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# Achieving Data Excellence in Financial Information Management

A Guide to Driving Real Business  
and Customer Value for Financial  
Data Leaders



# Achieving Data Excellence in Financial Information Management

A Guide to Driving Real Business and  
Customer Value for Financial Data Leaders



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## Executive Summary

Financial institutions have accumulated large quantities of valuable data and metadata, but the levels of maturity in terms of how they utilize that data differ from one organization to another. For many organizations, data still resides in different data stores within the enterprise—discovering, consolidating, and integrating that data in a way that increases its relative value remains a challenge.

To truly achieve their data management goals, these companies need applications that solve real business problems; drive business benefits; support innovative, value-added, customer-facing applications; and continuously optimize internal operations. The maturity with which they integrate data and metadata will determine their success in these areas.

Applications for AI and machine learning are emerging to help them develop automated, proactive solutions such as fraud identification applications, data visualization solutions for customers, compliance

safeguards, and others. The goal for financial institutions is therefore to manage their data and metadata so they can apply it in an optimized way across any number of applications that drive business value—now and in the future.

But while some are only beginning their journey towards data maturity, industry leaders are blazing trails in terms of practical data solutions.

This report explores recent trends and winning strategies that demonstrate how financial institutions can get the greatest value from their enterprise data. With a focus on connecting data and metadata across the enterprise, the report demonstrates how financial institutions can build this foundation. Also featured here are qualitative insights from leading data practitioners about the strategies and initiatives driving their ongoing success.

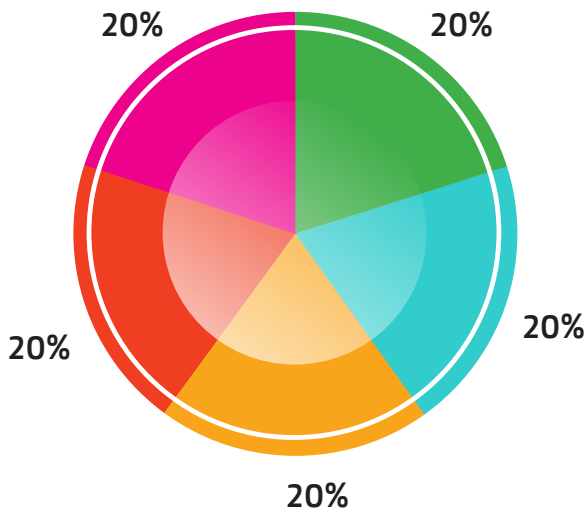


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## About the Respondents

The WBR Insights research team surveyed 100 leaders from financial organizations to generate the results featured in this study.

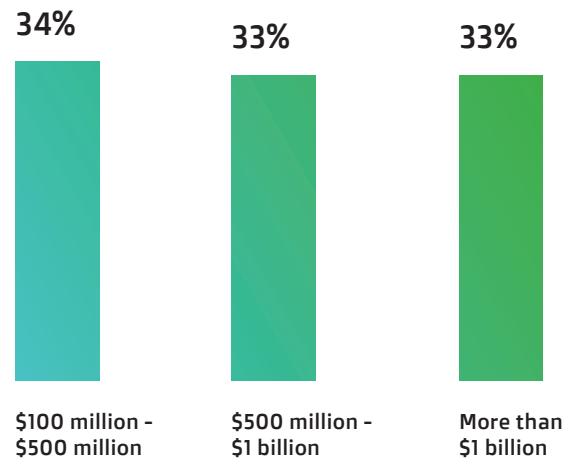
For which type of company do you work?



- Asset Management
- Financial Services
- Hedge Fund
- Investment Bank
- Insurance

In each case, 20% of the respondents are from financial services companies, asset management companies, hedge funds, investment banks, and insurance companies.

