

SimCorp Supports Innovation in APAC Spearheaded by its Data Management Services Offering

Josef Sommeregger is Managing Director for Data and Client Communications at SimCorp and responsible for spearheading the commercial and strategic direction of the firm's data management and client communications businesses. Back in 2004, he co-founded AIM Software, a leader in the enterprise data management space that SimCorp acquired in 2019, and since then, Josef has brought a wealth of industry knowledge and experience to help grow and service the global customer base. He has also played a key role in driving SimCorp's strategic shift to an 'as-a-service' focused organisation and was central to the launch of SimCorp's proprietary Data Management Services in response to clients' needs. He believes that as the complexities of the world of wealth management intensify, as private clients diversify their assets away from public markets and investments increasingly aligned to ESG metrics, then data curation, refinement, management and delivery – both internally and externally – will only become more crucial. SimCorp today has offices in more than 20 countries and has a major presence across the US and Europe, as well as a rapidly growing business in Asia Pacific, where the firm is concentrating significantly more resources. Based in Vienna and a native Austrian, Josef is not only an excellent communicator but also an enthusiastic and skilled chef in his spare time, and is clearly helping SimCorp assemble the right ingredients to attract more and more clients to the firm's increasingly appealing menu of data and client communications' solutions.

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SimCorp in its website presents itself as a company offering solutions and services for investment management, data management and client communications to help navigate dynamic markets. A particular focus of the front to back offer lies in enabling access to the data and insights that allow clients to embrace new opportunities and drive outcomes that shape clients' success.

Founded in 1971, SimCorp has many years of experience in catering for top-tier investment managers and wealth managers, providing them with scalable choice in solutions, innovative software and services, and simplicity. They are today an independent, publicly-traded entity headquartered in Copenhagen, Denmark, listed on NASDAQ Copenhagen. The company's investment of 20% of the revenues into R&D ensures that its solutions continue to meet client needs in a rapidly changing marketplace.

A who's who of international clients

Their clients include 300-plus of the world's leading asset managers, fund managers, asset servicers, pension and insurance funds, wealth managers, central banks, sovereign wealth funds, and treasury. Client names include the Bank of Thailand, Colonial First State, Freddie Mac, Fannie Mae, KBC Asset Management, UBS Asset Management, Zurich Group Investment Management, to name but a few. With more than 1,900 employees, SimCorp is a truly expert led, global team that connects every continent and industry seamlessly.

One of the fastest growing areas of business within SimCorp is its data management offering with 60+ clients across the globe.

Josef explains that his particular role covers products and services covering everything from the sourcing and managing of market data and reference data to the management of data alongside the investment value chain – offering a cloud-native data warehouse which sits alongside its front to back investment management offerings. Data is also accessible for downstream reporting, with

communications," he reports, with some enthusiasm. "We harness our core Investment Book of Record and ecosystem of innovative customer-centric tech solutions and combine it with high-value business, data, and operational services to deliver the outcomes that matter to our customers," he reports. "But it is core to our value proposition to deliver trust in the underlying data– and that we very much focus on making data accessible throughout the investment value chain and into reports and presentations, ready for consumption for our clients end clients."

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SimCorp's award-winning client communications solutions, designed to help investment managers improve client experience by measuring customer engagement and tailoring communicating with clients while also reducing the operational burden associated with producing frequent high-quality client reports, presentations and pitchbooks.

A genuine leader in data management

Josef explains that SimCorp serves institutional asset managers, asset owners, asset servicers, including all the various elements of the wealth industry, which he notes are remarkably data-hungry. "We are known as the world's leading provider of integrated investment management solutions, with strong integrated offerings for both data management and client

He offers more context for SimCorp's offerings and growth. He highlights the explosion in demand for quality data of all types in the financial sector in the past decade or more, including market data, reference data, corporate actions data, ESG data, and so forth. Moreover, the range and diversity of investment assets are far greater, and many investment products and sectors are more complex than ever.

