

Delivery 360: Simple integration, customization and essential business intelligence to your competitive advantage

We are living in a time of turbulence in the market and uncertainty around the world. While the market has always been driven by information, financial and investment professionals see an accelerating demand for high-quality, up-to-date information. Often, providing high-value information requires pulling together news and analysis from a variety of sources and vendors, some of which may have proprietary hardware or platforms. At the same time, financial information users are challenged to demonstrate the value of their information resource purchases.

This white paper examines the divergent needs of financial information users, looks at how financial information is used, and considers what could be possible when financial news and data are separated from their delivery mechanism. Getting the right information in the right context, on whatever device is needed, users can leverage their information resources for competitive advantage and add value to business relationships.

What do financial information users look like?

Within the business community, there is a wide range of financial information users, including institutional traders and investment managers, advisors and brokers, and online investors and traders. Each group has a distinct set of clients or constituents; institutional traders are accountable to their own organization, advisors focus on the performance of their clients' portfolios, and online traders provide the tools for individual investors to make the best investment or trading decisions.

The information needs and priorities of these groups also differ, based on their constituencies and activities. For some traders, an ultra-low-latency data feed is essential for identifying and trading on key economic indicators and events. Algorithmic traders demand precisely tagged data that can be integrated into quantitative analysis models and computer trading programs.

For others, the difference between seeing news right now and a millisecond from now is less important; for these advisors the key factors for selecting financial information resources may be the ability to customize the user experience or the ability to integrate content into a CRM application to build stronger client

relationships. Using widgets and other APIs to make information more meaningful can ensure that the content is being leveraged to its maximum value.

Institutional traders and investment managers are on the high end in terms of technological demands. A government announcement or medical breakthrough could have an instant impact on trading strategies and portfolio holdings. They need global news sources that continuously update and that follow the sun, offering perspective and insight 24 hours a day.

Quantitative analysts build trading strategies based on being able to back-test models, applying the algorithms to historical data to test their predictive ability. And they need machine readable data in a format such as XML, enabling them to anticipate market movements by parsing a news feed and inserting it into a trading program or mode.

Client-focused advisors and brokers depend on relevant, accurate, timely market intelligence. This news may be delivered to a proprietary trading platform, a mobile device, or a website. Advisors and brokers also track issues that are important to their clients – new medical treatment options for a client's special-needs child, for example, or information about a client's favorite charitable organization. Clients look to their advisors for insight into the impact of major events on their portfolios, so access to market commentary and analysis is critical for client relationship-building. Whether they are independent brokers or part of a larger financial services firm, brokers and advisors need tools for practice management; they value the ability to monitor the news for compliance issues, communication strategies, and estate planning tools as well as for relevant market news.

The third group of financial information users, online investors and traders, fall into the B2C arena; online trading firms make financial news, analysis and commentary available to their clients. Individual investors typically access the information through the firm's web site – to review their portfolio, execute trades, read news on the market, and use investment tools and resources. Online trading firms integrate financial news and data into their customer portal, put their own brand and user interface on the information, and filter the news to make it most meaningful for their clients, so flexibility of format and delivery options are key considerations.

Separating news and information from delivery

One of the biggest challenges in the financial information arena has been in getting the right news and data to the right user in the shortest time possible. In the past, secure, low-latency delivery was only possible with dedicated high-speed lines and proprietary hardware. Now that ultra-low-latency access is widely available, the need for proprietary connections and platforms is reduced or eliminated. What does financial news and data look like, when considered apart from specific delivery devices?

There are four basic types of financial information, each addressing a different aspect of users' needs.

- News feeds. Used in quantitative analysis models and computer trading programs as well as by traders and investors, the content of news feeds can be anything from scrolling headlines to data delivered in XML-tagged format and integrated into trading models.
- News articles. While data about specific market events can be conveyed in a terse format, investment professionals need more than that. News stories provide a wide spectrum of coverage, access to global perspectives on current events, and information from industry- and subject-specific experts. Much of this content never appears on the free Web. News sources can range from a wire service to a newspaper, industry newsletter or a trade publication .
- Business blogs and other web content. The emergence of influential web-based news portals and blogs means that web content needs to be included when considering information sources. While monitoring blogs for market news is impractical, information aggregators include blog content in their offerings. Government agencies distribute their announcements via RSS feed; being the first to hear about a market-moving regulation can make the difference between profiting from the news and being at the affect of it.
- Commentary, editorial content and analysis. News reporting covers the facts; commentary, analysis and editorials offer context, perspective and insights to

investment professionals not available elsewhere. In addition, online trading firms offer access to this content as a replacement for the personal consultation available at a full-service firm. Online investors can read background reports, company profiles and other material to enable them to make more informed investment decisions. According to a Dow Jones study, *Voices of Wealth*, the two most common sources that online investors go for financial news and market ideas are their brokerage firm's web site and *The Wall Street Journal*. While investors report satisfaction with sites' up-time and user interface, only 44% give the sites high marks for providing "access to information or ideas I can't get elsewhere."