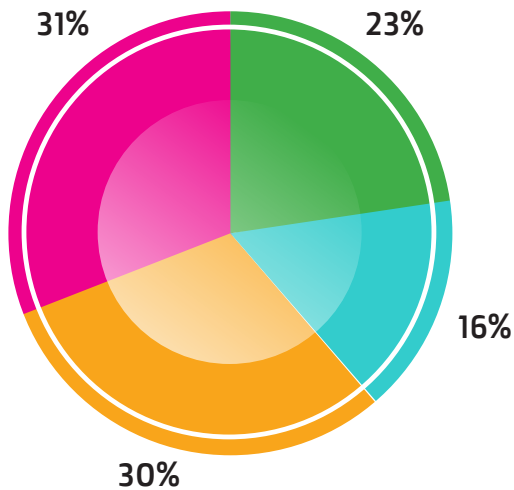
What is your company's annual revenue?



In each case, about one-third of the respondents are from large companies that make more than \$1 billion in annual revenue (33%) or from mid-sized companies that make \$500 million to \$1 billion in annual revenue. The remaining 34% are from smaller organizations that make \$100 million to \$500 million in annual revenue.

## About the Respondents

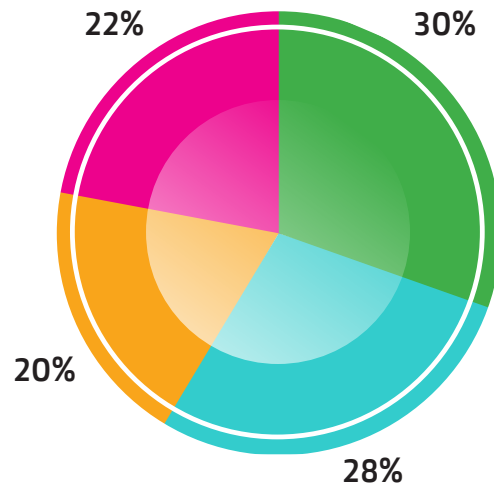
What is your seniority?



- C-Suite
- Department Head
- Vice President
- Director

Most of the respondents are directors (31%) and department heads (30%). The remaining respondents are C-suite executives (23%) and vice presidents (16%).

What is your role?



- Analytics
- Information
- Data
- IT

The respondents occupy roles in analytics (30%), data (28%), IT (22%), and financial information (20%).

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## Key Insights

Among the respondents:

Most consider their company's level of data management sophistication to be "exceptional" (17%) or "good" (52%).

Most (55%) claim their organizations' data quality standards have become more robust in the last 12 months as they keep up with their industries as well.

The top-three business benefits they intend to accomplish with data management are more effective data integrations with partners (52%), easier compliance (52%), and reduced costs (49%).

28% claim they are already using AI and/or ML to build predictive models and boost productivity, while 56% claim they are leveraging AI and/or ML to automate most applicable solutions.

52% claim their organizations' current applications already deliver excellent results in cloud data management. Meanwhile, 49% claim their current applications already deliver excellent results in data analytics, reporting, and visualization.

51% will have 51% to 75% of their data management hosted in the cloud in the next one to three years. Most (87%) will host at least 76% of their operations in the cloud in over three years, including 31% who expect to host 100% of their operations in the cloud.

The top-three primary challenges to their data management initiatives are rapid data growth or expansion (62%), difficulties finding data across dissimilar data stores or silos (54%), and data complexity (41%).



# Data Management Strategies for Complex Data

Financial services firms deal with many forms of information and have done so for a long time. But new business needs can often outstrip what the current application portfolio can provide.

A frustrating situation arises where the relevant information is out there – somewhere – but it's either not in a useful format, nor easily connected with other pieces of information.

This is particularly true when it comes to customer information. Essential information can be locked away in multiple, incompatible legacy systems. Important customers see elongated response times and associated frustration. Costs and effort escalate. Compliance and reporting risks increase.

What appears to be a tactical challenge is a strategic issue: *relevant information can't be easily leveraged to create value.*

It's not hard to make the case that something better is needed, but what?

One attractive approach is to construct a unified customer information platform that makes it easy to create any new "lens" required and do so across any data source as needed.

When IT departments attempt to build such a platform, however, they almost always find:

- Trying to use existing data management tools – more oriented to simpler forms of data – produces unworkable results.
- Integrating multiple, specialized data management tools results in elongated development efforts that delay business results.

By choosing a data management platform well-suited to the task at hand, many financial services firms have seen dramatic and accelerated business results.

