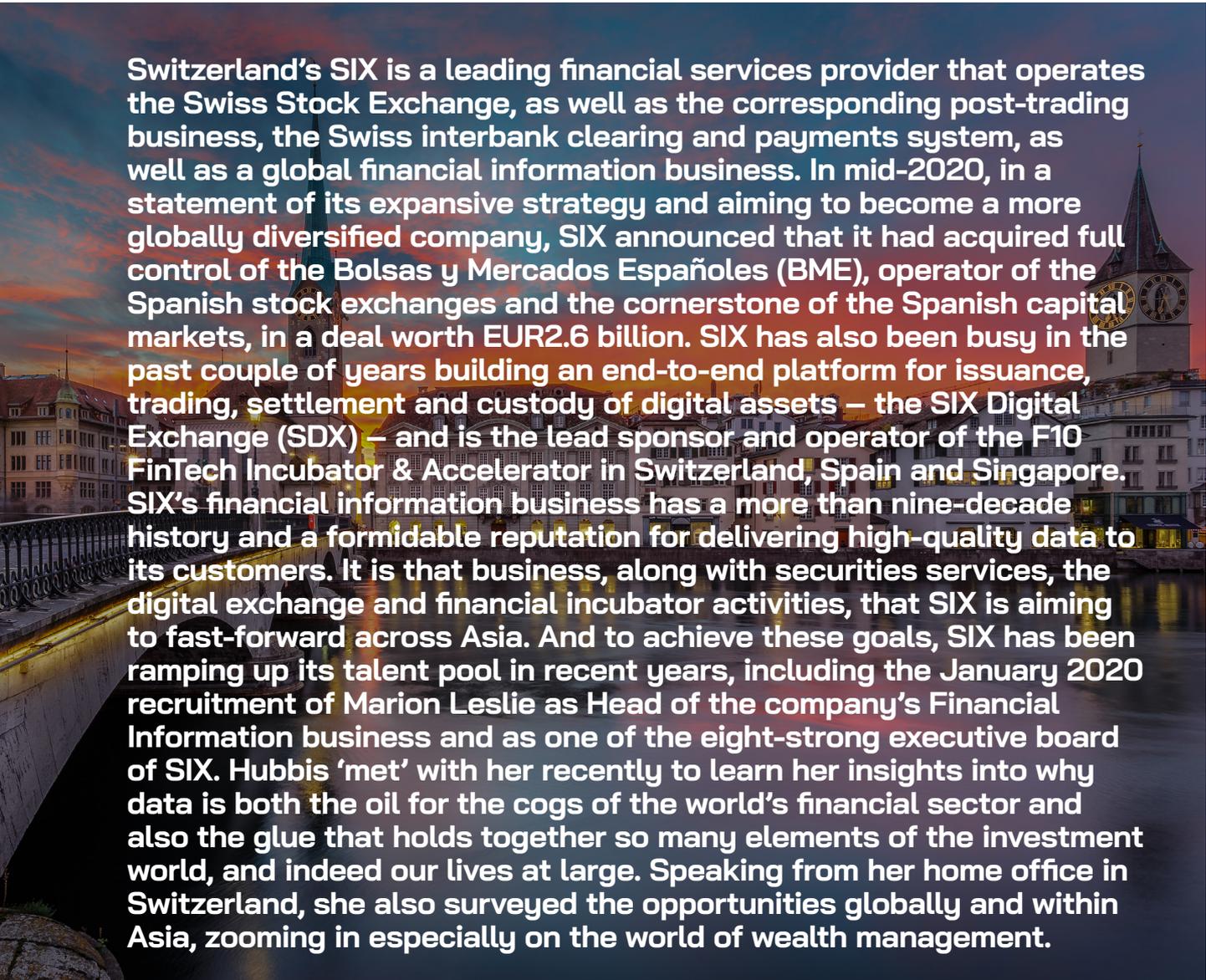


SIX's Data Business Head on the Art of Consistency, Innovation and Delivering Added Value



