regulatory curve. As regulators place more demands on managers, they will naturally look to outsourcers for help because we can be proactive and nimble. It would take managers a lot of time, effort, and resources trying to solve these things on their own. By taking on these responsibilities, our clients can focus on their core business and generating alpha," Vanderkaay explains.

Arcesium originally came into the market as an end-to-end technology platform. However, Vanderkaay notes

the firm now offers a fully modular approach. She comments:

"The reality is, no two clients are alike; so while technology and automation are paramount to our solution, we customise each client engagement based on their specific needs." ■



Libby Vanderkaay

SVP, Head of Account Management, Arcesium

Elizabeth (Libby) Vanderkaay is a Senior Vice President and the Head of Relationship Management for Arcesium. In this role, Libby is responsible for the commercial aspect of Arcesium's client relationships. Prior to joining Arcesium, Libby was Vice President of Client Implementation at Northern Trust Hedge Fund Services, which she joined through the acquisition of Citadel subsidiary Omnium LLC. Earlier, Libby spent four years at Bank of America Merrill Lynch designing credit derivative trading technology. Libby earned a bachelor's degree in Industrial and Operations Engineering from the University of Michigan, Ann Arbor.