

Asset Control Targets Asia Expansion as Data Solutions & Services Market Evolves Apace

Hubbis recently 'met' with Asset Control CEO Mark Hepsworth at his London home office by video link to learn more of the firm's data solutions software and managed services, as well as the company's ambitions for Asia, a thrust being driven out of its Singapore office. Asset Control is a leader in the provision of high-performance systems for the management of financial data, helping financial organisations deliver high-quality reference, market and risk data, often for the company's many key wealth and asset management clients. Whether it is for operations, regulatory compliance, portfolio valuation, or risk management, Asset Control aims to deliver and help manage data for those clients, tracking every data element from the point of capture to final delivery, giving banks and asset managers the ability to manage costs and achieve the highest standards of data validation, governance, and transparency. In Asia, he reports, the company sees strong demand for its solutions and managed services capabilities, driven by what he considers highly tech-savvy wealth and asset management clientele in the region that is determined to stay ahead of the key data developments and market trends.

“We work with the world’s most successful financial institutions including top-tier banks, insurers and investment managers, as well as a host of growing firms across global markets,” Mark reports, opening the discussion. “The most relevant solutions we offer with regard to the wealth management community in Asia that Hubbis inhabits include software that helps effectively managing regulatory change, financial data management across the financial services sector, especially for private wealth, asset management and hedge fund businesses.”

“Very simply,” he continues, “we believe we are at the cutting edge of data solutions, providing services and operational expertise that optimise data collection, mastering, distribution and exploration, increasing the level of trust and facilitating data access. We like to say we put our clients in control, so they can deliver a single version of the truth to users everywhere.”

At the same time, the solutions are designed to help clients achieve connectivity, scalability, and efficiency, all delivered by teams that Mark says is 100% committed to clients, and 100% committed to optimal data management. “We continuously strive to deepen our expertise and develop best practices in financial data management to maintain our leadership position,” he states.

An evolving market

He explains that Asset Control recently conducted a market survey to investigate shifts in service and delivery models for asset managers to help them effectively address these data requirements.

“Recent years have been challenging for asset managers,” Mark comments. “We found that 45% of respondents have invested in new technology to cope with new requirements due to recent financial services industry regulations and trends, 40% of respondents stated that the most influential approach in introducing new data management initiatives is building up the in-house IT team, and 26% of respondents say that they mainly decide which elements of their data management to outsource by data category.”

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The results appeared in a White Paper authored by Asset Control, and Xpansion, which looked in some detail at the means to optimise data management from commercial, business and regulatory perspectives, at best practices in data sourcing, management and governance, and that also introduced the Asset Control Ops360 solution.

Mark mines down into more detail on the firm’s software solutions relating to asset management. Insight-driven data management is crucial, he reports, as asset managers and hedge funds need to have an ever-more detailed, accurate and complete data picture.

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of data, both in the investment process as well as in client and regulatory reporting processes. Providing easy access for different user types in terms of reporting, querying, discovery and modelling is perhaps the most important data management function.”

Streamlining and centralising

He adds that to help improve investment operations, while the range of data sources continues to grow, maintaining an accurate and complete picture is often a daunt-

ing integration task. Asset Control, he reports, helps operations to become a business enabler by streamlining data collection and mastering and improving distribution and exploration.

“Regulators and auditors put increasing scrutiny on valuation, risk and client reporting processes,” he elucidates. “Whether deployed on-prem or delivered via our managed services, our financial data management provides the rigour, as well as the controls, to verify every data point and track the status of deliverables against pre-configured SLAs.”

An earnest focus

Mark has been CEO of Asset Control for roughly four years, but



MARK HEPSWORTH

Asset Control

clearly remains deeply absorbed by his role, fascinated by the challenges, and is evidently a huge believer in the solutions on offer. He has garnered some 25 years of experience in software solutions for the financial services sector, including leadership roles at the forefront of the financial data and technology sectors.