## Complex Data is Different

A quick survey of failed projects reveals a common denominator: they used the wrong tool for the job at hand. Refining and connecting complex data is fundamentally different than working with simpler forms of data.

Tools designed for simpler data types (tabular rows and columns, well-formed XML and JSON, etc.) are not built to work well with complex data types – often documents and forms – that are often found in financial services environments.

Complexity may arise from the data itself, a vast array of different data types, or a combination of both.

Complex data is ideally handled differently than simpler forms of data. Metadata is generated to connect information elements

and create new, useful views of key business concepts and entities without changing the underlying sourced data.

From powerful search to SQL queries to semantic models with rich ontologies, successful organizations will invest in continually improving the quality and connectivity of their metadata using a variety of tools.

These refined, connected data models can be directly accessed using an end user query language, or exposed for easy access by developers.

## The Benefits

A review of case studies where organizations have created a unified customer information platform shows a related group of benefits – which we collectively call data agility.

- Sub-second responses for frequent queries.
- Dramatically improved query results: more accurate, fewer misses, and better context
- Reduced developer backlog for new requirements.
- Improved security posture with simpler compliance reporting.
- Improved ability to create newer applications that easily use all available information.
- Bringing new insights to analytical and machine learning efforts.

## Where MarkLogic Fits

MarkLogic is the best platform for creating value from complex data. Our value proposition: we accelerate every step of the journey.

- Sourcing data from anywhere, in any format, and making it immediately usable.
- Providing a powerful framework for data mastering and modeling.
- Providing a unified data API for developers from their choice of environment.
- Delivering an enterprise-grade environment: security, scalability, availability, recoverability and cloud readiness as needed.

We invite you to learn more about what makes MarkLogic uniquely suited to this challenge, and why so many financial institutions depend on us for this critical portion of their business.

For more information, visit our [Financial Services industry solutions site](#).







# AI and ML Prove Effective for Automation, with More Opportunities Ahead

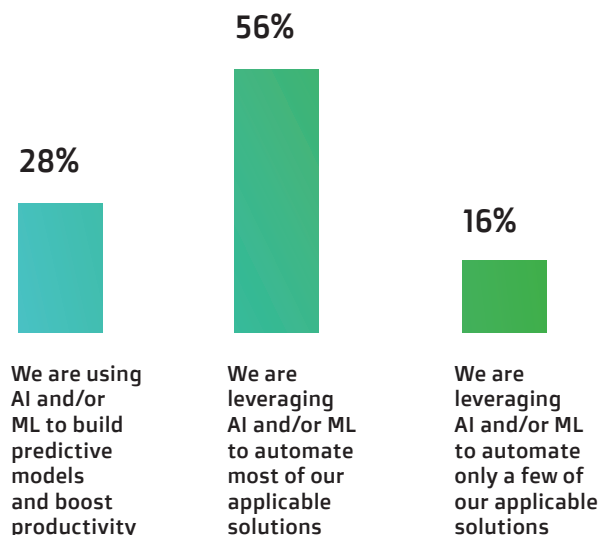
Advancements in AI over the past decade have unlocked numerous opportunities for financial institutions, banks, and insurance companies. Today's AI solutions empower financial organizations with unparalleled efficiency and analytical capabilities. As we've noted, it also unlocks new opportunities to improve the customer experience, as companies using AI and robust data capabilities can provide

customers with more accurate insights and up-to-the-minute suggestions.

"Data will play a big role in improving the client experience," says a department head at a large investment bank. "Analytics provides valuable insights, and we want to harness these capabilities in the next 12 months."

At a total of 84%, most of the respondents are already leveraging AI and/or ML to automate most of their applicable solutions (56%) or they are using the technologies in an advanced capacity—they are leveraging AI and/or ML to build predictive models and boost productivity (28%).

## To what extent are AI and machine learning (ML) automating proactive solutions for your organization?



This represents a significant increase in adoption compared to reports from previous years. For example, the *Forbes* article previously cited in this report revealed that just 54% of financial services organizations with more than 5,000 employees had adopted AI in 2020.







