

The Next Phase of the Innovator's Journey

State Street 2018 Data and Analytics Survey
Key Findings

May 2018



Methodology

- State Street commissioned PollRight* to conduct a survey of sophisticated investors on their views on how their institutions managed data and analytics
- Respondents to the survey comprised of institutional and alternative investors operating in sectors such as hedge funds, real estate and private equity**. In total, 86 individuals participated
- The research was conducted between 12th March and 9th April 2018
- Please note: in some instances, rounding may result in final percentage figures not adding up to 100%

* PollRight – the in-house research department at [Citigate Dewe Rogerson](#) – is a market research agency specialising in business-to-business research. It has been at the forefront of research-led PR for over 20 years, encompassing bespoke business omnibus surveying, desk research and analysis and data visualisation.

** Countries/ territories covered include the UK, US, Europe, Central & South America, Middle East and Asia.

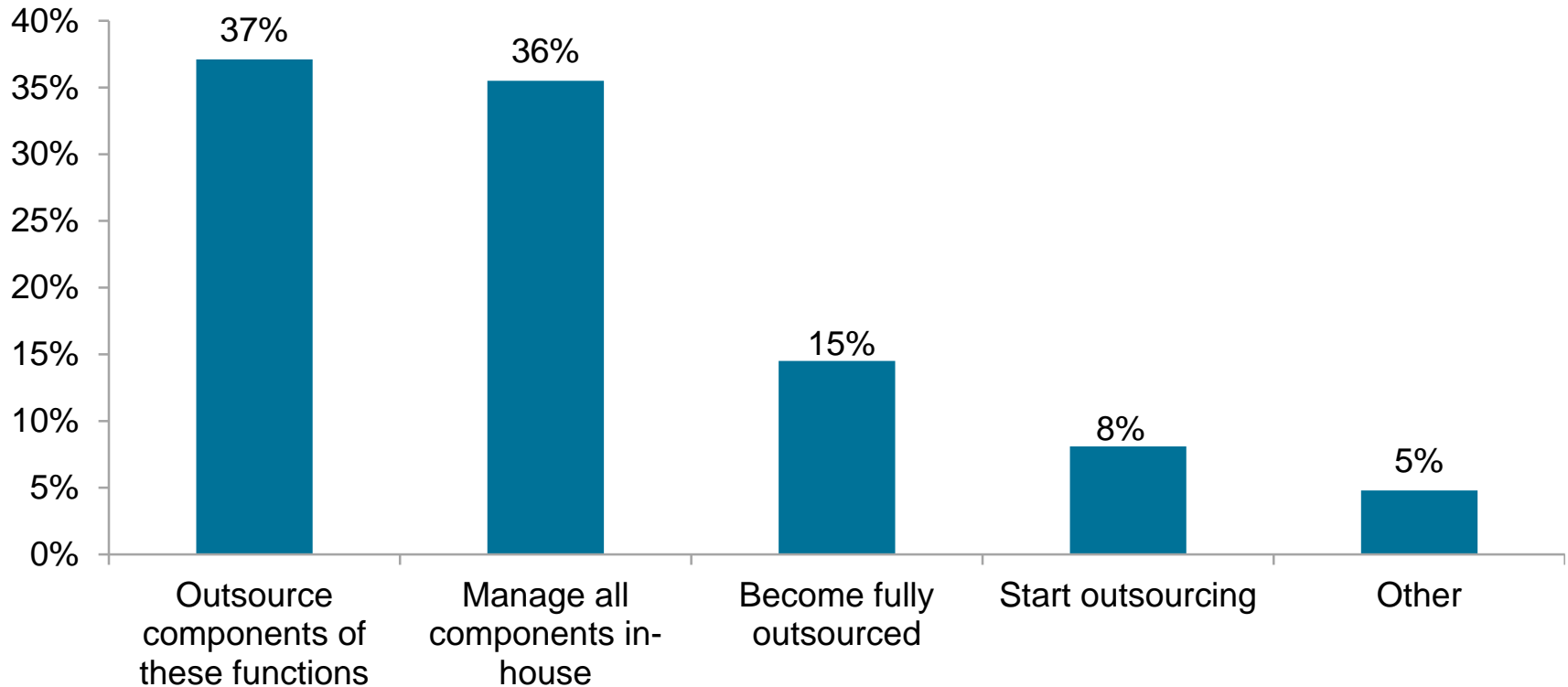
Summary of Findings

- More than half (52%) of the institutions we surveyed have an in-house data management function. This is followed by 31% who split their data management between in-house and outsourced, while 16% fully outsource their data management
- Of the institutions who manage their data in-house, 31% plan to start outsourcing over the coming three years, while 69% plan to continue managing all components in-house. Overall, one in seven (15%) institutions plan to become fully outsourced over the next three years, although more than one-third (36%) still plan to manage all of their data in-house
- 54% of institutions currently use multiple data tools for different business requirements, compared to 44% who maintain a central data repository for all data-consuming functions. Respondents said their biggest challenges with investment data and analytics are a lack of integration between different data sources and types (43%), increased volume of data (39%), accuracy of data (36%) and timeliness of data (33%)
