

Buy-Side Technology Awards 2017 Winners' Circle: SmartStream— Enabling the Back Office While Minimizing Costs



Rocky Martinez

SmartStream Technologies created a little bit of history at this year's BST Awards by becoming the first ever recipient of the best integrated back-office platform category. Victor Anderson chats to the firm's CTO, Rocky Martinez, about the technologies underpinning SmartStream's back-office offering, how buy-side firms are looking to minimize their operating costs, and SmartStream's technology plans for the year ahead.

Congratulations on SmartStream winning the inaugural back-office technology platform category in this year's BST Awards. What are the key technologies that SmartStream offers buy-side firms that allow them to streamline and enhance the efficiency and robustness of their back offices?

Rocky Martinez, CTO, SmartStream: SmartStream provides a distributed set of products that can be used across the entire enterprise. The key technologies SmartStream uses are HTML5, distributed-data routing, and modern building blocks. Our solutions are changing to embrace new technologies such as robotic process automation (RPA) and lower cost data stores.

SmartStream meets the challenges of the back office by making the technology available—including our solutions for reconciliations, cash management, corporate actions, collateral management, fees and invoicing, and reference data—via flexible deployment and operational models. Whether a customer wants our technology installed on its premises and fully supported our by technical teams, or at the other end of the scale, a client prefers it to be deployed by SmartStream using our operational services, that is possible. As is any permutation in between.

We believe that SmartStream's cloud services are particularly attractive to the buy side as they enable firms to implement our technology rapidly and cost-effectively. Self-service is another aspect we're working hard to promote in each of our solutions. Self-service alleviates the need for reliance on technical departments, enabling the buy side to keep overheads down.

What are the key challenges buy-side firms are currently facing from a back-office perspective, and how is SmartStream assisting them in this regard.

Martinez: The buy side must carry out reconciliations, cash management and corporate actions for regulatory and audit purposes, but the sector is keen to avoid spending excessive sums of money on meeting these obligations. It makes sense, therefore, for firms to go to a single, reliable vendor who can meet all their requirements. SmartStream's ability to offer a wide range of the back-office solutions allows it to act as a one-stop shop, making the company uniquely positioned to meet the buy side's needs.

To what extent is Mifid II compliance for buy-side firms driving SmartStream's strategy?

Martinez: Mifid II compliance is driving strategy within The SmartStream Reference Data Utility (RDU) and reconciliation businesses. Our products provide Esma data for trading parties and reconciliations for regulatory reporting. To assist organizations to meet their Mifid II obligations, the SmartStream RDU offers a fully integrated reference data set to support pre-trade price transparency, post-trade reporting and transaction reporting. It sources data from Esma, ANNA, GLEIF, the National Competent Authorities (NCAs) and trading authorities, as well as enrichment feeds.

What's on the horizon for SmartStream for 2018 in terms of new functionality and/or new services? What are the key areas the firm is keeping an eye on for the year ahead?

Martinez: Future plans include the integration of SmartStream technology with distributed ledgers, moving to big data infrastructures, plus additional changes to our solutions, which will facilitate RPA. Also under review is the use of artificial intelligence across all of our products. But innovation simply for the sake of innovation isn't what we're about—we're mindful of customers'—and the financial industry's—needs and these, first and foremost, drive us. SmartStream recently held a series of customer workshops and we are now carefully considering the future direction of our technology to ensure that it aligns fully with clients' requirements. SmartStream is deeply interested in the latest technological advances, but we're also aware that clients want to be certain that when new technologies are incorporated into our solutions these will be lasting. We therefore avoid rushing into immature technologies and spend a good deal of time evaluating the latest developments before we actually adopt them.