

# FTF NEWS

February 15, 2013

## FTF News Case Study: Pioneer Investments Lives Up to its Name

*Centralizing investment data became a necessity as the asset manager achieved an early advantage to improve oversight and decision making for global operations.*

Pioneer Investments lived up to its company name when it embarked upon a journey to a centralized, investment data warehouse and associated reporting, breaking new ground early on in the battle most firms are facing to get better control of their key data assets.

Centralizing investment data became a necessity to improve oversight and decision making for Pioneer's global operations. This enterprise data management (EDM) project also became the way to automate several processes, retire systems and achieve cost savings, says Richard Lane, senior manager, EDM for the firm. Pioneer is the global asset management arm of UniCredit Group and has approximately \$200 billion worth of global assets under management (AUM).

Before the data warehouse project got its start in 2008, Pioneer's global operations were supported by several service providers and disparate systems in the U.S. and throughout Europe, Lane says. "When the project was initiated, we had many people in many countries having to assemble the global view of the investment data for Pioneer," he says.

The initial plan was to implement the Pace system from Eagle Investment Systems and integrate it with the firm's

existing security master and key position feeds from Boston and Dublin, Lane says. "But what actually happened was that the project was in process when the financial crisis became global at the end of 2008. That event expanded the scope of the project and compressed the time-lines."

### THE GREAT CATALYST

Rather than crashing the project, the Great Recession served as a catalyst for a "very clear business sponsor from the global risk and the investment control teams," Lane says. Those groups were under the gun to create global exposure reports using data from "at least a dozen countries and manually compiling all of that data, which was coming in various, different formats and that they had to verify," he says. "From that point, we had a very tangible and critical business challenge in front of us to build loads for all the data sources, automate those loads into Eagle and build the exposure reporting off that data."

In fact, the expanded project proved to be a great idea for helping the firm cope with a global recession. With the new mandate, Pioneer went live with Pace by the end of Q1 2009, and "we were able to deliver global exposure reporting out of the gate," Lane says.



"I certainly think it helped us with the demand on the business for exposure reporting, the requests we were receiving from our clients, and the regulatory requirements for exposure reporting for the various U.S. and European agencies," Lane says. "That was a heavy demand and we were able to build out that capability so we could report by country, region, sector, issuer, parent issuer and counterparty."

While the warehouse system resides in Boston, the firm gathers global data for the warehouse to support a user base in Boston and Pioneer's European hubs. "We have a global operation where we support the feeds around the clock—basically 5-by-24, to bring the data in from various sources throughout Europe and the U.S.," Lane says.

The firm's warehouse stores market and reference data but not unstructured data. "Eagle has become the single, authoritative source for much of our global investment data—that's where we are today," Lane says. "The business groups



Richard Lane, senior manager, EDM

have a lot more flexibility and the capability to move quicker on major business initiatives. Another benefit is that it insulates any downstream system from any changes to source data and data providers. It enables us to provide more timely and complete reporting globally.”

The firm has deployed the new data mart internally supported by Linux-based application servers and an Oracle database engine. The end users are supported by Microsoft Windows and virtualization software.

“We’ve automated the data feeds coming in and expanded the use of Eagle to include front- and back-office position feeds,” Lane says. “We’re bringing in a lot of security data, including 500 security attributes. One of our strategic decisions out of the gate was to load the data at the lowest level and in the purest form to maximize future reporting capabilities. So, people can get the data as they wish through the portal itself.”

The firm is enriching data via Eagle’s composite security build and the data mart, which is being used to aggregate data and for multi-currency conversions.

“We can then report everything in the base currency of the fund and seven other currencies, which we need to gather for reporting,” Lane says. “We can also build the full issuer hierarchy, which is important for some exposure reporting capabilities, and have various derivation logic and calculations for business rules which are implemented via the data mart. The reporting is through the Eagle Portal.”

### DATA OWNERSHIP & THE NEXT STEPS

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Ownership of the data by the internal business units was one of the key issues that emerged as the warehouse took hold. “We have 100 user accounts on the portal using it for various reasons via different operation centers in the U.S. and Europe,” Lane says. “It’s used across many business lines such as compliance, risk, investment management, investment control, sales and distribution. Pretty much every line of business is represented.”

It quickly became clear that the data owners needed to be clearly defined “so that you can go back to them to confirm questions and resolve issues regarding data quality,” Lane says. “You want to make sure data ownership is well defined in advance of implementation. You have to also make sure there’s discipline about the data quality and

completeness controls, and that they are being put in place at the same time as the data integration work is being performed.”

The firm was able to build on that first major step and the goodwill that the firm’s business users have for the EDM project because it allows them to deliver key data to clients.

“There have been a number of initiatives, which have been implemented since then,” Lane says. “Within the U.S., there have been new money market regulations and we implemented that reporting on top of Eagle. We also automated our compliance reporting for Schedule 3d, f and g disclosure regulations on top of Eagle, building upon that initial core of functionality.”

The firm also implemented a Global Investment Performance Standards (GIPS) performance reporting module that replaced two internal systems—an internally developed system and a third-party vendor product, Lane says.

“I guess the other key project is for AUM reporting capabilities,” Lane says. “We have to be able to report at various levels. For each entity, we can perform AUM reporting, sum up subscriptions, redemptions, net flows and so on up to the global level as well as by management company.”

The firm also needs the data warehouse system to perform data integration for sales reporting and data feeds “down to fact sheets, and downstream feeds to various systems such as quant platforms and benchmark data,” Lane says. “Again, the key factor is to slice and dice the data with the reporting capabilities we have from the portal on top of the data mart.” *ff*