## Data Operations Will Migrate to the Cloud in the Next Three Years

The results of this study indicate that financial institutions are moving their data management operations to the cloud to prepare for the future. In one to three years, 51% of the respondents expect to host 51% to 75% of their data management in the cloud. In over three years, 87% of the respondents expect to host at least 76% of their data management operations in the cloud. This includes 31% who expect to host 100% of their operations in the cloud.

Cloud-based data services are also more appealing than ever for financial institutions because they are more affordable. Using a fully managed cloud data hub, companies can run transactional and analytical applications at scale. The technology is also more accessible to low-code and no-code users than in previous years, as many service providers enable clients to connect to their cloud applications through an intuitive SaaS interface.

These types of capabilities will enable reluctant financial organizations to reach their formal data management goals and drive business value through more efficient cloud-based processes.

“Our formal goal is to drive cloud analytics and reduce the load on internal storage measure,” says a director of analytics at a financial services firm.

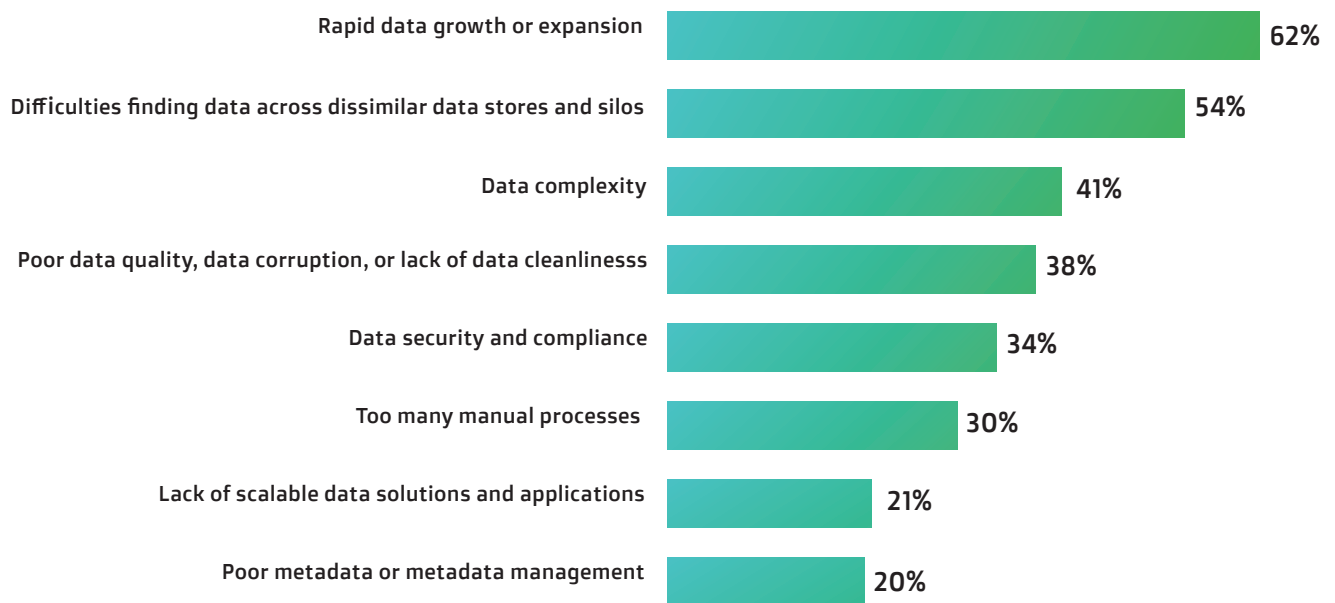
Similarly, a C-suite data executive at an investment bank says “developing more speed with cloud capabilities” is their organization’s primary goal in the next 12 months.

Multiple other respondents say, “cloud computing,” “cloud analytics,” and “cloud management” are part of their formal goals in the next 12 months.



## Data Operations Will Migrate to the Cloud in the Next Three Years

Among the options available, which do you consider primary challenges to the data management initiatives you just described?



But challenges and barriers still lie between many financial organizations and their data management goals.

