A FRAMEWORK FOR IMPLEMENTING A HYBRID DATA OPERATING MODEL

The third 'C–suite' roundtable was well attended by senior delegates representing a broad range of functions and firms, all of which are RIMES clients. Having considered the theoretical elements of the hybrid model at previous sessions, participants were keen to progress from theory to practice. The session considered the practical benefits of the hybrid data operating model as proposed by Gartner, the world's leading information technology research and advisory company, and RIMES.

The hybrid model allows firms to build on a 'brownfield site' without major reengineering of existing systems and business processes. Traditional in-house data management can be combined with managed data services to build a new, strategic data operating platform. In this way firms can support an 'organic view of the truth' that reflects the business reality of heterogeneous users and uses of data, rather than a single version of the truth, which has become an artifact of bygone data management practice.

In recent times, data governance has witnessed a push to the business. As the number of data users expands, data has become a prime determiner of business success; however, data lineage and control are critical components of good business practice and essential to meet regulatory requirements. Firms increasingly need total transparency of data from source to point of use: users cannot be accountable for data that they are unable to see or touch.

Most of the firms represented have strategic data management programs in place that encompass a wide range of functions. Although many programs are at different stages of evolution, most firms share similar data management challenges. The practical reality is that most firms cannot begin a data governance project from scratch and must work with what is available. Data cross-referencing is key to success and a managed data service offers an effective, proven solution. The hybrid model seeks to eliminate the widening gap between data management theory and practice.

Shifting data management priorities

In recent times, the drivers of data management have become more strategic, extending beyond cost control and quality to include new challenges:

1 Data Governance and Regulation – transparency and control
2 Enabling and facilitating business change to meet new industry dynamics
3 Increasing agility and responsiveness to reduce time to market for new business initiatives.

This shift in emphasis reflects a universal need for firms to become more agile and responsive in a changing environment. There are strong inflows into the global investment industry but achieving good returns calls for sustained investment in non-traditional asset types. This adds a significant data management challenge that requires a robust and flexible operating model. All firms need to be able to adapt to changing circumstances.

In parallel, regulators demand increased transparency and visible data control points throughout the firm. As the data increases in volume and complexity, firms need to find new ways of working. The hybrid data operating model promises a fresh approach that builds on existing systems and business processes to meet multiple needs.

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A toolkit to aid good data governance and regulatory compliance

The hybrid data operating model harnesses RIMES expertise in data and technology to offer clients a new platform that can meet immediate needs and strategic ambition. In practice, a managed data service offers a new approach that is necessary for good data governance and regulatory compliance.

As part of its commitment to deliver a superior, integrated service, RIMES works continually with data to cross-reference, normalize and standardize it; to ensure that it is fit-for-purpose for multiple uses and users. All of this data is stored but just as importantly, metadata is also created and stored. This shows how the data was generated, how it was altered, and where it was used. This granular metadata is a bedrock of emerging regulatory compliance and it can be extracted, compiled and presented in multiple reports and formats.

A managed data service offers a business-view of the data, rather than an IT-view. Clients can benefit from RIMES proprietary technology to query the data in many different and unique ways, to demonstrate a level of transparency and control that is impossible with a 'golden copy' which is managed in house.

Similarly, data quality must be measured and monitored at the point of use, rather than when it enters the firm. The RIMES Managed Data Service also provides business intelligence and rich data management information that are central to best practice data governance.

Enabling and facilitating business change and responsiveness

All firms must manage an increasing volume of complex data sets, which are necessary to support increasingly diversified product strategies. But many are unable to adapt to the new market dynamics quickly enough and must take practical steps to meet multiple data management objectives. But multi-year technology projects are no longer acceptable – firms need to progress quickly and purposefully.

The hybrid model allows firms to make incremental improvements and can work in harmony with any legacy data management solution. Client data can be commingled with data from vendors. RIMES technology is designed to support high volumes of complex data and numerous data types. It enables firms to progress from any starting point and to maintain multiple views.

The hybrid model is firmly rooted in practicality and allows firms to source, manage and control data without a major incremental investment in technology or people.

CONCLUSION

The third London C-Suite round-table highlighted the practical benefits of the hybrid model:

● **All firms need to implement good data governance but many do not have the necessary resource or time to commit to large in-house projects. By implementing the hybrid model, they can make progress more quickly and can build on existing business processes.**

● **There are three complementary strands to successful data management: data, technology and expertise. By working with RIMES, firms can benefit from RIMES proprietary cloud technology that is infinitely scalable and continually proven in some of the world's most demanding and complex organizations. Clients can also tap into a wealth of practical data management expertise.**

● **The RIMES Managed Data Service offers unique access to a data management platform with origins firmly rooted in managing complex data sets for multiple users and uses. Expanding this platform to manage client data is a natural extension of our existing service.**

> **We are very grateful for the contributions of C-Suite participants to the data management debate and we are committed to developing these themes further at future sessions.**

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