“We are truly intent in our focus on being the optimal data management technology provider in the market,” he reports, “focusing as we do on helping clients to integrate, organise, and ensure the right standards of data quality, particularly around financial market data. By this, I mean pricing and reference data, the type of data that people buy from firms such as Bloomberg or Refinitiv, in other words, the terms and conditions used for pricing financial products and the market data for valuing portfolios. If anybody wants to buy or sell assets, you cannot do that without setting up those assets in something called a security master file, so we help clients with all that organisation of their data.”

He elaborates on these comments, noting that Asset Control today

Getting Personal with Mark Hepworth

Mark hails from Windsor, famous for its castle and leafy walks along the Thames. After school he completed a management course at the University of Virginia. His roughly 25 years in business have all been in software solutions related to the financial services sector, and his career includes leadership roles at the forefront of the financial data and technology sectors.

Prior to joining Asset Control, he held senior management positions with Interactive Data (now ICE Data Services), including serving as President of the Global Pricing & Reference Data business in New York, and served on their Executive Committee.

“I made the move into more of a management type role in my mid-30s, a transition that was both interesting and challenging. We moved to the States in 2005 and I was given a bigger role, it was really pretty intense, but it ended well, with the company being sold. We went through some challenging times, for sure, but it worked out well for everybody concerned.”

Married and with two grown-up daughters of 26 and 24, Mark’s spare time these days is often spent with the interesting hobby of Bikram Yoga, alongside more strenuous activities to keep fit, including running and the weekly game of soccer. “Luckily I am a defender,” he quips jovially, “meaning I am not often running up beyond the halfway line! If I had to run non-stop up and down the whole length of the pitch, it would all be over for my footballing career!”

is intent on boosting the delivery of its managed service for data. “When asset managers and others are buying large amounts of market data, we offer significant value in helping them with the aggregation of that data, which is typically derived from multiple sources,” he elucidates. “We then centralise that data into a single data repository, thereby organising it efficiently and consistently.”

Filtering and weeding

Taking a step back from this organisational protocol, Mark

explains that the first requirement is to ensure that data is first of all of high quality. “Usually assembled at the end of any trading day, the unfortunate reality is that there’s a lot of erroneous market data that can be caused by poor data sourcing, or even poor inputting of data. That’s important from an investor’s perspective, as well, because fees are usually based on performance, and if prices and data are sourced or logged incorrectly, then mistakes can be made, leading to client dissatisfaction and regulatory reprimand, so it is extremely

important to have a good process around data quality.”

Assuming the data is of the highest quality, the centralisation of that data is then of paramount importance, so that all departments across the organisation are seeing ultimately the same information and outcome. “We focus on best practice and that is centralised, high quality data, that can be consistently accessed by and distributed out to the entire organisation. From a risk management perspective, you need to compare apples with apples and not apples with pears, and you need to be efficient, to also save time and money.”

Multiple sources

Mark then offers some further detail, noting that financial organisations tend to source data from several data vendors, so Asset Control will help the clients integrate and validate that data, provide tools and rules that help to automate the process of ensuring the data is high quality, compare data to alternative sources, and flag inconsistencies that need further investigation.

“Once the data has been certified, or validated, then centralised, then we focus on the distribution of the data,” he reports, “and this is a key area, as we see that the typical private wealth provider is far more tech savvy than ever before, consequently we see that data often used by the quantitative analysts at the client firms.”

The seven sins

In a report on the Asset Control website, Mark’s colleague Stef Nielen writes of the seven sins of data management, commenting that there is a proliferation of data

but no real information. Indeed, they write that 90% of all the data in the world has been produced only in the last three years, but that data and information are not the same, and that there could be a whole spectrum between the two extremes.