- Over half (54%) of institutions rely predominantly on external providers for analytics, compared to a quarter (26%) who rely mostly on in-house, proprietary tools
- More than two-thirds (68%) of the institutions we surveyed are extremely or moderately comfortable with storing their data on the cloud.

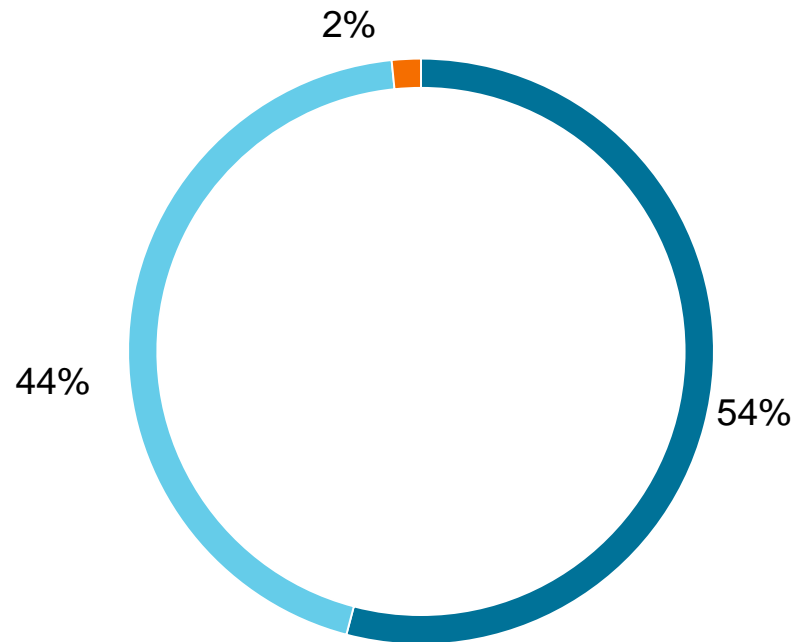
Summary of Findings

- Nearly three-fifths (57%) of institutions say that regulatory changes have driven their firms to make major technological investments over the past five years, while 46% say that the implementation of a better data strategy has improved the alignment between their investment and risk teams. More than one-fifth (22%) say that data and analytics capabilities have become one of their most important competitive advantages
- 43% of institutions expect to rely more heavily on external providers for performance and risk analytics over the next five years, while a quarter (25%) expect to rely more on in-house proprietary tools. One-third (32%) expect to make no changes to their current model in that timeframe
- When asked about the factors that are most likely to require changes to the way institutions manage investment data over the next five years, the most common views were increased demands from regulators (57%), increased demands from investors (32%) more stringent risk management standards (27%) and expansion into new asset classes (25%)
- One in eight (12%) institutions believes that they currently have all the right talent in place to advance their data strategy. However, 48% admit that some knowledge and training gaps exist, and 23% claim that significant gaps exist. A further 5% of firms believe that they do not have the right talent in place, meaning that 77% of firms have work to do to improve their data strategy
- Nearly two in five firms (37%) believe that incorporating new tools and methodologies to build and manage portfolios will be the strongest opportunity to raise assets for their firm in the coming five years

Regarding your data management functions, over the next three years do you plan to:

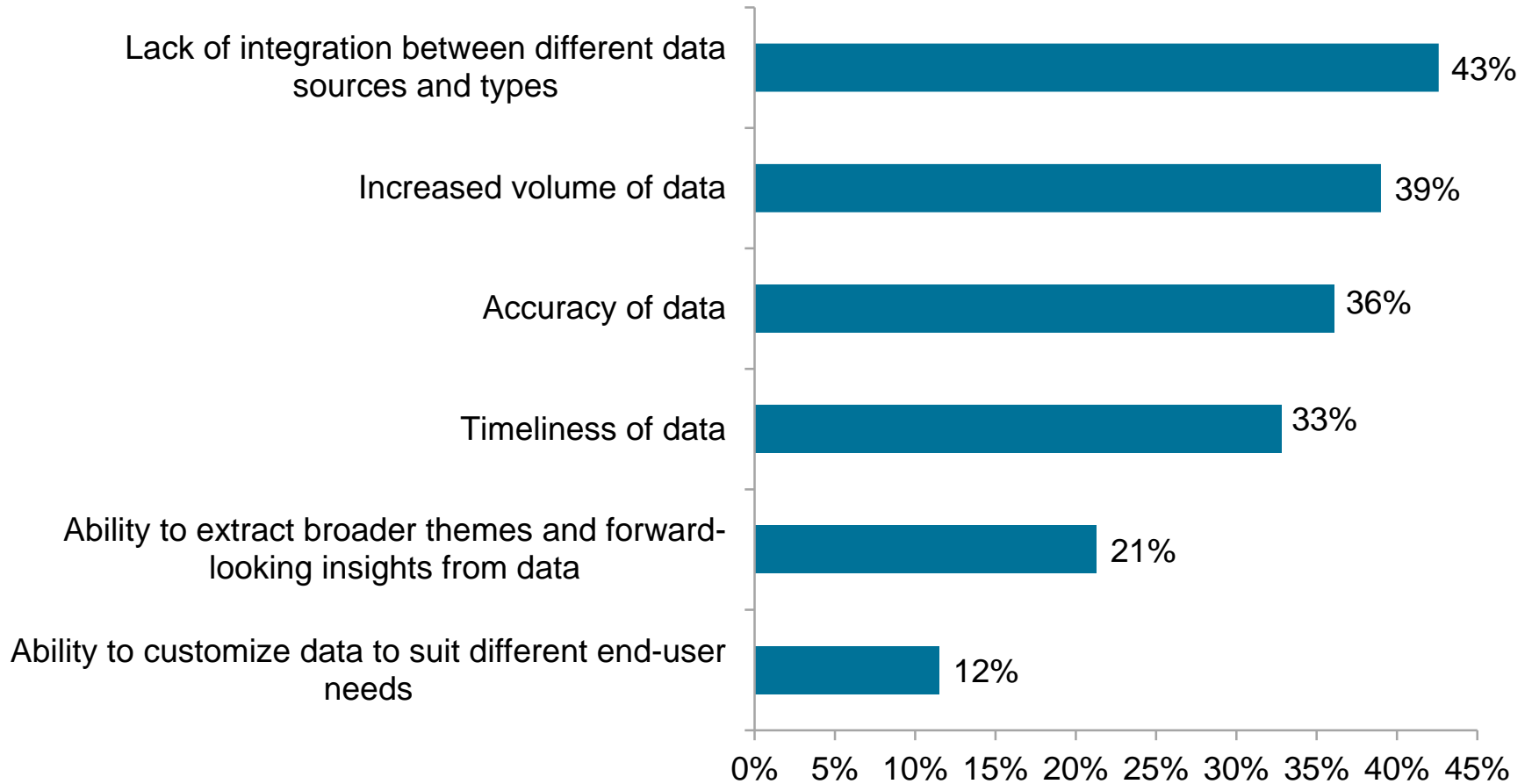


Do you currently use multiple data tools for different business requirements, or do you maintain a central data repository for all data consuming functions?

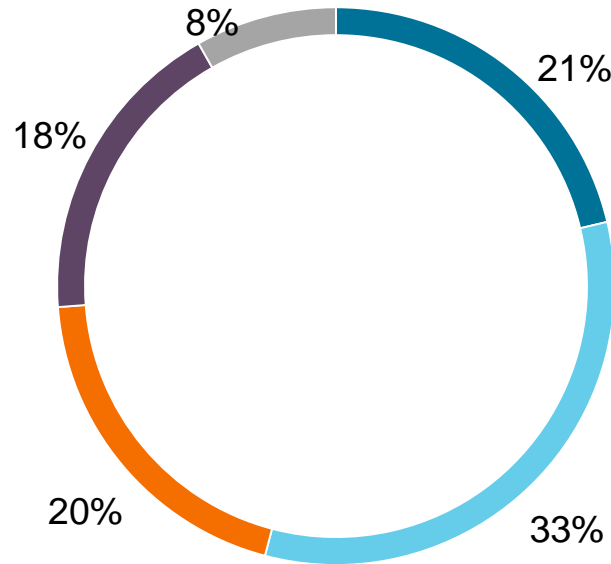


- I use multiple data tools
- I maintain a central data repository for all data consuming functions
- others