Switzerland's SIX is a leading financial services provider that operates the Swiss Stock Exchange, as well as the corresponding post-trading business, the Swiss interbank clearing and payments system, as well as a global financial information business. In mid-2020, in a statement of its expansive strategy and aiming to become a more globally diversified company, SIX announced that it had acquired full control of the Bolsas y Mercados Españoles (BME), operator of the Spanish stock exchanges and the cornerstone of the Spanish capital markets, in a deal worth EUR2.6 billion. SIX has also been busy in the past couple of years building an end-to-end platform for issuance, trading, settlement and custody of digital assets – the SIX Digital Exchange (SDX) – and is the lead sponsor and operator of the F10 FinTech Incubator & Accelerator in Switzerland, Spain and Singapore. SIX's financial information business has a more than nine-decade history and a formidable reputation for delivering high-quality data to its customers. It is that business, along with securities services, the digital exchange and financial incubator activities, that SIX is aiming to fast-forward across Asia. And to achieve these goals, SIX has been ramping up its talent pool in recent years, including the January 2020 recruitment of Marion Leslie as Head of the company's Financial Information business and as one of the eight-strong executive board of SIX. Hubbis 'met' with her recently to learn her insights into why data is both the oil for the cogs of the world's financial sector and also the glue that holds together so many elements of the investment world, and indeed our lives at large. Speaking from her home office in Switzerland, she also surveyed the opportunities globally and within Asia, zooming in especially on the world of wealth management.

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SIX today has a workforce of around 3500 in 20 countries and generated an operating income of CHF1.38 billion and group net profit of CHF 439.6 million in 2020. SIX is emblematic of some of Switzerland's key characteristics, combining a long history, deep expertise in financial markets and infrastructure, a dedication to quality and integrity and a constant and powerful thrust towards innovation.

The rich traditions of SIX are centred in Switzerland, and from its headquarters in Zurich, the firm has been becoming ever more global in reach in recent years,

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an initiative bolstered by its June 2020 purchase of the Spanish stock exchanges. The combination of BME and SIX, has created a more diversified company with a strong presence across Europe, boosting the firm to now be the third-largest European financial market infrastructure group, and the 10th largest globally by revenue. SIX is strongly capitalised with an A+ credit rating from S&P Global Ratings.

Multi-tasking

Leslie is not only a member of the executive board of SIX and head of the financial information business but also sits on the board of BME. A British-Australian citizen, she arrived at SIX after more than

25 years at Refinitiv, formerly Thomson Reuters, where she had worked in various business areas and leadership positions. In her last role there, Leslie managed that company's enterprise business, which included delivering real-time data feeds, analytics, data management, and distribution platforms.

SIX began the information business she now heads some 90 years ago, and today the company offers high-quality reference, pricing, and corporate action data, regulatory services, and indices. Leslie explains that SIX prides itself on delivering the financial

data that links together the global financial value chain, underpinning all processes, front-to-back office systems and workflows, with the high-quality financial information offering a significant competitive advantage that can elevate and propel businesses.

Enriched data as 'lifeblood'

The firm provides core reference data on securities, prices, corporate events, tax and regulatory data, flagship indices and bespoke benchmarks. Aggregated directly and in real-time from over 1,800 sources worldwide, SIX provides verified, structured, interlinked and enriched data for more than 30 million financial instruments

covering a wide range of asset classes and legal entities.

Leslie comments that as the collector, manager and distributor of this immensely valuable data, the firm is providing what is effectively the “lifeblood” that today powers the financial services industry.

Freeing up the customers

“It is what banks use every day, whether to report to regulators, manage risk, articulate to investors the value of their portfolio at a specific time, manage sanctions, and so forth,” she explains. “We focus on our data gathering and delivery skills, taking over those tasks and operational costs, while our clients can focus on their financial services expertise. Providing our clients with a totally reliable and high-quality service allows them to really focus on their true value-added for their clients.”