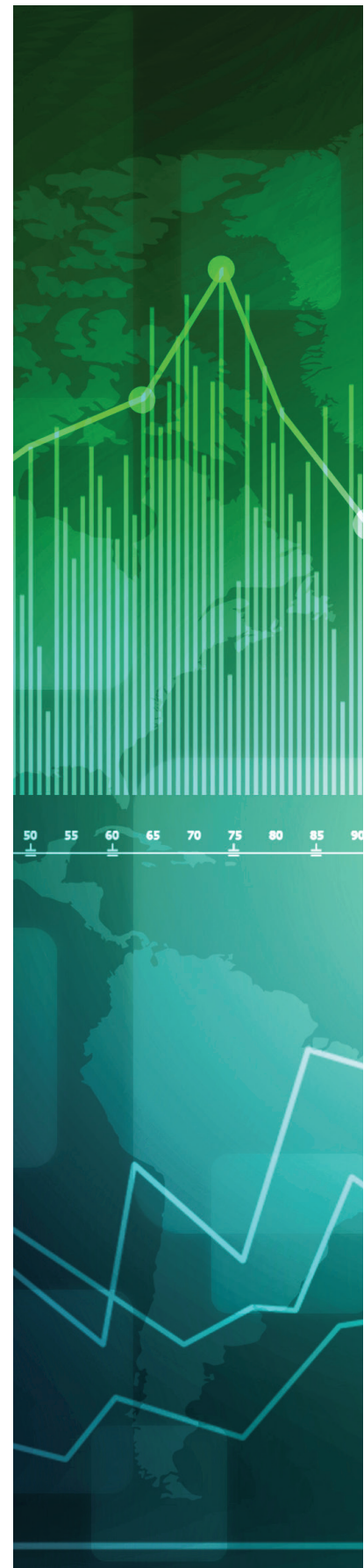
“To start,” Nielen observes, “let’s recognise that data itself could come in many forms and be provided by many different (vendor) sources. But not until you have ‘a single consolidated source of truth’ which is modelled consistently through time, decisions will be rightly informed. Yes, it is certainly self-evident that each time one is confronted with ‘multiple versions of the truth’, it becomes increasingly hard to make a decision with conviction.”

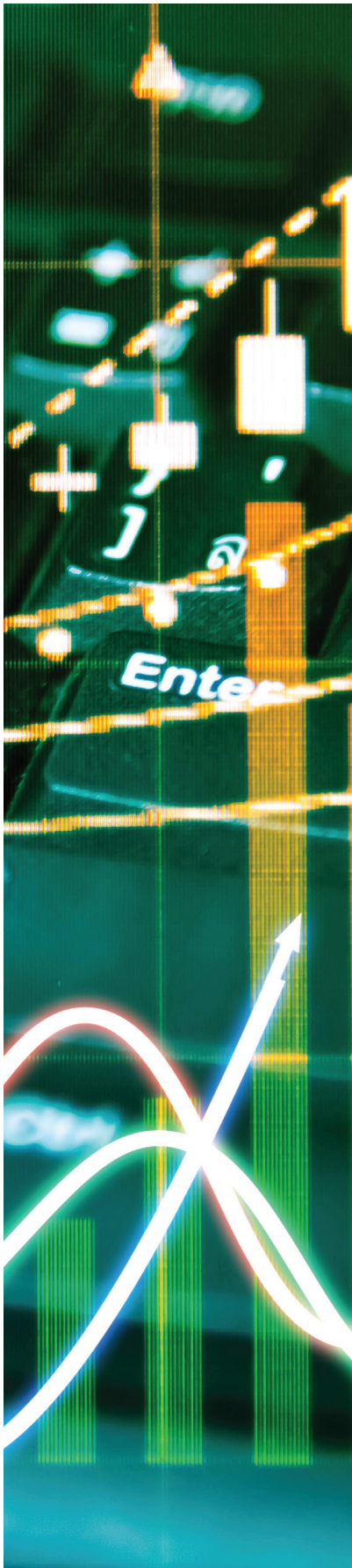
Nielen explains that deriving information out of combined, consolidated, clean data from several different vendors and in-house sources is the lifeblood of each financial institution and is essential to make any proper investment decisions. To achieve that, the organisation needs a system in place that can collect data from different vendors and sources then clean it, manage it, prepare it and govern it, just to improve the overall quality before it’s distributed throughout the rest of the organisation.