What do you consider to be the top challenges related to investment data and analytics overall for your business today? (Please select up to two responses)

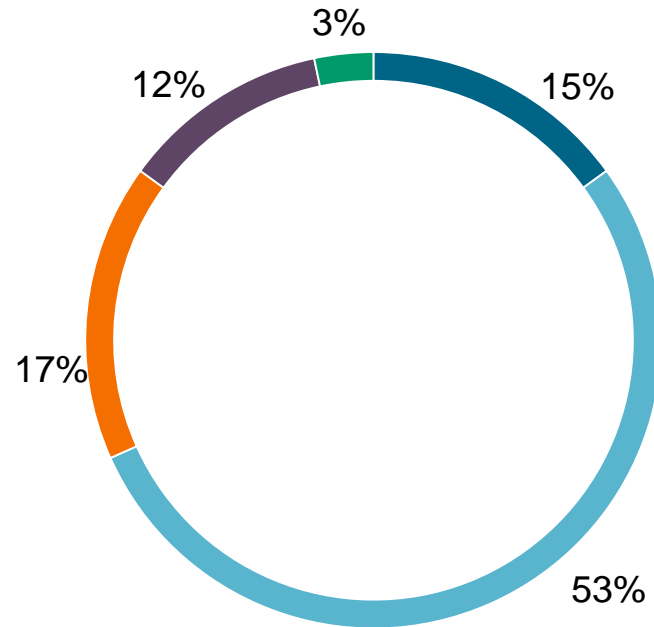


Please select the statement that best describes your firm's current source(s) of performance and risk analytics:



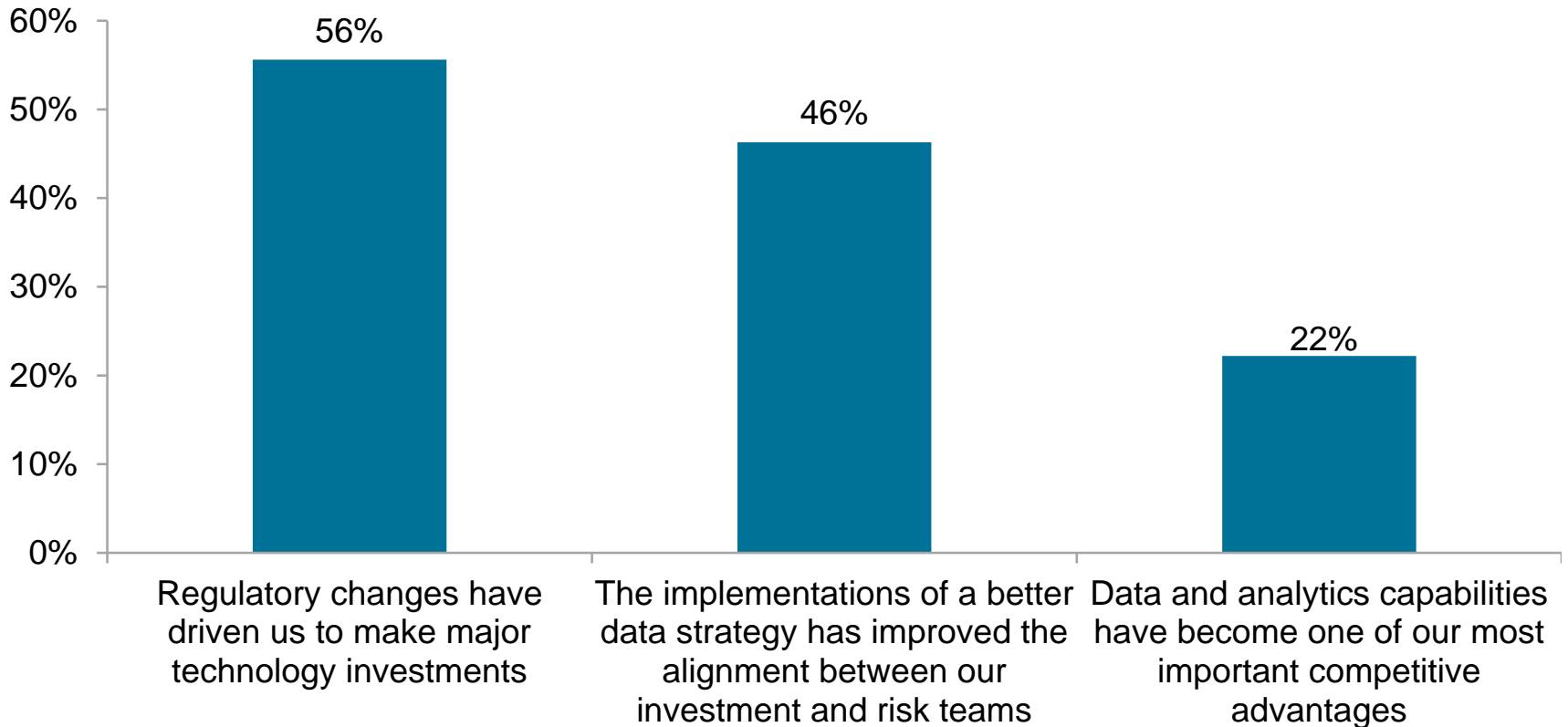
- Rely entirely on external providers of analytics
- Rely mostly on external providers of analytics, but supplement with some in-house, proprietary tools
- Rely equally on external providers and in-house tools
- Rely mostly on in-house, proprietary tools but supplement with some external providers of analytics
- Rely entirely on in-house, proprietary tools

