



# The future is frictionless

Break free from legacy barriers. Connect your technology and data for smarter, faster investment decisions

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# Introduction

Amid rising geopolitical tensions and market volatility, institutional investors face an increasingly uncertain global economic landscape. Still, for those who can swiftly identify emerging trends, react decisively to market shifts and implement strategies with speed and precision, there are unprecedented opportunities.

The search for strong investment returns in a volatile environment intensifies the pressure on firms to perform optimally. But a critical barrier stands in the way: their own technology. Many firms are held back by siloed legacy systems, and an ever-growing mountain of data. Skilled teams grapple with manual processes and disjointed workflows, leading to inefficiencies and delayed responses to market shifts. These operational challenges not only erode performance but also hinder the agility required to seize emerging opportunities.

In this article, we explain why now, more than ever, institutional investors are pursuing a more holistic and integrated approach to their technology and data strategy. We argue that traditional approaches are no longer fit-for-purpose in the new investment environment, and explain why it's time for a fundamental shift towards a more connected, intuitive and adaptable technology ecosystem.

# Overcoming technology frictions

Portfolio managers, traders and operations professionals working in asset managers, pension funds, insurance and other institutional investment firms are weighed down by outdated systems.

The escalating volume of data necessitates navigating multiple platforms and data sources, consuming valuable time that could be spent on strategic decision-making and executing time-sensitive tasks.

In practice, accessing information often becomes a cumbersome and time-consuming process for many users. Legacy technology environments are often highly fragmented, forcing users to grapple with numerous disparate platforms and data sources. The process of logging in, manually reconciling data, navigating through a multitude of applications, interfaces and data streams that look, feel, and behave very differently, consumes precious time that can be better spent on analysis and decision making.

All these friction points accumulate, diverting focus from strategic objectives. Rather than extracting meaningful intelligence and actionable insights, professionals expend valuable time piecing together fragmented

data from multiple sources. In such an environment, the ability to identify emerging risks, detect subtle patterns or seize fleeting opportunities is greatly reduced.

Consider the example of an **FX trader** who might miss a critical price movement while toggling between platforms, or a **portfolio manager** who struggles to gain a timely, holistic view of their portfolio data, risk analytics and research when strategic decisions are needed. Similarly, the **head of middle office** might find themselves facing significant oversight challenges and increased operational risk because they struggle to gain a timely and coherent picture of their firm's trading operations.

Naturally, these challenges extend far beyond being mere inconveniences for individual employees. When multiplied across all professionals working in the front, middle and back office, the impact on efficiency and performance can be severe.

# An industry imperative

**The industry is acutely aware that fragmented platforms and siloed data pose significant challenges. There is growing momentum to find a more robust, future-proof solution.**

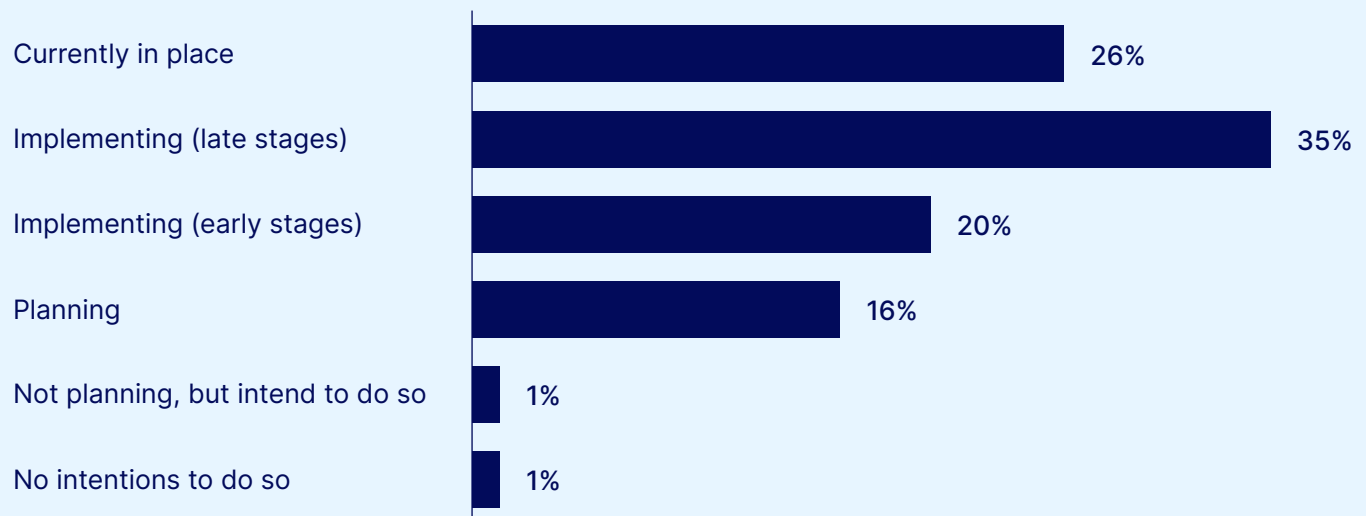
State Street's latest global survey on data use and management, which gathered insights from 920 institutional investors,<sup>1</sup> reveals that an overwhelming majority of firms are actively pursuing a more holistic data strategy to address these issues.

