

## Breakthroughs in Data Management: Getting from 0 to 360

### Executive Summary

The securities industry has entered a new reality. Following the global credit crunch, increased market volatility, counterparty failure, and ongoing sovereign debt crises, uncertainty rules. The new reality does not make room for many former avenues to “easy” profits - excessive risk-taking in complex instruments, increasing fees based on steadily increasing portfolio values, high commission revenues from high transaction volumes, decent spreads and high yields on debt, and P&L bounties from the prop trading book.

Instead, the new reality is one which demands sound risk management practices. Through multiple evolving regulatory requirements, it demands flexibility in reporting and increased access to very granular data. It demands a very close and very accurate eye on capital levels to ensure solvency yet put the maximum amount of your funds to work. It demands complete, quality data to drive sound business decisions. It demands transparency - the information on which you base your business decisions is just as important now as the business decisions themselves. It demands flexibility to change in an uncertain future. It demands a full view of your business - customers, accounts, positions, transactions, instruments, valuations, and more.

The new reality demands 360 EDM™.

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## 360 EDM: data management for the new reality

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GoldenSource's 360 EDM approach is based on the philosophy that data which is important to your firm must be managed, and leveraged, as an enterprise asset. The 360 EDM approach provides a 360-degree view of your business to not only increase profits by reducing operating costs and preventing expensive errors, but also to eliminate blind spots due to inconsistent and/or incomplete data. And most importantly, 360 EDM can be achieved quickly and economically in keeping with the constrained budgets which also accompany the new reality.

### Coverage

We are living in a post security master world. While a security master provides consistent instrument reference data as a single version of truth, this isn't enough to meet the needs of risk management, regulatory requirements, or the requirements of your own executives. In addition to the security master, customer and counterparty hierarchies are required to understand your customer, increase per customer profitability, and track OTC derivatives contracts. Positions and transactions are necessary to roll up your exposure. 360 EDM moves beyond the traditional security master to deliver a full view of everything that matters to your business.

### Relationships matter

To help you get the most from your data assets, 360 EDM focuses not just on the underlying data attributes, but also on the interconnected

relationships that exist across those attributes. It's the critical relationships between your data sets that prepare you to face the challenges of the new reality.

### A picture is worth 1000 words

360 EDM puts valuable information about your customers, counterparties, positions, transactions, and securities - and associated exposures - into the hands of the people who need it most, your executives, business people, auditors, and regulators. 360 EDM unlocks knowledge from your data assets and presents it in crisp, easy to assess and easy to understand visualizations. Your data may consist of thousands of attributes, and millions of records - 360 EDM rolls all of this into concise charts, reports, and dashboards which enable business users to spot trends instantly, interact with and analyze exposure, and understand the most important things to focus on today.

### Ready to go solution

The 360 EDM approach offers an out-of-the box solution. Too many "solution" vendors today deliver grand ideas, but don't back it up with real capabilities. Incomplete toolkits require you to finish the job by building it yourself - which requires time, money, and risk. GoldenSource is the only vendor to deliver a solution, out-of-the box, which has been validated and used across capital market sectors for the full 360 business view. 360 EDM allows you to leave the custom job behind, and take immediate advantage of:

- The industries' leading, proven data model.
- GoldenSource Connections - interfaces with common industry data suppliers, maintained by GoldenSource with a service level unmatched by any other vendor. Connections allow you to avoid the great hidden cost of data management, the task of keeping your feed handlers current in the face of constant (in most cases weekly) vendor feed changes.
- Over 200 off-the-shelf rules for data quality and processing.
- Nearly 30 years of experience baked into best practices supplied as parameter defaults, software logic, and system documentation.

As a solution rather than a toolkit, 360 EDM de-risks your project.

### Return on Investment

Data management isn't successful unless it can be achieved quickly and easily. GoldenSource has perfected a "quick hit" implementation approach which delivers quick return and ensures you quick success in line with the project pressures of the new reality. 360 EDM isolates the areas which need most urgent attention in your business and provides a path to quick ROI, all while laying down an intelligent, thought-through foundation to support additional business value at every step.

### What 360 EDM can do for you

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To adapt to the new reality, financial services firms are looking for ways to grow revenue, improve operational efficiency, re-tool risk

management, prepare for regulations, and reduce costs. Applying 360 EDM in your operation serves all of these goals.

