Silos to Solutions: The Data-Driven Approach to Front-to-Back Transformation

For the past decade, the market seemed to be racing away from multi-vendor best-of-breed implementations towards everyone implementing some type of Front-to-Back solutioning. As discussed in more detail earlier in this series, the primary reason was to reduce costs by simplifying the entire end-to-end process. Their adoption hasn't occurred at the pace everyone initially thought it would, and while there are a few reasons, they all wind their way to the same core reason: Data. Those best-of-breed solutions were one of the primary reasons data has become so complex as they created silos and transformed the same data multiple times. In layman's terms, the overall goal is to flatten your end-to-end data lifecycle model, and if that were as easy as pressing down on a club sandwich to be able to bite it, then we wouldn't have the complications we do today. This is even in a world where AI is seemingly going to solve everything, which is a different topic, but a prediction is AI will have similar struggles against bad data practices.

Following the data has always been the North Star in Performance to fully understand where things could and, unfortunately usually do go sideways. This is still one of the larger untamed components of the industry, and there are dozens of case studies showcasing data being the primary reason for delays in F2B implementations. In every transformation, the initial decision should always be to fully define a strong data model, structure and governance, which is not the exact solution for everyone. This is why the industry has wholeheartedly adopted having Chief Data Officers with dedicated CDO teams to be able to implement a personalized strategy addressing these data obstacles and defining how their company can best flatten their data models.

The vendor solutioning has also realized that creating a F2B offer has been a slower progression than initially anticipated, primarily because of the data complexity in creating and implementing their solution. Again, a core component vendors face is data, with a key decision to either modernize their legacy technology versus building from the ground up on cloud-based technology. This is a key determination for a buyer when selecting a F2B offering as the market is essentially divided into these two camps where both come with their own advantages and risks. Every prospective consumer's situation determines which direction is the smoother road ahead, leaving a sizeable market for both vendor solutions.

HOW MERADIA CAN HELP

This new focus on Data needs to now be heavily incorporated into the vendor selection process following the narrowing of choices from the traditional capability review. This data conversation needs to determine how well their implementation aligns with your data goals to ensure successful integration into your downstream components. This can quickly get quite complex, and including third-party experts like Meradia, who have successfully done this multiple times provides tremendous value. Every vendor has their own nuances to how they handle data and once we understand your own data goals, we can help you ensure your implementation is a success. We do this through a variety of analyses depending on your goals that we'd be happy to discuss with you.

Jeremy Welch leverages his deep knowledge of project management and investment performance to support clients through their most challenging outsourcing decisions. He is an expert in investment operations outsourcing with over 15 years of experience. Jeremy frequently serves as the bridge between outsourcers and end-clients to ensure the smooth onboarding of global platforms. Through his work with front-to-back solution offerings, Jeremy holds an intimate understanding of investment operations technology and how to maximize efficiency while also helping firms avoid common pitfalls through implementations.