Our survey underscores the need to streamline the complexity of multiple

technologies and data streams. A vast majority of survey respondents are either planning or actively implementing a holistic data strategy to achieve better integration of their front-to-back data and systems. However, for most organizations, this remains a work-in-progress with only 26 percent saying that they currently have a holistic data strategy in place.

**Figure 1: Almost every investment firm wants a holistic data strategy**

## Holistic data strategy



Q: To what extent do you have a holistic data strategy?

<sup>1</sup> Capturing the data opportunity in an era of uncertainty, [State Street Survey 2025](#)

Nearly half (48 percent) of respondents said that the goal of rationalizing the number of data management platforms their company uses is **core** to achieving a more holistic data strategy (and nearly everyone else said it is an important element of their strategy).

Why is there such strong consensus on the need for a holistic data strategy? Primarily, the growing volume and complexity of data is a huge challenge, with 55 percent of respondents citing this as a key issue for the future.

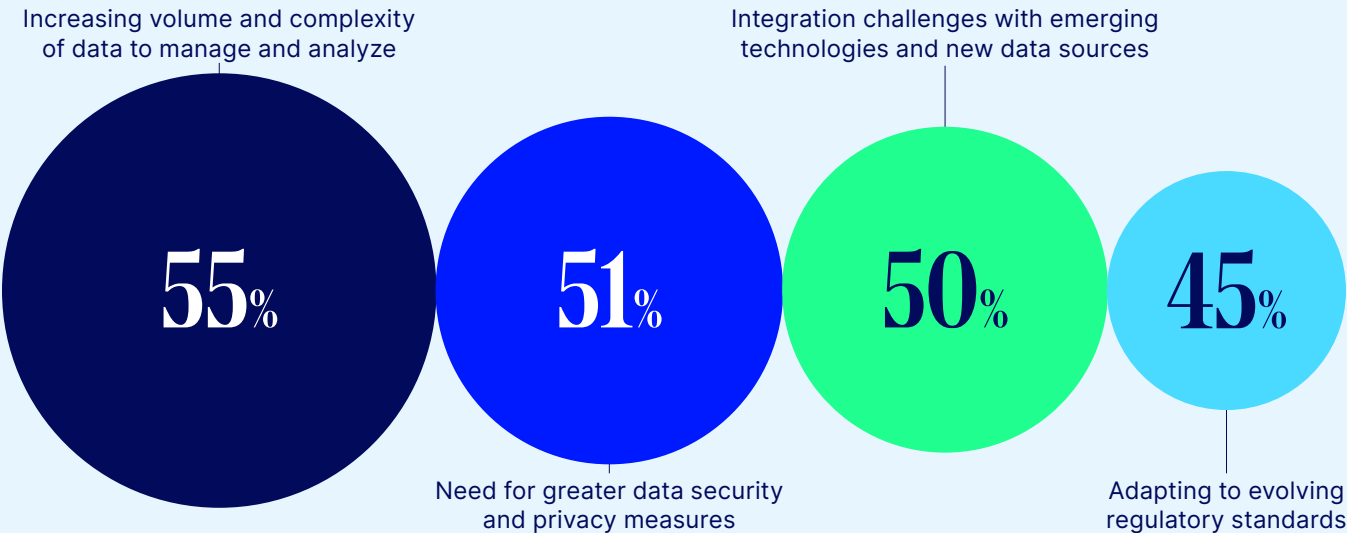
Additionally, the integration of emerging technologies and new data sources into increasingly complex tech stacks is a significant concern with half of the respondents viewing this as a key challenge.

Addressing these challenges is not easy. The good news, however, is that there are substantial benefits for firms that can implement a more connected solution.

For example, nearly three-quarters (74 percent) of respondents believe that such a strategy could boost their firm's investment returns by at least 10 percent.

