



Success story

Old Mutual Global Investors Partners with RIMES to Transform its Benchmark Data Operations

Client

Global Asset Manager

Need

Maintain growth
without increasing
operational headcount

Key Takeaway

With RIMES OMGI
was able to build an
innovative process that
frees internal resources
to focus on value-adding
activities.

'We realised that a more effective approach would be to outsource the provision of certain data processes to managed service providers enabling us to concentrate on our core business activities'

OMGI

Old Mutual Global Investors (OMGI) is a leading asset management firm. To help manage its rapid growth, OMGI is undertaking a series of strategic business transformation programs on the data underlying its investment platforms. OMGI selected RIMES Technologies, the leading managed data service provider for the buy-side, as one of their preferred partners to help them implement their first work stream: an innovative new service model for the management of benchmark and reference data. Following a successful proof of concept period, OMGI were up and running with the first phase of the project and within 8 months were fully operational, immediately benefitting from quantifiable improvements in quality and efficiency, reducing data management costs for OMGI by six figure sums.

Managing growth

OMGI's key business objective is to maintain growth without increasing operational headcount, or seeing a rise in associated costs. Chris Sharp, Head of Data Governance and Management, and Paul Wingrove, representing Central Data Services at OMGI, had been tasked with transforming the way data is used within the organisation both in terms of costs and governance. From the outset, it was clear that OMGI preferred a managed services approach to business transformation. As Chris puts it: "Traditionally, my team acted as an in-house data manager to our front office. This method worked well at first, but proved increasingly complex and costly as our business grew, and the volume of data coming into the firm increased accordingly. We realised that a more effective approach would be to outsource the provision of certain data processes to a managed service provider enabling us to concentrate on our core business activities."

Having a new strategic vision in place for its investment platform, OMGI identified index and asset data optimization as a good starting point. The firm's existing approach to benchmark data processing was typical of most asset management firms: made up of multiple processes and data onboarding models that had evolved over time, each of which required its own support. This made effective data governance difficult to achieve.



Chris explained: “The first step was to find a managed service provider to help us execute on our vision. RIMES quickly emerged as the best candidate given the depth of its expertise in index data management, as well as the strength of its reputation as a service provider. We needed much more than simple data aggregation and we could see that RIMES has the ability to provide the support and service features that we had identified as critical to our project.”

OMGI’s IT leadership had a clear vision of what it wanted: an all-encompassing benchmark data governance and management service based on a set of rules and a formal quality control structure. The goal was to have a system capable of delivering enriched data to OMGI’s internal clients in a clear, accurate and consistent format, while reducing costs for the firm.

Making the business case

Working in close partnership with RIMES, OMGI developed a new benchmark data management and governance approach, coupled with RIMES’ Managed Data Services.

Before the project could move ahead, however, the IT team needed to secure approval from the wider business. To build a solid business case, the team needed to understand the explicit costs of the project, such as vendor fees, but also any potential further costs including the implementation itself, and also, significantly, the projected costs of maintaining the status quo.

To help them reflect the true costs associated with the transformation, Chris employed Forrester’s Total Economic Impact calculator, which has been designed by Forrester for RIMES for this exact purpose. With the results in hand, they could capture the true benefits versus the costs of working with RIMES, and provide additional material for the business case.

A new approach to asset mastering

In its work with RIMES, OMGI has broken new ground. Paul explains: “Our vision was to create an investable asset universe, with enough data to enable us to trade safely and meet compliance needs. Our partnership with RIMES has enabled us to do just that; building a highly innovative process that frees our internal resources to focus on value-adding activities.”

In its new approach to data processing, OMGI has outsourced the benchmark asset universe mastering to RIMES. As such, RIMES utilizes the securities contained within the benchmarks mandated by OMGI’s clients and provides a common identifier between the firm’s asset universe and its index feeds. Significantly, the service leverages and optimizes OMGI’s existing market data licenses for reference data, alongside its usual index data source.

Significant cost reductions

As a result of OMGI’s partnership with RIMES, the firm has benefitted from a significant decrease in the cost and complexity of its data management processes. Prior to partnering with RIMES, OMGI had to manage multiple index vendors and processes, as well as maintain the associated universe of asset reference data.

Through its transformation, OMGI has removed the need to work with multiple service providers, reducing complexity and enabling business agility. RIMES

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OMGI



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About RIMES

RIMES truly understands the data management challenges faced by its clients. It serves over 350 investment managers, pension funds, hedge funds, wealth managers, private banks, custodian banks and insurance companies in 40 countries, including 60 of the 100 largest global asset managers and 9 of the 10 largest custodians by TAUM.

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Managed Data Service automatically updates OMGI feeds based on relevant events, such as identifier changes, using only the data that OMGI is already licenced to use. As a result of the new process, implemented in partnership with RIMES, OMGI expects to realise significant cost reduction due to reduced data enrichment from other vendors.

Reduced risk

Through its new platform, OMGI has been able to reduce its risk of trading securities that breach compliance rules. By cross-referencing to different ratings, classifications, and static data across multiple reference data sources, RIMES has provided OMGI with an enriched file of tradable assets based on their benchmark families, which has reduced technical overheads for OMGI and decreased its benchmark management risk profile. Effective governance is further improved through RIMES notifications service which alerts OMGI to any updates that should be made to its data feeds, or to instances where data is missing or has become out-of-date.

Increased operational agility

OMGI's benchmark management transformation has also led to greater business agility. Prior to its new approach, if a new benchmark was required OMGI could spend up to four weeks sourcing the benchmark from its legacy vendor and then implementing it in the organization. By outsourcing these tasks to RIMES and using OMGI's new improved central data platform this process takes a fraction of the time, accelerating OMGI's operations and delivering a significant competitive advantage.

Moreover, by using RIMES' Preview Service, which provides advance information on changes that will affect the next benchmark rebalancing event, OMGI is able to build new benchmark assets prior to joining the relevant indices. Asset managers at the firm can also see if an asset is due to become a benchmark constituent at month-end and plan accordingly.

As Chris explains: "RIMES has enabled us to be proactive with the front office. We add value by telling them all they need to know about their benchmark data, when they need to know it. This hands-on approach has freed time for our data management team and our front office, helping us to achieve asset growth without significantly increasing headcount. RIMES has shown just what a managed service approach can achieve for our business, and we are now pressing ahead with further enhancements to our investment platform."

Future plans

OMGI is now addressing the implications of the European Benchmarks Regulation (BMR), which came into force in January 2018. The Regulation imposes stringent new compliance burdens on benchmark administrators and users, and will pose a wide range of challenges for asset managers.

"We understand this is one of RIMES' areas of specialty", Chris concluded. "They are providing us with guidance on this new regulation and we're looking forward to working with them to ensure we remain BMR-compliant."