Pioneering data solutions

"Our approach to all this has been pioneering," he states. Rather than following the norms of using software to manage market and reference data, SimCorp has gone several steps further to provide a fully managed data service. SimCorp's Data Management Services provides clean and up-to-



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date market and reference data, building on a strong technology-driven service design with a global follow the sun business model. At the core of the service, Josef explains, is an experienced and dedicated advisory team with knowledge across asset strategies and data types to help firms stay on top of industry, regulatory and market change, including considerations for ESG investing. In addition, the service has been designed to continuously evolve with the needs of the market – no matter the change from new regulations, data vendors or market volatility, SimCorp Data Management Services addresses change requirements within strict SLAs, keeping quality data accessible so you can focus on making business decisions.

“Our technology and teams clean the data and then make it available downstream to clients that also use our core offering,” he explains. “We can also offer this to the broader market, with that data solution servicing all customers regardless of their platforms and core banking suites,” he elucidates.

Getting Personal with Josef Sommeregger

Josef hails from the village of Klagenfurt in Austria, which is deep in the south of the country in a mountainous and beautiful area with many lakes. He later studied Economics and Business Administration at the university in Vienna, where he and his family live today.

Josef arrived at SimCorp following the 2019 acquisition of AIM Software, which he had co-founded very early in his working life, back in July 2004. He and colleagues grew the business globally and in 2015 sold to a private equity firm in New York named Welsh, Carson, Anderson & Stowe, before they in turn sold to SimCorp. “I have been involved throughout in key managerial roles to help build and expand the business, and my focus has really been largely on the market-facing side,” he reports. “I’ve always enjoyed working with clients and helping them with solutions and driving innovation.”

His wife is from the Czech Republic, and together they have a six-year-old son. As one might expect, spare time is spent on the ski slopes near Klagenfurt, or enjoying favourite resorts such as Kitzbühel, where he says they love the combination of a beautiful old town, skiing and excellent cuisine. Quieter times at home might see him in the kitchen, where he enjoys cooking, which he says gives him some peace at the end of a long business day.

He further explains that the demand for this new as a Service approach has been exploding in recent years. Since the launch end of 2019 SimCorp brought nine significant clients onto the service – with 7 of them already fully live.

A wealth of opportunity

He sharpens his focus specifically to the wealth management community and the applications. He explains that the increasing complexity of the wealth management business and business model and the increasing diversity of the assets private clients buy across the globe mean that those operating in the industry need better and more dynamic solutions.

“We have a long and deep history in wealth management and, for example, work closely with private banks such as Bank Vontobel in Switzerland, and the complexity of their client portfolios and their needs just keep intensifying,” he reports. “The challenges they face lend themselves ideally to our automated approach, which reassures them of the quality of the data, reconciles issues, and then delivers a much-enhanced data pipeline downstream.”

He adds that Switzerland is simply an example of a core wealth management market, as it is the epicentre of today’s global private banking universe, but of course SimCorp’s clients span the world.

“We are servicing clients all over, whether it is France, Luxembourg, Singapore, Australia and so forth,” he reports. “And many of them of course have operations across Asia, so we are fast-tracking our coverage for the APAC markets, where there is a huge opportunity.”

Building the presence in Asia Pacific

He explains that SimCorp already has a dedicated market unit in Asia, to complement their European and North American hubs. “On the data management front, we see a big growth opportunity, not only in wealth management but broadly in the financial sector for example in Australia where asset owners including the superannuation funds and others need our support,” he reports. “We are building our presence in the region, building talent, investing substantially, and we anticipate significant growth ahead. Historically, our core markets have been Europe and North America, but APAC will become the third major driver.”

He adds that there are other drivers to data, such as the major shift towards ESG-driven investing across the wealth industry.