Please select the statement that best describes your firm's current philosophy on storing data on cloud:

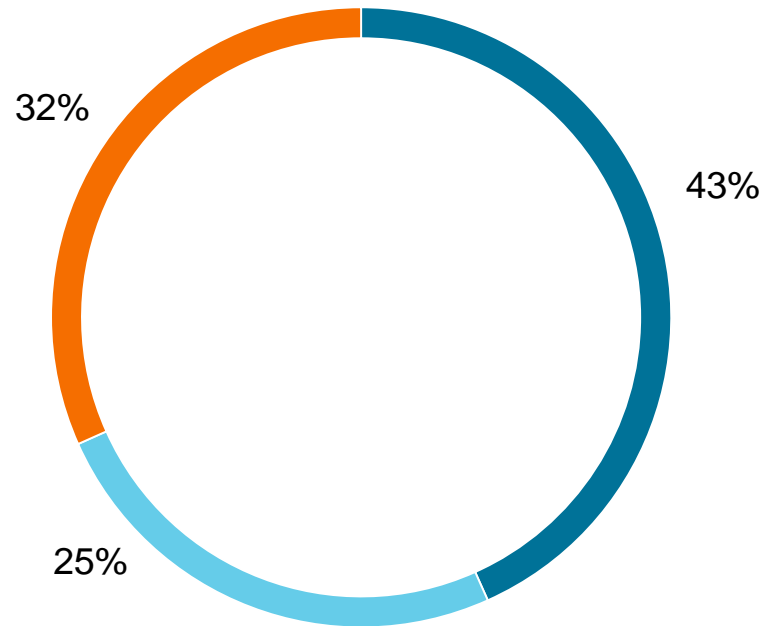


- Extremely comfortable
- Moderately comfortable
- Neutral
- Moderately uncomfortable
- Extremely uncomfortable
- Don't know

Have any of the following statements proven true for your institution over the past five years? (Please select all that apply):

