

Advanced trading tools are helping asset managers transform operations

In a sponsored interview, SS&C Eze's Matthew Brousse discusses how fund groups are benefiting from front office innovations

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Q: How have you seen your clients adapt the way they handle unexpected market conditions and spikes in volatility when they arise?

A: Fund managers grappled with high volumes and volatility throughout 2020. Today, they need to adapt to changing market conditions quickly and smoothly. As many regulated funds continue to work through remote work restrictions, technology partnerships have become a critical conduit for transforming operations. Asset managers want to take advantage of market volatility when it arises while driving down costs. For example, many of our trader clients are using advanced trading tools to automate repetitive processes so they can focus on alpha-generating activities. Flexible trade automation tools, like algo wheels and automated order routing, reduce broker selection bias and save trading teams valuable time so they can channel their efforts into managing more complex, high-impact orders.

When markets turn turbulent, it's all about speed, timing, and visibility. You need a platform with fast and streamlined access to liquidity and transparency, allowing you to make informed and immediate market decisions. Regardless of market conditions, looking for reliable and scalable platforms will ensure you can continue to perform even when volumes spike, and you won't need to worry about outgrowing your tech.

Q: Remote working has accelerated the demand for increased mobility. What can we expect as everyone starts returning to the office?

A: We already see what shape the post-pandemic working environment will take as more firms begin back-to-office transitions. With hybrid work schedules growing more popular, mobility and remote accessibility demand are higher than ever. The pandemic has been a catalyst for the adoption of cloud technology among investment managers. Users want secure technology to access critical tools and manage processes, whether at home or in the office. Today, nearly all SS&C Eze clients are deploying our solutions in the cloud in one form or another. Working in the cloud is no longer a question of "why?" but "when?" and how best to manage it. Firms should consider whether they have the in-house expertise and infrastructure or outsourcing to a third party is more efficient. Third-party vendors like SS&C focus on expertise, offering the

flexibility needed to develop an ideal operating model, from Software-as-a-Service to full-service outsourcing. All of SS&C Eze's solutions are cloud-enabled and can be accessed anywhere, anytime on our next-generation Eze mobile app for Android and iOS.

Q: What front-office technology practices brought in during the pandemic are here to stay? Have new standards for best practice been set?

A: Things have changed dramatically in the front office over the last few years. Increased operational risk and changing regulatory requirements have emphasized more sophisticated integration between order and execution management systems. In addition to order routing and compliance, seamless OEMS integration provides information beneficial to a trader's decision-making process, increasing speed-to-market and helping achieve the best execution. The best platforms go beyond FIX integration. They should offer a unified experience and harmonized data across the front office so traders, compliance officers, and PMs can work from a true, single data source.

New standards in compliance mean controls need to run across the entirety of your platform, not just post-trade. Tighter compliance automation will help you avoid costly time-of-trade mistakes and allow you to feel confident in meeting evolving regulatory requirements without creating more work for your team.

Market uncertainty triggered by the pandemic gave new impetus to the need for automated trading tools to give traders time to focus on high-impact trades. Since trade automation is only as effective as the rules defined, having a platform with front-end controls to adjust rules in real-time will empower asset managers to follow best practices.

When talking about new standards for best practices, it would be negligent not to mention cybersecurity. Unfortunately, remote working isn't disappearing any time soon, and cyber attacks will continue to rise. So consider what actions your vendor has taken to build cyber resilience: from multi-factor authentication on the front-end to robust internal training programs to validation from credible certifications, such as ISO.

Q: What practical actions should managers take to ensure they are meeting the evolving technological requirements of the industry?

A: Investors are intensifying pressure on asset managers for greater transparency, portfolio diversification, sustainable investing and security, driving an industry-wide digital transformation. Many asset managers are looking to update their technology and consolidate their investment book on a single system.

Choosing the right platform is imperative to stay competitive and get ahead of investor demands. Sustainable investing is one of the fastest-growing industry trends of late, and asset managers should be prepared to implement and effectively manage ESG strategies through their technology.

The burden of technology debt can be costly. Asset managers should find an experienced technology partner with the tools to keep them ahead of the curve without lengthy, expensive, or disruptive maintenance and upgrades. Look out for vendors who consistently invest in their products and consciously seek your feedback on developing features. In addition, your vendor is an essential resource for learning about technology trends and best practices. Finally,

choosing the right technology partner should include comprehensive expertise to ensure you're keeping pace with the ever-changing requirements of the industry.

About the Author

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Matt oversees asset management sales and business development for SS&C Eze in the U.S. and Canada. He has been advising and consulting asset managers on investment management technology solutions for nearly 15 years. Since Matt joined SS&C Eze in 2007, he has held numerous leadership positions across client service and sales.

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