She explains that from a wealth management client perspective, it is about understanding the customer, understanding the market trends and opportunities, then marrying those two together with risk and regulatory requirements. “We provide the data that enables wealth managers to understand and to serve the customer, to provide them with updates on their portfolios, to help them identify opportunities, all the time making sure that everything is carried out in a risk-managed and regulatory compliant way,” she reports.

User-governed

She explains that a vital element of SIX's USP is that the firm is a user-owned, user-governed organisation. “Our shareholders are our customers, historically,” she reports. “Right from early on



MARION LESLIE
SIX

in our existence, these embedded customers had set up the financial information platform as the data engine for the Swiss market. Some nine decades later, we're doing that globally for a much wider range of customers, but we're still user-owned and user governed."

Just as SIX shareholders have spread their activities across the globe, so has the SIX customer base, who rely on data to support their global operations.

The Opportunity in Asia

Leslie offers some historical perspective on the operations in Asia, explaining that SIX originally followed its customers, such as UBS, Credit Suisse and other leading Swiss financial institutions. "That is how we started in the region, with our customers expanding in Asia and needing our data services, and then with that foundation, we started to then offer a wider range of services to the Asian client base in general," she reports. "We are totally committed to Asia and of course, we are doing much more in Asia besides, in our other businesses, for example our JV between SIX

and the SBI to create an Asia digital exchange."

Digital days ahead

She is referring here to the December 2020 announcement of the plans partners SIX and Japan's SBI Digital Asset Holdings have for a Singapore-based JV to drive institutional digital asset liquidity through a Singapore-based digital issuance platform, exchange and CSD [Central Securities Depository], subject to regulatory approvals from the Monetary Authority of Singapore.

The aim is to directly target the growing demand for public and private institutional digital assets, including regulated digital asset securities and cryptocurrency assets, with regulated institutional clients as the core clients. It will leverage the networks of SIX Digital Exchange in Switzerland and Europe, and SBI in the Asian market, as well as their joint expertise in facilitating Institutional clients' needs.

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Driving sustainability

ESG-driven investment is another growth area for SIX. Within Asia, and this is reflective of global

trends, Leslie also reports that SIX has been carefully watching the rise of more ESG-centric investing and greater adoption of those concepts and practices.

"As investors increasingly focus on the sustainability and the impact of their investments, our wealth manager customers need the data to advise their end clients properly and to deliver the right levels of advisory inputs," she comments. "Today, the world of investing and decision-making has extended far beyond financial metrics. And a lot of the data around ESG and other criteria is often not easily available, is often unstructured and always non-standardised."

Orenda offers new horizons

With this in mind, she also points to the SIX purchase earlier this year of Orenda Software Solutions (Orenda), a Canadian company with which SIX has had a longstanding partnership and that collects alternative information from social

media. Orenda is an AI platform specialising in ESG and alternative data. "This step is part of the strategy of SIX to help its custom-



Key Priorities

The first mission for the foreseeable 12 to 18 months, Leslie reports, is to bring all the assets and the capabilities of SIX to drive the business forward in the region. “Asia is a really solid opportunity for us to be a company providing not only financial information, but securities services, the digital exchange, and so on, and all presented through one brand, one face,” she says.

The second priority is around ESG and delivering on SIX’s very strong stated commitment. “Working with Orenda, which also has an important partnership with Bank of New York Mellon on criteria-based investing, we are turning rhetoric around these areas into actual useful data that customers and investors and our clients can use to make important decisions related to ESG, impact investing and criteria-based investments.”

Thirdly, Leslie wants to add further to the added value offerings and services she had highlighted off the bedrock of the core data platform.

“In all these areas, we will be expanding from our core customer base from Switzerland and Europe and delivering to a far wider spectrum of the potential customer base in Asia,” she reports.

ers drive more insights with data, providing consumption-ready data and analytics for faster and more informed decisions,” she reports.