For example, 62% of the respondents say rapid data growth or expansion is one of the key challenges to their data management initiatives. Financial organizations now generate massive amounts of data each day, all of which must be sorted and analyzed appropriately. It can be challenging to make high-level changes—such as migrating operations to the cloud—while

still operating analytical capabilities at full capacity.

Meanwhile, 54% of the respondents say finding data across silos and dissimilar data stores is a top challenge. Many organizations may need to revisit their data governance standards to ensure data can be leveraged properly by everyone in the organization. Data democratization is one endeavor that could make data more accessible to everyone in the business, and it could relieve some of the issues with silos.

## Conclusion: All in on AI

In their final line of questioning, researchers asked the respondents to describe the data management opportunity in the industry that most excites them. While not every organization is on the precipice of adopting the most cutting-edge data technologies, there are still plenty of advancements to consider for the next few years.

Several respondents note that artificial intelligence, “continues to dominate most of the data management trends,” as one C-suite executive from a hedge fund puts it.

“A holistic approach towards AI will be targeted by a list of organizations now and in the future because of the platform that it will create from a data management point of view,” says another C-suite executive, this time from an insurance organization.

Other respondents are most excited about predictive capabilities—which use AI and ML—more specifically. Predictive analytics and predictive risk assessments can provide both customers and the organization with real-time insights, enabling them to make more accurate decisions faster.

“Predictive analytics is a futuristic trend that will literally change the way we operate in our industry,” says an IT director at an insurance company.

A director of analytics at another insurance company says that “risk management optimization will increase the revenue” for the industry, serving both organizations and their customers.

Other respondents note that customer-related technologies could serve as a significant advantage for their organizations. For example, an IT director at an investment bank says, “Customer journey analysis is the next big thing and digitized data management will provide predictability in this process.”

Although the respondents are focused on different types of benefits from the technology, it’s clear that cloud-based data analytics combined with AI solutions will be the key drivers of the financial industry’s data strategy in the coming years. Most organizations have already achieved a healthy level of data maturity, and they are working to take advantage of new opportunities to reduce risk, increase revenue, and improve the customer experience.

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## Key Suggestions

- Begin migrating your data management capabilities to the cloud, as most financial organizations plan to do so in the next three years. Cloud-based data management service providers can make this process more affordable and easier to manage, and it has the potential to unlock new capabilities for your organization and your customers.
- If you are still struggling with siloed and unusable data, revisit your data governance standards and benchmark them against industry standards. A significant portion of respondents have made their data quality standards more robust in recent years, but they aren't keeping up with industry standards.
- Leverage AI and ML to automate as many applicable solutions as possible. Once you've achieved a high level of data maturity, you can leverage these tools to build predictive models and boost productivity even more.
- If you need to make major changes to your data management operation, dedicate specific internal resources to doing so. Rapid data growth and expansion is the top challenge to organizations' data management initiatives in the study.





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## About Our Sponsor



The MarkLogic Data Hub is a highly differentiated data platform that eliminates friction at every step of the data integration process. Built on MarkLogic Server, a multi-model database, our Data Hub Platform breaks down data silos by ingesting data as is from any source, indexing it immediately for query and search, and providing the ability to run operational and analytical applications at scale. This ensures a consistent, real-time view of enterprise data – all in one unified platform that runs in any environment, including as a cloud service with MarkLogic Data Hub Service.

By simplifying data integration, MarkLogic helps organizations gain agility, lower IT costs, and safely share their data.

For more information, please visit [www.marklogic.com](http://www.marklogic.com)



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## About The Authors



Financial Information Management (FIMA) launched in 2005 and is the leading data management event for financial services in the United States. Born as a reference data management event, FIMA has quickly grown to cover so much more as different kinds of data are creating new risks to manage and opportunities to capitalize on. Each of our events hosts more than 425 guests from more than 145 companies with three days of content and 12 hours of networking. Each year FIMA-hosted sessions and discussions are led by top data management professionals, all covering topics that are of fundamental importance to your enterprise-wide data management initiatives. We're dedicated to helping you make an ever-increasing impact on your business, year after year.

For more information, please visit [www.fimaus.wbresearch.com](http://www.fimaus.wbresearch.com)



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