### Revenue Growth Requires 360 EDM

Firms are turning to GoldenSource today for help knowing their customers better. This serves not only KYC (Know Your Customer) requirements - a reactive need - but also proactive goals of increasing per customer profitability, cross-selling, and strengthening relationships with the most profitable customers. GoldenSource's Customers and Counterparties module is a key component in a revenue growth strategy.

As regulation puts more pressure on capital levels, 360 EDM enables you to keep a close watch. The understanding you gain through 360 EDM lets you put more of your money to work, giving you the ability to maximize revenue while still maintaining adequate capital levels.

### Operational Efficiency Requires 360 EDM

Unifying reference data, eliminating accidental inconsistencies, and eliminating overlapping data sources improves operational efficiency. 360 EDM enables you to lower your cost per trade by unifying how the front, mid, and back offices understand the trade. Less time spent on reconciliations, fewer failed trades, and more STP result. In data operations, 360 EDM boosts efficiency as well by ensuring that when a data exception occurs, it is found, researched, and fixed just once and propagated to all interested parties, eliminating duplicate efforts.

## Risk Management Requires 360 EDM

To avoid being the next victim in the ongoing uncertainty of the new reality, firms are retooling their risk management. The relationships within your data which 360 EDM helps you see enable you to relate transactions to products to accounts to counterparties, so that you can assess exposure on any dimension. The new reality demands quick answers to questions about exposure. Yesterday it was counterparty exposure, today it is exposure to nations with sovereign debt issues. Tomorrow the dimension where you need quick answers could be something completely different. 360 EDM lets you understand, act, and react fast as needs change.

## Regulatory Readiness Requires 360 EDM

Historically, firms adapted to new regulatory requirements in a fairly piecemeal way - each requirement, at a different point in time, drew a tactical response. The new reality brings with it a regulatory barrage - capital adequacy standards in the form of Basel III and Solvency II, new standards for legal entity identifiers via the CFTC, new reporting requirements from the Office of Financial Research, pricing transparency requirements, tax withholding requirements under FATCA, and many many more.

It's not cost-effective to deal with each regulation on a tactical level any more. 360 EDM provides an operational platform for regulatory reporting, bringing together all the data you will need. But, since the final

requirements are still being developed for many regulations, 360 EDM liberates you with the flexibility you need to adapt as new reporting requirements evolve.

Since 360 EDM utilizes the best practices designed into the GoldenSource EDM solution, it is already helping customers adapt to new requirements. For example, while the new LEI (legal entity identifier) standard is still being developed by the industry, all current customers of GoldenSource can rest assured that their data management platform already supports the new standard - without requiring any upgrade or major change.

## Lower Costs Requires 360 EDM

As a solution not a toolkit, 360 EDM can be implemented more quickly at lower cost than bespoke or more incomplete offerings. Even better, 360 EDM relies on a quick ROI project approach in line with your budget expectations.

360 EDM's use of GoldenSource Connections saves you the "great hidden cost of data management" - the extensive analysis, development, and testing time required to keep current with data supplier interfaces.

Because 360 EDM gives you better insight into your business, it highlights areas where you may be paying for overlapping or duplicate data. Often, financial services firms are buying the same data from the same or multiple suppliers - without realizing it. Since data is likely to be one of your largest external costs, rationalizing data sourcing can deliver immediate, bottom line impact.

## Conclusion: Go from 0 to 360 with 360 EDM

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More than ever, financial institutions will differentiate themselves and survive with foundations built on data quality, data governance, and data transparency. GoldenSource offers the most complete and mature data management solution in the industry. GoldenSource also brings more

experience than any other vendor. Put the 360 EDM approach to work for you, and join the many other successful firms who have chosen GoldenSource again and again as the leading EDM technology platform underlying critical capital market operations. And make the most of the new reality.

## About GoldenSource

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GoldenSource delivers an integrated 360 EDM™ platform for the securities and investment management industry. GoldenSource makes it easy to manage critical reference and market data with Enterprise Data Management (EDM).

Our innovative products create, maintain and distribute a trusted golden copy starting with the industry leading data model which covers all financial instruments, customers and counterparties, and extends to transactions and positions. The ability to connect, organize and aggregate trusted information helps our customers to achieve their business goals by reducing risk and enabling better decisions making. GoldenSource solutions are used by forward-looking banks, brokers, investment

managers, service providers, and exchanges to reconcile tactical departmental goals and strategic enterprise objectives.

A proven supplier of on-premise EDM solutions to the world's largest financial institutions, GoldenSource also delivers managed data services via the innovative *Powered by GoldenSource™* program.

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