

ENTERPRISE DATA MANAGEMENT

EDM

C O U N C I L

EDM Council sets agenda to advance Enterprise Data Management as a core operational infrastructure

EDM Council consolidates research findings, recognizes progress within the financial services industry and proposes plan of action to facilitate enterprise-wide data management

NEW YORK – October 24, 2006 –The EDM Council has identified, categorized and analyzed the Enterprise Data Management (EDM) issues of most concern to its members. This follows the Council's in-depth research with more than 60 industry representatives to determine the current status of EDM within the financial services industry. Both internal objectives and external requirements have been translated into an actionable plan comprising four priority work streams. These include business metrics, best practice implementation, supply chain management and regulatory tracking. The results were presented to members at the Council's recent general meetings in New York and London.

"This plan is indicative of where financial institutions are as they move towards achieving true enterprise-wide data management," says Michael Atkin, Managing Director of the EDM Council. "The good news is that virtually every organization understands and accepts the importance of data control. In most cases they have initiated activity designed to improve data quality, ensure access to underlying data assets and promote consistent data interchange throughout the transaction process, both within their organizations and among the industry at large. The Council's activities are now focused on addressing the practical challenges required to translate EDM theory into EDM reality."

Atkin further asserts, "Our members have been open and candid in supporting the baseline research. Virtually every one of our members recognizes the inevitability of EDM as a business requirement. The Council believes that it is best to design the output according to the requirements and specifications of the financial institutions – and that is the path we are taking."

The four primary work streams and their objectives were verified by the membership and are summarized below:

Business metrics

"The collection of verifiable and replicable business metrics are required to manage data as an objective rather than as a concept," says Atkin. As such, the metrics activity has been structured into two core components – data quality and performance measurement.

"Accurate, consistent and trusted data is one of the core objectives of EDM," states Atkin. For that reason the Council has launched an evaluation project covering the security description data elements included in the trade confirmation process as a proof-of-concept for the data quality activity. According to Atkin, "Measuring data quality is an essential first step towards improving data manufacturing processes and determining internal data

management priorities.”

The other side of business metrics focuses on the key indicators for evaluating the costs of fragmented data management as well as the investment required to achieve EDM. The Council has launched a pilot project to accurately measure the data-related causes of trade errors and the ‘costs’ of repair as the starting point for performance measurement. Council members have identified six core key performance indicator (KPI) categories and are using the pilot to test both the validity and sustainability of the initiative before a full rollout.

Best practice implementation

The Council’s implementation initiative focuses on the challenges of financial institutions as they make the shift from managing data on a business unit basis to managing data on an enterprise-wide basis. “It is one thing to talk about EDM, another to make EDM happen in reality,” says Atkin.

The activity has two initial components – governance and program orchestration. The governance activity focuses on the way members are dealing with the organizational challenges required to manage data across functions. Program orchestration activity will look at the documentation of best practices including such areas as defining stakeholder requirements, managing phasing strategy, setting up data stewardship programs and managing technology transition from decentralized to EDM platforms.

Supply chain management

“Unique and precise identification of legal entities, data elements and instruments form the basis of data management,” explains Atkin. The EDM Council is supporting the standards processes by focusing on the areas beyond the ambit of ISO – commercial structure of standards and implementation strategy.

“ISO is doing good work from a technical standards development and governance perspective. However, the missing elements relate to the business model associated with identification standards and the plan for industry-wide adoption. The Council’s goal is to support ISO and help expedite the adoption of these core identification standards,” says Atkin.

Regulatory tracking

“All financial institutions are aware of the plethora of regulations. The message we are hearing from our members is that sustainable regulatory compliance begins with enterprise

data management,” cites Atkin. As such, the sole objective of this Council initiative is to analyze the regulations from a data management perspective and use the regulatory mandates as a way of promoting the value of EDM. The goal is to pull data management out of the regulatory silo and incorporate it as part of the overall EDM strategy within financial institutions. “It’s an easy sale,” says Atkin. “Almost everyone we talk to understands the relationship between EDM and compliance.”

For more information on the EDM Council please visit www.edmcouncil.org

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About the EDM Council

The EDM Council is a business forum for financial institutions. It has been designed to enable senior officers responsible for content management to share information on the business strategies and practical implementation realities associated with achieving enterprise-wide control over data content. All financial institutions, regardless of business segment or geography, are invited to participate in the Council and contribute to the management of the EDM agenda. The Council was created in collaboration with leading financial institutions such as Credit Suisse, Citigroup, Pioneer Investment Management, Franklin Templeton Investments, State Street Bank & Trust, Deutsche Bank and Bank of America and now includes over 70 financial institutions from all segments of the industry. The Council is being initially funded by the founding sponsors who understand and support their clients' need for data access, precision, transparency, integration and content linkages across functions, between applications and among multiple lines of business. The goal of the partnership is to help elevate the concept of enterprise-wide data control as a business priority.

For press information contact:

Metia, Ltd.

Louise Mezzina, London

Tel: + 44 (0) 20 3100 3651

Email: louise.mezzina@metia.com

U.S. press office:

Metia, Inc.

Audra Tiner

Tel: +1 (917) 320-6457

Email: audra.tiner@metia.com