**Figure 2: The volume and complexity of data is the biggest challenge**

Evolving investment strategies and regulation can increase data challenges



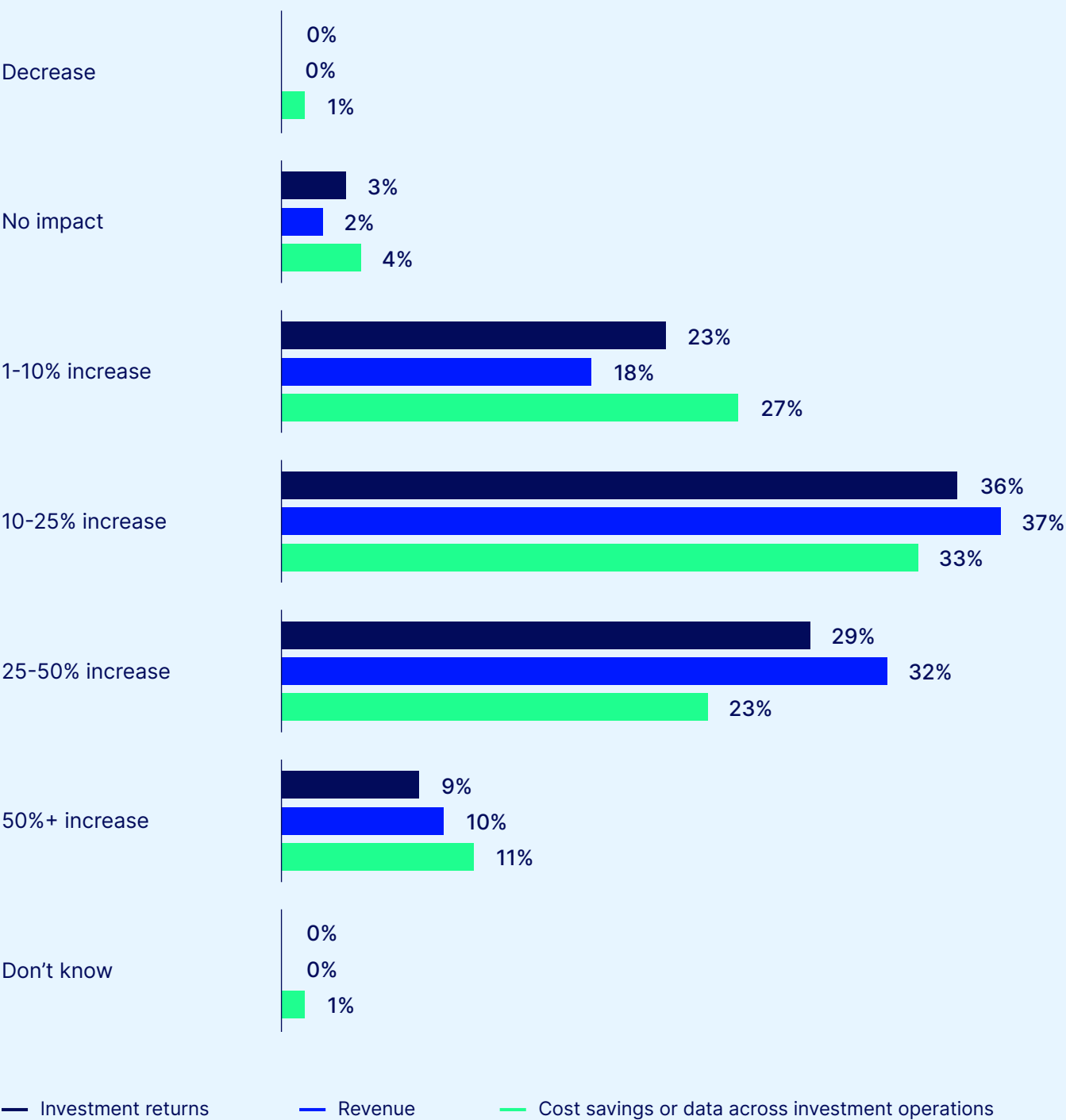
% of 920 respondents

Q: What future data challenges do you anticipate, especially as your investment strategies or regulatory environments evolve?  
Base: All answering: Total = 920



Figure 3: Holistic data strategies are expected to boost business performance

Most expect increases in the order of 10% to 50% for investment performance, revenue, and cost savings



% of 914 respondents (Excluding those who have no intentions of having a HDS across operations)

Q: What impact do you anticipate having a holistic front office/back-middle office data strategy having on Investment returns (investment performance), revenue, cost savings?

# Reimagining the tech ecosystem

**The survey highlights the magnitude of the challenges that investment firms face in trying to deliver a more integrated view of their data and user-centric workflows. Overcoming these challenges requires more than incremental improvements – it calls for a fundamental shift in approach.**

This is why we created LINK, part of the award-winning suite of GlobalLINK applications owned by State Street. From the outset, LINK was conceived as a strategic platform with an aim to fundamentally transform the way investment firms manage their data and workflows across the front, middle and back office.