She says that what Orenda offers is essentially a real-time reflection of the performance of a company when it comes to ESG and investor perception. “Ratings, scores and so forth for ESG are often rapidly out of date and not so frequently refreshed, so we’re moving much more into the real-time evaluation of company performance from an ESG perspective,” she elucidates. “We are also doing more in the criteria-based investment space. So, for example, an investor might want to do more in the universe of climate impact investing, and the data Orenda and SIX can deliver can support the decision-making

process, helping investors direct their investments with confidence.”

Leslie concludes this insight by stating that with Orenda, SIX had found the right partner with unique expertise in alternative data sets, data science and ESG. “As we bring our capabilities and the expertise of our teams together, we see a lot of opportunities to build new propositions supporting the growth of impact investing,” she says.

Layering on top of solid foundations

She says the Orenda deal is typical of the strategy to build from the firm’s foundation of rock-solid reference data by layering services on top that would allow, for example, wealth managers to boost their efficiency

and capability. “For example, these incremental services might include regulatory reporting, risk management services, ESG data, indices,” she explains. “All of these services on top of our bedrock platform can only be created if you’ve got that immensely solid foundation of data underneath. In this way, we are moving up that value chain for our customers, offering higher value services.”

Shifting her focus away from financial data, Leslie reports that SIX is exploring how the firm can work innovatively and creatively with other companies and governing bodies within Singapore, which serves as the regional hub for SIX. “We opened up the F10 incubator and accelerator in Singapore in early 2020, leveraging the successful Zurich model that we began four years ago,” she reports, adding that the F10 programme has been designed for financial firms that want to reach the next level of innovation.

Accelerating innovation

The accelerator programme provides access to the most promising international FinTech start-ups, offering radically new technologies, and new era business models. At the same time, it provides these FinTech start-ups with access to the banks – the owners of SIX. “The

F10 programme ultimately brings together disruptive new market players with established financial players, and thus helps foster collaboration which ultimately the company and its customers will benefit from in order to stay ahead of the fast-paced changes in the financial industry,” she elucidates.

Additionally, the securities services business of SIX on the post-trade side is setting up an operation in Singapore next year, she reports. That will be delivered to market in the near future.

Leslie also explains that SIX is actively accelerating its plans to expand in certain strategic directions to capture market trends through partnerships and acquisitions. Aside from Orenda, for example, there is SIX’s partnership with Inrate that the firm uses to provide its ESG-indices. “We are really open to partnerships to bring together capabilities, including software capabilities to put our data to work in new ways,” she reports. “We are also open to acquisitions, as evidenced by the BME Spanish exchanges purchase, and the deal to acquire a majority stake in Orenda, which is the first major investment from the financial data business for some years. SIX is clearly willing and able to commit capital to accelerate its strategies.”

She says that she sees financial information as the horizontal enabler to the other business units. “Data connects all our businesses, and a core push for us is to further leverage the data to really capture and use those insights that we have across the company to the benefit of our customers,” she says. “We are a business in our own right, but also a very important enabler to greater insights from across the group.”

Fit for the future

Her final comment centres on SIX’s digital capabilities. “Actually, our digitisation was already so well advanced that the major challenges thrown down by the pandemic were rapidly overcome,” she reports. “We were even also able to help our customers overcome issues relating to working from home and lockdowns. Not all our customers have our types of capabilities, so we did everything we could to support them in their business continuity. And even though we were already far ahead of the curve in terms of digitisation, the cloud and so forth, the pandemic has further accelerated our drive and expertise in this field. We are well set for whatever the future holds in store.” ■

Getting Personal with Marion Leslie

Leslie was born in Bunbury, located between Perth, Western Australia and the Margaret River, where her British parents were located at the time. When she was four, the family then moved back to the UK, setting up their new home in Newton Abbot at the entrance to the Teign Estuary in Devon. She later attended Salford University followed by Cambridge University before joining Reuters.