The ESG data puzzle

“More and more wealth managers are looking at how to source data, how to think about scoring some of the things that they do, coming up with their own assessments alongside some of the external metrics available,” he explains. “Their asset management arms are looking at ESG of course from a market positioning point of view, as well. In short, everybody is trying to figure out where to find the data, which are the best quality sources, how to manage that data internally,

Key Priorities

As to key missions for the foreseeable future, Josef explains that there are several key objectives in 2022. He highlights the forthcoming rollout of an ESG data service at scale. “We have a lot of demand from the market, from many existing clients and from new clients in this area,” he reports. “We will also focus heavily on further building out our presence with our as-a-service offering, and to that end, we continue to hire in almost all key locations in order to support those efforts.”

He also explains that the firm’s momentum is building, with an important client in Australia already on our Data Management Services and reporting that they have also recently signed up a major wealth management client whose reach will help drive further success and growth in APAC, a region of high priority.

“Finally, we are also building a robust community around our users,” he reports, “so that the clients have a platform to exchange ideas amongst themselves, which in turn also helps drive priorities on our side, and guide our advisory and data management team to refine and extend the offerings.”

“In short, everybody is trying to figure out where to find the data, which are the best quality sources, how to manage that data internally, and indeed how far along the road of creating their own scoring or internal ratings they actually want to go. We are right on top of this shift with a dedicated advisory team around ESG as part of our Data Management service.”

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Agility essential

Another trend he identifies is clients broadening and at the same time refining their governance of data, their sources of data, but also importantly reducing

time-to-market. “This is all about quality and agility,” he explains. “For example, if a wealth manager is dealing with a new asset class because they want to sell that to clients, they need to move fast, or they will be bypassed; they need to support their Relationship Managers, their bankers, they need to be agile. There is still client loyalty in wealth management, but only if those banks or firms can demonstrate they move with the trends and do so in a timely

manner. Our solutions help them do exactly that.”

Josef highlights some of the pitfalls of not getting these challenges solved efficiently and in a timely manner. “There are major risks,” he says. “Data fuels the whole chain, and if you get data points wrong at the onset, that might lead to all sorts of different impacts, for example, missing a corporate action, producing faulty reporting, those are very simple examples of what can happen. And data is the fuel for and justification for the actual investment decisions that are taken. Get those wrong, and the whole business can implode. People understand it is of paramount importance to get this right.”

Laser-guided data

The other element of the SimCorp solutions is to help banks and firms deliver their data to the right places internally in order to drive analytics. “They might be sitting on good data and because of the limitations that they have internally in their systems in the way they do things they’re not making it accessible and it’s not clear in what state that data is, if it’s ready for use, if it is actually raw data and so forth,” he explains. “Again, we solve those types of issues for them.”

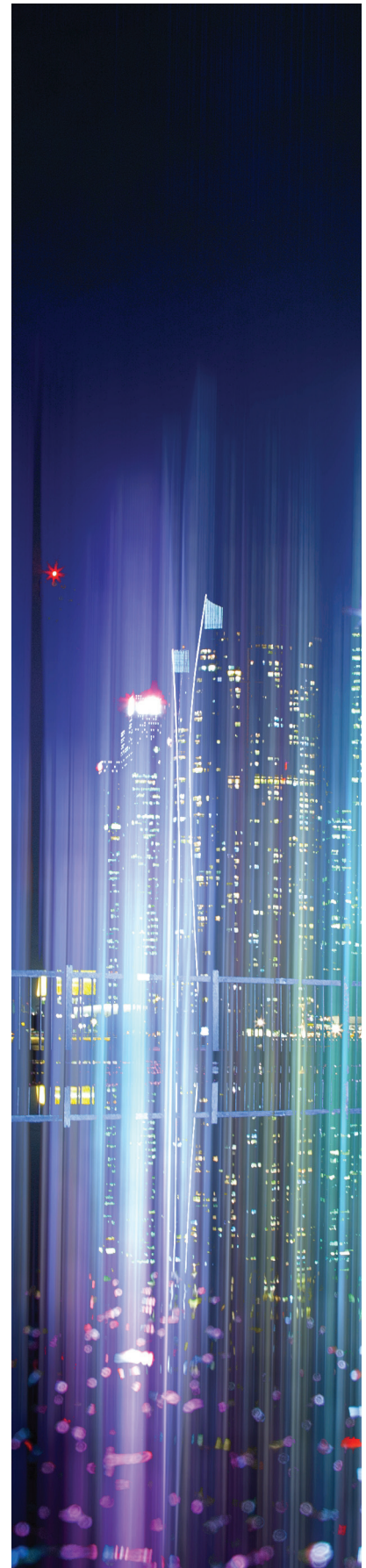
He explains that clients typically would try to tackle the huge volume and complexity of data by building or buying software, and then piecemeal trying to work out how to make it work efficiently, but it never really did, and it was also too people intensive. “Our approach is to encourage them to outsource to us, so clients do not need to have their own solutions; they come to us, buy clean data as a service based on their needs, which we determine with them,” he reports.

