



# Diving into data

**Jim Warren, vice president, managing director, head of solutions at SEI, discusses how best to utilise data and where he thinks the biggest opportunities lie within asset servicing**

*Jenna Lomax reports*

## What does your role involve at SEI?

I have about 28 years of experience in financial services, working for both investment firms as well as providing services to them. Currently responsible for solutions and product development, I run our platform and solutions team for our wealth processing business, specifically for investment managers and banks, providing back- and middle-office outsourcing services.

To do this, we have built technology platforms that leverage internally-built technology as well as third-party applications, to allow us to provide back- and middle-office services. We also build middle- and front-office technology that our clients use.

For investment managers, we grew out of providing a back-office service and we have been very focused on helping our clients manage data and gain data insight to manage their business better. We are also very focused on trying to create efficient environments, both for us and our clients, as well as bringing data together to allow our clients to have greater insight. We are focused on improving the overall experience, specifically for our clients and their investors.

## How is SEI helping managers to utilise one of their greatest assets: data?

It has definitely evolved over the past 10 to 12 years, where data was historically just one of the ingredients in your process. Whether it was calculating the value of a fund or generating a statement, all you were really doing was extracting the required information and putting it together to get the desired output, which was either part of the investment process or what you delivered to your investors.

What has evolved, starting in the front-office space around investments, is the ability to dive into that data and make smarter decisions to beat the competition to the punch and gain more insight. We saw this when we started to deliver data aggregation solutions over time, because we had clients with different investment products, as well as clients who, for regulatory purposes and for the understanding of the market direction of their investors, believed they could gain more insight from the data if we grouped it together.

We create data aggregation solutions for our internal use to provide new services to our clients, but we are also delivering data solutions to our clients. By trying to give clients more insight to the front-office investor side, we can provide information about their investors to give them the opportunity to meet all of their regulatory requirements as well as to better know and understand their investors.

We are now working towards an analytics practice that would allow us to create some predictive models; for example, what actions your investors may take going forward, such as the likelihood of them to redeem from your fund or to subscribe more money. We can also examine what is driving the decision process so that if you had like-minded investors, you could try to capture that process before it happens.

## How does this improve the onboarding process for managers?

That has been a concentrated focus for us. I referenced that the investor front-office is how we are approaching that sector of the services we provide. One of the first steps we did in that process was the digitisation of client onboarding. Our initial target was solving a problem in the alternatives space: a subscription document that can be a 60-page legal document with all sorts of different data entry points that, historically, has been handwritten.



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This is a laborious and error-prone document, but the manual process also holds an increased likelihood of you forgetting something. We, as a provider of investor servicing operational work, were really feeling the pain of these practical issues as it is more time-consuming, the process could take up to 90 days.

Therefore, we introduced technology to that space that not only made it more efficient in how you entered the information but created structured data. That data could then be transferred downstream as it gives you transparency into the way the process is happening.

This makes the entire process faster and more streamlined. We have also added value to it, as our clients can understand the information that is on those subscription documents in advance of the end state, so they can learn more about their investors along the way.

#### **What role do asset servicing firms have in improving the end-investor experience?**

The breadth of information that is processed. We think of ourselves as an asset servicing firm because that is part of what our clients are asking us to do: successfully processing securities that they are investing in, determining their value, reconciling if the information is correct, calculating performance, and delivering information back to their investors.

For us, it needs to be efficient, so we need to introduce automation into the process and be able to multi-source the information that we are getting to add to it, for example, security reference data. We must be improving the processing and reporting experience, mainly through digitisation, but also providing better transparency and graphical representation of it.

The main thing our clients want us to do is to ensure that we process the information accurately and timely, then provide them with better transparency in the lifecycle as well as transparency into what the information actually means.

#### **Why do you think the end-investor experience is like today?**

The basic foundation layer is regulatory requirements and a better understanding of your investor. We have to have certain information to ensure that the person is allowed to be an investor, but then we also want to have more information about investors so that we can better understand the decision process for why they selected me in the first place and when they might leave. Once you go above that, I think it is really all about interaction, as the more you know about them, the better your relationship will be with them.

#### **Where do you see the greatest technology opportunities in the next five to 10 years?**

I don't know what the biggest technology will be that could help us five years from now, but I'm confident that what we are building will help us get there. I would say that, on the horizon, digitisation and automation of process are key.

Artificial intelligence plays into it as well, that can be a really great buzzword, but you have to ask how you can introduce technology to help you make decisions and understand things. When you say it that way, it sounds like a much more practical thing because we have all been trying to do that for the last 20 years.

If I can make my process more efficient, I can cut down on the amount of time I am preparing and spend more of my time on analysing. If I can use technology to make my analysing process more efficient as well, then I can get my results faster. I think all of it really centres on processing more efficiently and accurately, and gaining better insight so that we are making the decision much sooner in the process. So that is where I think our biggest focus is, and obviously, you can build on regulation and investment management from there.

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