



# Streamlined data sharing for the future

Interview with Dmitry Miller

As hedge funds become more comfortable with cloud database technology, the opportunity for new, more efficient ways of sharing data between organisations is starting to become a reality.

Across the hedge fund industry, several data exchange processes remain tied to legacy systems. There are established ways of how data moves between buy-side and sell-side firms, primarily via data files. However, according to Dmitry Miller, SVP of Product Management at Arcesium, change is on the horizon.

"I anticipate more data exchange processes in the industry will move to leverage cloud technology," he comments. "Going forward, many traditional or legacy processes will start shifting to a more modern set of technologies. One such technology is Snowflake Data Share, which allows for seamless data publication between firms. With this scenario, everyone wins as it's a simpler process for the sender of the data, and the receiver is satisfied because consuming that data becomes a lot easier."

Arcesium is keen to support this trend and has begun to deploy this technology among its clients as a critical step in streamlining data exchange across the financial services industry.

"We're excited about the introduction of this new modern and intuitive way to share data between enterprises," Miller explains. Arcesium has chosen to do this through Snowflake and has rolled out new functionality leveraging Snowflake's capabilities.

"Currently in the industry, extensive data exchange occurs through remarkably old and conservative methods. Hundreds of thousands of data files are processed between firms - whether it's buy-side trading firms exchanging data with their counterparties or funds ingesting data from their vendors - it's all done through files.

Clients who use Arcesium are ahead of the curve and are already utilising APIs, but they're a minority. Having access to data in a simple, easy to digest format is appealing, which is why Miller expects such use of database technologies to become more widespread.

## Increased need for productivity tools to manage data

Hedge funds, particularly the larger funds, often have a very complex set of data warehouses. "Modern database technology allows them to leverage that data in innovative and simple ways. Arcesium can now publish the data directly to the customer, thus eliminating many intermediate

data processing steps and failure points. In this new architecture, as soon as the data is ready in the Arcesium platform, it is available to the customer for their reporting and analytical processes, easily combined with their own data,” Miller remarks.

According to Miller, the critical benefit for hedge funds is the flexibility to combine data from several data sources in a very flexible, yet centralised way: “This database technology will allow them to be a lot more productive in how they go about doing this. For example, with our clients, we manage a great deal of middle- and back-office datasets, and now we have extended that further to close any data gap a firm may have.”

This increased need for productivity tools on behalf of clients is something Arcesium has been addressing head-on. The selection of Snowflake is just one example. “We can share Arcesium data directly with customers – not just with their IT teams but across business teams as well. We’re also addressing the productivity demand by using Looker as the embedded data analytics tool for the Arcesium platform.”

“We’re giving clients tools inside their Arcesium environment to work with the data. We want to give them a very flexible self-service experience, and therefore, the data needs to be presented and accessed in the simplest way possible,” Miller maintains.

### A next step in cloud adoption

Although the appetite and need within the industry is evident, this shift to a more streamlined process of data exchange using cloud technologies does not come without challenges. Miller emphasises: “There is still an evolution taking place, and the migration to the cloud is still very much in progress. It does not happen at the flip of a switch. Managers don’t just snap their fingers, and suddenly everything runs on the cloud. You have to move and rearchitect traditional systems to be cloud compatible. Taking a consultative approach with clients can help them through this process.”

Miller says most hedge funds are already leveraging cloud technology, although where they sit along the spectrum of this usage differs widely across the industry. However, he points out that most concerns around issues like data security, scalability, and reliability have largely been put to bed.

“Now it’s about taking a next step and

getting the benefit of new technologies available in the cloud – in this context, the benefit of highly efficient and robust access to external data, immediately available for analysis, next to firms’ internal data. We see this as a significant opportunity to unlock productivity,” Miller comments.

### Open to innovation

Fund manager CTOs’ increasing comfort with cloud technology is at the core of the recent drive towards various technology solutions. Miller highlights: “As a hedge fund moves more of its enterprise systems into the cloud, it’s a natural progression to look beyond the traditional technology stack and into the more modern tools.

“The availability directly in the cloud also encourages greater experimentation. Managers do not need to bring and install something in-house that they might not end up using. They can try it out in the cloud with less effort and commitment at the outset.”

The Covid-19 pandemic and the impact it has had on many firms cannot be ignored. Miller believes this unprecedented situation has primarily accelerated most trends that were already in motion: “People are looking at their processes with fresh eyes and a different perspective. Now is the time for them to leverage the opportunity to evaluate new ideas. This is the case across the entire industry, not just with database technology. Any trends that existed are now moving forward expeditiously. In our space, leveraging modern technology, relying on cloud infrastructure, and simplifying data exchange processes were already happening before Covid-19. Now, they have only accelerated. People are more open to it and are willing to invest in innovative tools to see how these systems can help their business.” ■



**Dmitry Miller**  
SVP, Product Management, Arcesium

Dmitry (Mitya) Miller is a Senior Vice President of Product Management at Arcesium. Prior to his role leading product management, he has also worked for Arcesium as a Technical Relationship Manager, representing the Arcesium platform to customers and addressing the technology-related needs of their teams. Mitya has over 15 years of experience building software solutions for portfolio management, valuation, pricing, security master, and enterprise data management needs. He is an expert in buy-side technology, application integration, and professional services. Mitya graduated from Saint Petersburg State University with a master’s degree in computer science.