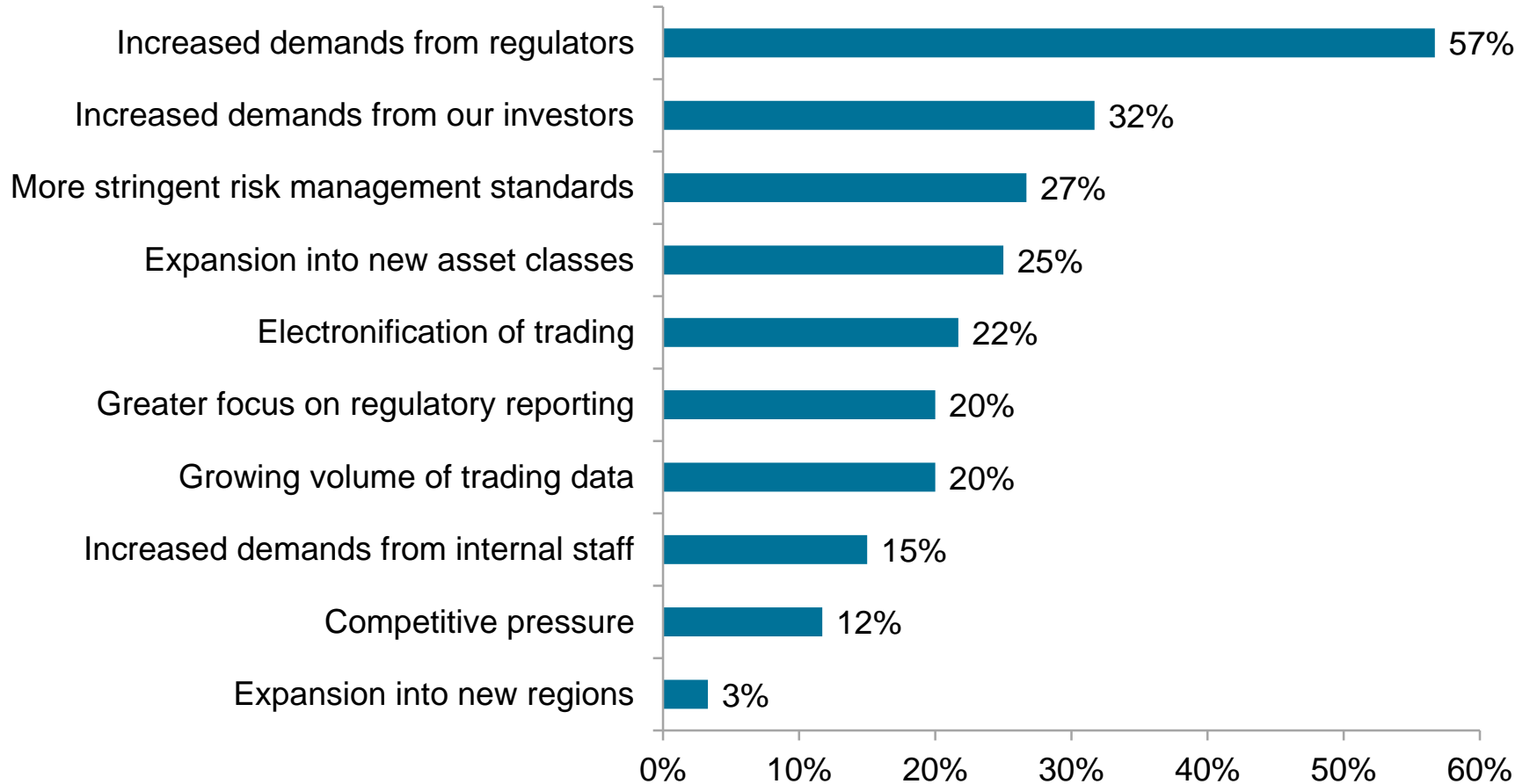


Do you expect your sources of performance and risk analytics to change over the next five years?

