

[Michael Atkin: 'DCAM Harmonizes the Data for the Prime Goal'](#)

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The managing director of the EDM Council says that the new Data Management Capability Assessment Model could reduce costs and reconciliation woes, improve a firm's confidence in its data and spread automation.

Non-profit trade association, the Enterprise Data Management (EDM) Council has just released the Data Management Capability Assessment Model (DCAM), a collection of best practices for the management of data across an enterprise. The new DCAM documentation is intended to help firms "align data across multiple internal repositories in order to operate more efficiently and meet regulatory risk aggregation requirements," say EDM officials.

FTF News reached out to Michael Atkin, managing director of the EDM Council, to ask him about DCAM and post-trade operations. Atkin, who has been the managing director of the EDM Council since February 2006, is involved with many organizations and provides strategic advice to council members. A financial information industry advocate for more 25 years, he is recognized as an expert in reference data strategy, governance, data quality and standards

Q: Why does the industry need the Data Management Capability Assessment Model (DCAM) now?

For many years, firms have been struggling with their data management processes and practices. Much of the focus has been on the technology — an important element — but just a part of what is required to provide trusted data to end-users.

DCAM focuses on the program of data management — what is needed to establish and sustain a data management program such that the data under its management is fit for purpose.

One of the key elements of this is a focus on content. Data content management has become an essential requirement for financial institutions in meeting both their regulatory reporting requirements and for improving the efficiency of internal operations. The regulatory driver is focused on unraveling complex links and relationships across the global financial industry.

In order to do this, firms must have control over data since it defines the instrument structures such as rates, dates, terms, conditions, restrictions, prices, features, schemes, fundamentals, correlations; business relationships such as legal entities, ownership, control, roles; obligations such as issue, trade, clear, settle, value, account; and holdings such as what is in the overall portfolio of the firm, client, industry.

To make it more challenging, the industry is shifting from vertical analysis (i.e. within a single process) to horizontal analysis (i.e. how things are linked and interconnected).

In order to do this, plus automate processes and have confidence in the data feeding their models and processes, they need to have control over data.

DCAM defines the processes required to establish this 'control environment' and gives firms a standard measurement criteria for evaluating capability.

Q: How can people working in post-trade securities operations benefit from DCAM-based best practices?

Data processes do not have to be specifically linked to any internal function. But back-office processing is a precise function. It is driven by legal requirements. Securities operations need to ensure that the data they are using for their processes is precisely what they expect it to be. Data management provides assurance about this essential goal. The simple fact is that data is passed from process-to-process across functions and participants.

DCAM is simply about having trust in the underlying factors of input required to meet legal and contractual obligations. DCAM provides firms with the steps and the approach needed to achieve this objective.

Q: How would you characterize data management infrastructures for post-trade operations?

Inconsistencies in data infrastructures have traditionally posed a challenge to post-trade operations. Disparate data sources used in front-office vs. back-office were often the cause for trade fails and re-bookings.

Over the years, operations [staff members] have become very good at their job, in correcting these errors, but it has required a great deal of manual effort.

DCAM provides a guideline for creating the control environment necessary to ensure data is consistently defined and used throughout an organization. Whether data is being used for regulatory reporting, financials or trade settlement and clearance, ensuring consistently used data via an established control environment is what is needed.

The problem is that many of these systems are old, with hard-wired content and processes, that are often dependent on end-of-day (session) content. They can be driven by accounting (backwards looking in an age of real-time valuation), and are linked to other processes such as the front office that do not always capture the legal nuances associated with back-office processing.

Q: Will state-of-the-art data management strategies break down the barriers among the front, middle and back offices?

That is the goal — harmonize the data so that it achieves the prime goal, which is to deliver to each business process, data that the user has trust and confidence in to be precisely what they expect it to be, without reconciliation or transformation.

Adopting best practices of data management through the use of a standardized approach such as DCAM means reducing reconciliation, improving confidence, reducing cost, and improving automation

Q: What would you say is the biggest take-away from the DCAM best practices for those firms that are struggling to have enterprise-wide data management strategies?

DCAM demystifies data management. It defines the objectives in business terms. It is practical and aligned with how things work in the real world. DCAM explains how (and why) data management fits into the fabric of organizations as one of the core pillars of operations (data, people, capital and technology). It is simply a factor of input — essential for operations — and needs to be trusted so that securities processing professionals can focus their energy on ‘processing’ not ‘data reconciliation.’

Full article can be found at <http://www.ftfnews.com/news/michael-atkin-dcam-harmonizes-the-data-to-achieves-the-prime-goal/?upid=9362588&ebid=9948980&ebclid=552450&ebclid=155#.VO8G0maGJ4t>