So, what is LINK? For starters, it's not a single, monolithic application. Think of LINK as an interoperability platform, designed to deliver a range of best-of-breed products and services in a powerful and intuitive desktop environment. For example, users can access trading platforms like FX Connect (for institutional foreign exchange execution) and Currenex (our Electronic Communication Network [ECN] offering), alongside sophisticated analytics from BestX (for Transaction Cost Analysis [TCA]).

Or, they can navigate our cash management portals such as Fund Connect (for example, to access money market funds), and innovative integrated solutions like BestXecutor, which embeds pre-trade TCA directly into the FX execution workflow.

As the name implies, the vision behind LINK was to seamlessly integrate platforms. Everything has been designed for speed and simplicity, centered around the user's needs. We wanted to break down long-standing silos, reduce operational friction and empower users with clarity, control and the ability to focus on their core strategic objectives. Ultimately it's about enabling firms to transcend the limitations of outdated infrastructure and unlock what we call operational alpha — the enhanced returns and benefits derived from optimal integration and efficiency.

## **This transformative approach is guided by several core design principles that define our strategy for LINK:**

### **A seamless, user-centric experience**

1

We put the customer experience front and center when designing LINK, dedicating significant effort to create an intuitive, decluttered environment. Our goal was to equip users with only the essential tools and functionality, without any distractions. With a single sign-on, users can access an entire ecosystem of services. The system is context-aware, ensuring that changes made in one product are automatically reflected across other tools within the LINK workflow. This seamless integration allows users to quickly find what they need and complete tasks efficiently, without the usual friction.

### **See clearer, move faster**

2

Information overload undermines productivity and decision-making quality. LINK was designed to cut through the noise, delivering a curated information flow. Rather than bombarding users with exhaustive data from multiple sources, LINK surfaces only the information the user needs, when they need it. This ensures that users can concentrate on value-generating analysis and critical thinking, rather than the mechanics of working through different data streams and providers.

### **Unify and automate the trading lifecycle**

3

LINK is designed to seamlessly connect platforms, breaking down long-standing silos between front-, middle-, and back-office operations. For instance, it enables integration between portfolio management and trading systems with analytics, research, risk, collateral, and settlement applications. To support this, we've adopted the Financial Desktop Connectivity and Collaboration Consortium [FDC3] open standards — empowering faster decision-making, enhancing productivity, and streamlining workflows through plug-and-play interoperability. By establishing a common language across applications, FDC3 eliminates the need for custom integrations and simplifies the complexity of connecting diverse tools.



# 4

## **Best-of-breed, on demand**

No single provider can offer the optimal solution for every customer need. Clients want choice and the ability to combine best-in-class products for each task within a seamless workflow. The model is conceptually similar to a kind of app store for institutional investors. Clients will have the ability to use top-tier products and services on demand — not only by combining State Street’s own market-leading products within LINK’s intuitive interface, but also by providing access to an ever-expanding range of complementary third-party applications.

# 5

## **Personalization and innovation**

A core tenet of the LINK strategy is to provide nearly limitless customization capabilities for every organization and its users. Every firm possesses unique strategies, workflows and requirements — an asset manager’s needs diverge significantly from those of a hedge fund just as a trader’s ideal setup differs from a portfolio manager’s.

LINK is, therefore, architected with modular components, offering users an intuitive, often “no-code” ability to customize their experience. Additionally, one of the most exciting developments is witnessing our customers innovate in the spaces between existing products, creating new bespoke workflows and services that provide them with a distinct operational advantage.

# The future is connected

The ultimate goal of State Street LINK extends beyond simply streamlining today's workflows. By providing a unified, customizable and interoperable platform, our vision is to foster a dynamic ecosystem that helps our clients excel.

This leverages our deep expertise and trusted infrastructure alongside the specialized capabilities of best-in-class third-party collaborators.

As markets evolve and as new technologies emerge, the LINK ecosystem is designed to adapt and grow. Addressing the entrenched issue of technological friction presents a unique opportunity to revolutionize the delivery and consumption of financial services platforms.

The era of one-size-fits-all financial platforms is definitively over. The next frontier lies in highly configurable, open ecosystems that support a truly holistic data strategy. Leading institutions will increasingly differentiate themselves not just by the tools they select, but by their ability to connect an ever-expanding range of best-of-breed components together.

Less friction, more empowerment — we firmly believe this is what the future holds for organizations that share our vision.

## About the authors

Michael O'Malley is head of LINK at State Street. Yusuf Nurbhai is head of BestX, a leading transaction costs analysis solution which is part of the LINK suite.

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