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CMF: "Data is the new gold"

The rise of machine learning (ML) tools has meant the value of data has grown exponentially, according to one speaker at the Fleming Collateral Management Forum.

"Data is the new gold," exclaimed Trevor Negus, collateral management product manager at Smartstream, during a presentation on the benefits of automation. "If you can harness data then you can use it to have machines learn patterns in that data allowing you to more effectively automate," he added.

Negus explained that to access the full potential of ML and artificial intelligence (AI) algorithms, firms must harness vast amounts of data.

SmartStream has an innovation lab that looks at how it can use ML to automate processes.

Negus told conference delegates that SmartStream has released 'SmartStream Air', which uses AI in reconciliations. Users can upload two files with different formats and complicated data sets that will still be understood and matched by the system for reconciliation.

"This is something that is normally done manually but is now something machines can do," Negus explained. "The more times the software runs, the more it learns and the more accurate it becomes."

Negus went on to warn audience members not to simply follow the trend of investing in AI for AI's sake. It has to deliver high-value innovation and solve specific use cases, he continued.

The goal is to eliminate or reduce manual, inefficient or costly processes, Negus concluded.

According to Negus, the data already exists in the capital markets, but it must be standardised and connected to flexible architecture, such as in a cloud-based infrastructure.

Elsewhere, an audience poll asked delegates if they thought AI would give their business a competitive advantage.

Out of 48 responses, 48 percent said "yes, but it is something for the future"; 29 percent said "yes, we have ongoing projects currently"; while 21 percent said they do not see AI as a priority right now. A further 2 percent said they were currently unsure.