And he adds: “We have the software in the background, we hold the data in the Cloud, we assemble it, clean, refine and standardise it all, and we resolve all the data and business issues on behalf of our clients. In the wealth industry, this means that our clients can optimise their investment management operations, assured of a continuous supply of all the requisite data - party data, reference data, product or instrument data, ESG data, index data and so forth - to fuel their investment and reporting operations.”

Change Management

He elaborates further, explaining that SimCorp’s Data Management Services for the clients is not simply buy and forget. “In addition to data operations, we focus also on what we call change management and advisory,” he reports. “When we interviewed COOs about their key challenges in Data Management, it became obvious that one of the most complicated and expensive elements in their operating models was actually to accommodate the high pace of change. Change that is both driven by the business - by offering new products and services, as well as by the outside market, regulators or data vendors.”

“The Change Management service is part of the offering and essentially does two things,” he explains. “On the one hand our Advisory team monitors market trends and changes - such as changes driven by data vendors, or new regulations impacting clients. In case there is a change - the team will independently drive an evaluation of the service to accommodate the change and to roll it out in close collaboration with the client base. On the other hand, our team sees often hundreds of client driven changes



per year – which are driven by increasing data needs of the business. Our Service offers a change management service which provides strict SLAs – which means that we agree with the customer turn-around times depending on the type of change.”

He also notes that while other services might offer a robust design around operations, they miss the crucial function of advisory and change. “We developed the advisory and change function together with our first customer to ensure it addressed the industry needs,” he concedes. “At its core, there are two things, one is an advisory team of business experts in various locations and who help drive these data requirements. The other is the change management capability which facilitates rapid change, so for example when a client needs a new data feed to source

specialist ESG data, we can deliver that in days, not months as the client might have done before. It represents a major differentiator and step forward.”

Passionate about data software solutions

Josef’s enthusiasm for SimCorp’s offerings is evident throughout the conversation. Speaking perfect English in his native Austrian accent, he says that SimCorp (AIM Software that he had founded back in 2004) have software expertise at the core of their DNA. He explains that they designed the software to be constantly driving and being driven by automation, and that translates very simply to incredibly low error rates in the data, which is vital as errors are the Achilles heel of data management in the world of investments.

“We met our SLAs with a score of 98.5% last year across all

clients globally, and that is a great outcome,” he reports. “To achieve that sort of excellence you need automation and not too many manual steps.”

A rising tide of demand

He closes the discussion by concluding that while their business has historically been a software business, they are undergoing a company-wide transformation to a tech-enabled services company responding to the changing needs of the investment management industry. “It’s a dramatic and very real evolution taking place, so we are investing significantly in the whole investment management value chain, building out new offerings, underpinned by the data management proposition,” he states. “This is a core theme for SimCorp, that is the journey we are on.” ■

WHY SIMCORP’S DATA MANAGEMENT SERVICES? SIMCORP EXPLAINS...

The SimCorp website contains a brief introduction to its Data Management Services offering. More information can be found written here: [Data Management Services | SimCorp](#)