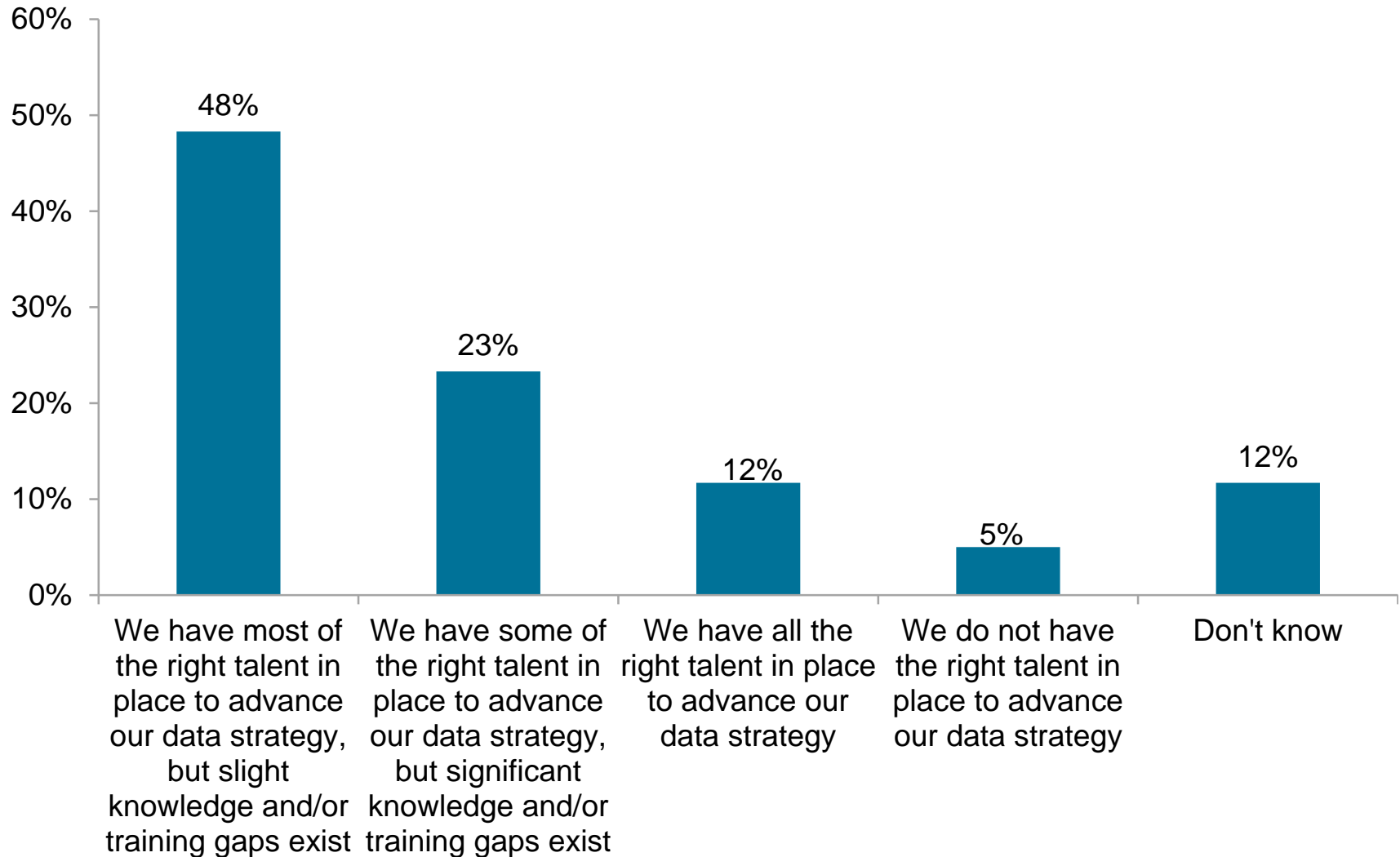


- Expect to rely more on external providers
- Expect to rely more on in-house, proprietary tools
- Expect to make no changes

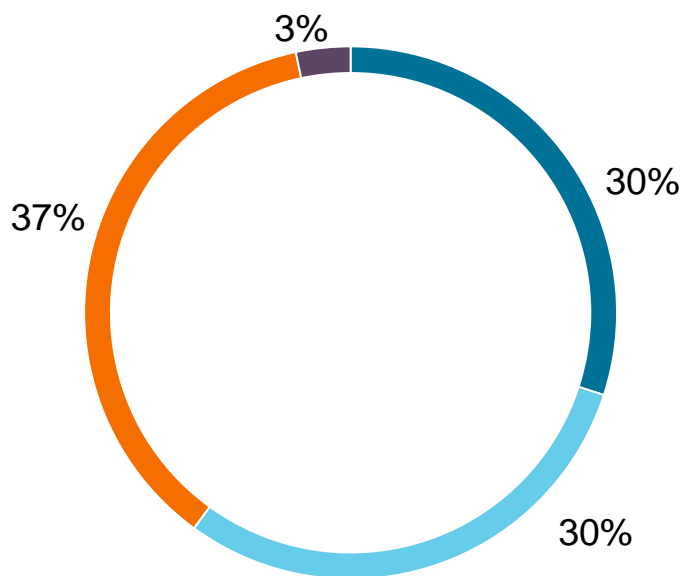
Which of the following are most likely to require changes to the way your institution manages investment data over the next five years? (Please select up to three responses)



Which statement best describes your firm today?



Where do you see the strongest opportunity to help grow or raise assets for your firm over the next five years?



- Expanded product range across asset classes/regions/investment vehicles/other
- Employing new information insights or alternative data in investment process
- Incorporating new tools and methodologies to build and manage portfolios
- Other

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Marketing Communication

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