In doing so, the overall data usage (and hence cost) of the organisation’s entire range of investment processes can be improved, preventing wasting precious time and money on reconciliation of (data and analytical) differences and eliminating redundancies further downstream.

ESG data – a new challenge

Specifically, with reference to the rising tide of ESG investing globally,





Nielen comments that asset managers are now also confronted with the burden of consolidating and normalising ESG-data from the many additional vendors and (in-house) sources. But with so much ESG data coming in from all directions, it is remarkably tough to squeeze true asset allocation and investment decision information out of all of that, rather than merely accumulating data.

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Nielen concludes that a state-of-the-art enterprise data management system empowers the organisation to decode, normalise, and operationalise the combined reference and ESG data from many different sources and create genuine investment decision information.

Asia – big on Asset Control’s radar

Mark turns his focus on Asia, where he notes that well-documented growth of wealth management, asset management, and the rapid expansion of HNW and UHNW private client assets under management, as well strong growth of the mass-affluent market.

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The firm’s Asian HQ is in Singapore, and the clients are on both the sell and buy sides. Mark reports that Dan Kennedy recently joined as the new head of sales for the region, underlining the

company’s commitment to boost its brand awareness and profile in the region.

Great growth ahead

“We see a great opportunity ahead out in Asia, buoyed by four key trends we identified. First, as I explained, data quality is increasingly important, and secondly, data volumes are increasing significantly, including nowadays ESG data as well as alternative data, which could, for example, be from drones to report car park usage at a major retailer. The third trend is the increasing use of open source technologies, which helps reduce data sourcing costs, as well as boost productivity, but that also requires greater validation. Finally, the typical consumer of this data at a wealth management company is much more of a quantitative individual, someone who will increasingly want models, machine learning

and greater automation and needs more data to power this.”

Key priorities for Asset Control

Asset Control does not rest on its laurels, and the firm embarked on a major new innovation programme some two years ago, designed to upscale the solutions in face of rapidly escalating volumes of data and the rising sophistication of clients in terms of how they want to curate and handle data. “This is a fast-moving area,” he comments, “and unless you are innovating and providing better solutions, then frankly, clients might be tempted to try and build the solutions themselves. Innovation and keeping ahead of market trends, keeping up the momentum are all essential.”

The second key priority is to build further scale in the managed services offering, in order to maintain the cost-effectiveness. “There are continual pressures on

costs,” he observes, “and we know clients are very concerned about infrastructure expenditure, so we are driven to make accessing and managing data as cost-effective and efficient as possible. So, our focus on managed services and how we continue to enhance our technology to make that platform more and more efficient is definitely a key area for us.”

The third priority is to build further expertise and capability in newer areas of data sets, for asset and wealth management clients, such as the alternative data he had earlier referred to, and the rising tide of ESG data. “We need to make this as simple as possible to handle and to integrate alongside the traditional financial data,” Mark reports. “We need to also stay on top of understanding how clients want to look at that data in a combined form with all their other data, and this is certainly a key mission we are focusing time and energy on.”

Rising to the challenges

Mark closes the main discussion by commenting that lockdown has been an interesting and challenging period for the business, but that the firm has managed to engage new clients throughout as well as continuing to service existing customers.

“While we have managed pretty well throughout this crisis, I do have concerns about the medium-term development of relationships, especially with newer clients of course,” he comments. “Ours is not the type of business where clients suddenly rush out and acquire our systems or services. We can work well with the digital communication tools we have, but realistically we do miss the engagement with our clients, which of course is a two-way street leading to a deeper understanding of their challenges, needs and aims. We will manage whatever the situation, but we certainly hold out hope for some sort of return to normality before too long.” ■