Separating information from its delivery also makes it possible to use a wide range of devices to gain access to the content. With an increasingly mobile work force, there is a demand for constant access to key financial news on a tablet, smart phone (e.g., iPhone or BlackBerry) or other mobile device as well as on a laptop or proprietary terminal.

Additional Value From Platform-Agnostic Information

Once information can be considered on its own, independently of how it arrives, the possibilities open up for leveraging the content in new ways.

One of the key benefits of platform-agnostic information is that clients can have a completely customized user experience. Clients can build internal or client-facing portals, in order to provide analysis and commentary on the market, dashboards to manage various streams of information, and curated and timely collections of resources on relevant topics. Widgets and other APIs enable users to see the most relevant information, within the context that makes it most meaningful. They can take the form of a video carousel that showcases video clips, a scrolling ticker of news headlines, an alerting service or trigger that monitors for specific types of events, or a news radar grid with weighted boxes displaying the intersection of company and news subjects.

These features are particularly valuable for online brokerages and trading sites; while their clients give up the personal attention of an advisor, they still have access to sources that provide them with market insight.

Full-service brokers can also make use of a filtered collection of material; before calling a client to discuss adding commercial real estate to his portfolio, a broker can refer the client to recent articles about REITs. The call with the client will be more meaningful, as he is a better informed investor. Having that information accessible via mobile devices as well as on a laptop means that clients can look at it when and where they want it.

Investment managers and advisors can gain a deeper knowledge of the market when they have aggregated views of internal and external information from disparate data sources – published material, internal information, and open Web data. With access to an archive of financial news, institutional traders can backtest investment strategies to determine the performance had they been employed in the past, as well as use the data for enhanced algorithmic trading.

According to Voices of Wealth, affluent investors report that there is a gap between what they want to be advised on, such as tax strategies, estate planning and emerging markets, and what counsel their advisors offer. They rely more on their financial advisor or broker as a source for investment advice than on news web sites, business publications or even the brokerage firm's web site. In spite of – or perhaps because of – the explosion of financial information available online, investors value the personal contact their advisor offers. The better informed the advisor is on current tax strategies or retirement planning, the stronger the relationship with the client can be.

In addition to monitoring the market, independent financial advisors and brokers can filter incoming news for material relevant to running a small business, such as business development, strategic planning, and client management, and get additional value from their information investment.

A platform-agnostic source of information also enables users to integrate multiple sources into data visualization tools, such as heat maps and news radars, which allows users to glean more insight from the data. Traders can use these tools to recognize and proactively respond to opportunities, risks and threats.

Financial news and data, once viewed independently of how it is delivered, can also be integrated into the internal workflow of users. Investment managers gain a

better understanding of the market, can identify opportunities and manage risks, are able to analyze sentiment, and can monitor company changes, all by being able to bring relevant news into their workflow. When the information is integrated into customer relationship management (CRM) tools, advisors can make each contact with a client more meaningful. If an advisor knows that her client is a wine connoisseur, she can pass along articles on wine that might interest her client; these contacts can build more meaningful connections with clients and gives the advisor a competitive advantage.

Implications for IT

Information technology professionals and IT purchasers balance a number of competing priorities when considering acquiring information resources. Is this information useful and relevant? Is it cost-effective? Can it be delivered on whatever device a user has? This last consideration has become more pressing as technology development cycles shorten; the number of iPads doubled between September 2010 and January 2011, which led to a surge in demand for content accessible through a tablet computer. As more users move to mobile devices, the need for agility in information delivery becomes even more critical. Financial professionals expect to be able to access the news they need on whatever device is most convenient— on a smart phone, a tablet, a net book, or a laptop.

Separating content from delivery also enables IT professionals to integrate news into enterprise tools to gauge sentiment, anticipate market moves, and identify the news that gives employees a competitive advantage. Users can configure how they interact with financial information, enabling them to make their search experience more intuitive and relevant.

In addition to being able to consider the value of the information content apart from its delivery, IT purchasers can also decide which delivery options are most important in their organization. Some may need ultra-low-latency delivery of data, in XML format, access to a deep archive of information, or APIs to integrate external content into a portal. Buyers can manage their information purchases better when they can select which factors are most important in various settings and can make choices based on what is most cost-effective for their organization.

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One of the advantages of integrating external information with internal resources is the synergy that comes from combining insights. If information can be pre-processed, by using consistent keywords to categorize information, then each user can see what is most relevant without having to wade through pages of content. IT professionals can apply filtering technologies to ensure that a searcher will be looking through the most useful resources.

The ultimate goal of any information buyer is to ensure that the right information is delivered at the right time, to the right person, in the right format, for the right price. Information buyers are wise to look closely at how their information resources mesh with their information users. If they can tie the value of the content to the success of the organization, they have a compelling story to tell.

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