During her career to date, she was nominated in the World Federation of Exchanges “Women Leaders List 2021”, in the Cranfield University Female FTSE 100 “Women to Watch” Board Report in 2017, and in 2014 had already won the Award for Achievement at the Women in Banking and Finance Awards.

In her first job at Reuters, she mined information from Swiss banks on the bond market, using her German language skills. "It feels like there is a nice symmetry to then join SIX some 25 years later," she reports.

She says she always wanted to have a very international role, and Reuters, or Refinitiv as it later became from 2018, allowed her to do that, including a four-year stint effectively creating a start-up centre of excellence for Reuters in Bangalore. "We started from zero and built it to 2000 plus people across multiple disciplines within four years, and now it is about 5000 people," she reports. "It wasn't just data; it was editorial journalism, and it was customer administration, innovation, all sorts of departments. That was a phenomenal experience, being the general manager of such a rapid growth start-up."

She offers more colour on the spell she had in India, noting that her first child had arrived shortly before she left for Bangalore. "It was too good an opportunity to miss, those career opportunities don't come up often," she explains. "And although there might have been numerous reasons not to go, particularly with a young family, I embraced the opportunity and the challenge, and it was an amazing experience."

She highlights the incredible 'can-do' attitude of the local staff and their remarkable loyalty to the firm. She recalls that Reuters in its major markets was going through a contraction at the time and that she ended up with the budget and a growth business. "I was due to be there for two years, and it ended up at four, I can certainly describe it as a formative career moment," she says.

Before arriving at SIX, her last role was briefly at what is now the London Stock Exchange, which acquired Refinitiv earlier this year, running the real-time enterprise market data business.

"It was the right time to move on, and joining SIX has been a fantastic experience; the company has great values, a long heritage, close customer engagement, a high-quality information business and great expertise," she reports. "But the opportunity to sit on the executive board and shape the direction of the company was a major attraction, and I have now also taken on a board position at BME in Spain as well, which is fascinating."

Her children are now 15 and 18, with the younger child, a girl, having been born in India. "Moving children across the world before they can speak is one thing – our son was one when we left for India – but I can say that moving them when they're teenagers is another matter. However, Switzerland's a wonderful place, and we have settled down really well now."

Her husband is an artist who had stopped full-time work when they moved to India, becoming a full-time parent. He now has a studio in Switzerland, and considerably more time to focus on his art now the children are in their mid to late teens.

Having grown up near the sea in Devon, Leslie says she loves coastlines, beaches and the sea but has learned to enjoy the Swiss lakes, swapping the surfboard for a stand-up paddle board, and after her daily run, she swims most days in the lake near the family's home in Switzerland. "I even managed to do it through the winter," she says, "with temperatures down to 4 degrees, but now the lake is already a balmy 18 and will of course get warmer as the summer rolls on."

The family love the outdoors and are already getting well into walking and hiking. "I still ski like a Brit, in other words not too well at all," she quips, "but at least I am improving. We have been all over, trying different spots to ski, it has been great to explore different places here, and it has been a great year for snow."

She closes the conversation with some comments on the world of information and data, which she says has opened the globe to her during her career to date. "Data, as I said earlier, is 'lifeblood'," she says. "Without access to reliable and independent data and delivered at incredible speed, the world would have struggled to even create the vaccines, let alone handle the pandemic with any success at all. I firmly believe that data is an enabler for businesses but also for our lives ahead; it spreads far beyond the world of finance into every nook and cranny of our societies and lives, as data is at the heart of good decisions."

She concludes that she has been fortunate in her choice of career and the adventures she has enjoyed thus far, especially as along the journey, she has worked with great businesses with strong values, strong leadership and a robust team ethic. "The new roles at SIX are an extension of everything I have done in my career over the past quarter-century," she says. "And there are still plenty of opportunities ahead."