**Data Integration**

By David L. Lawrence

In this modern era of computers and software, the accumulation of information has created a new phenomenon called ‘Big Data.’ In essence, big data is incredibly large amounts of data that requires substantial storage space. But, even more important than just storing the data, is what to do with it. In the financial services world, handling large amounts of data involves security concerns as well as the efficiency of that information. Having a large amount of information on computers poses more problems than just storage and security though. One of the issues that firms large and small grapple with is integrating data across divergent systems or platforms.

The issue of data integration goes beyond the systems themselves. It is an operational efficiency issue in that firms need to find solutions and then train staff in how to use those solutions, given whatever roadblocks they may encounter along the way. Often, firms find they must use a patchwork of programs to link or share data, especially if the various softwares in use do not directly integrate their data with each other. There have been several projects attempting to address with issue, with varying degrees of success.

One of the first serious attempts was the ‘Your Silver Bullet’ project ([www.yoursilverbullet.net](http://www.yoursilverbullet.net)). However, lacking a uniform policy on software partners’ integration, for some it fell short of expectations. Two of the largest custodians, Schwab and TD Ameritrade followed with programs intended to address the integration problem with TDA’s VEO project having better success thus far than Schwab’s Intelligent Integration project.

There has also been an effort on the part of individual software companies to forge integration deals with select other software vendors. A financial planning software company, as an example, might wish to selectively integrate with a particular CRM software product or similar, where common interests can be identified. However, this effort, though laudable, has been far from universal. Redtail Technology, makers of the Redtail CRM software have, for example, created integrations with a variety of other software and other vendors such as Money Guide Pro (Financial Planning Software). And, while this can cut down on a financial advisory firm’s staff having to retype the same information such as name, address, phone number, social security numbers and birthdates, it may not also include the larger data associated with investments, etc.

Junxure recently announced that they can build custom reports for users of their Junxure CRM software. Presumably, this would include any and all fields available in their CRM database. However, it was not clear at this writing whether or not this could also include include outside data sources. And, not all CRMs are willing to do what Redtail, Junxure and others have undertaken in the way of integrations.

The problem seems to stem from the reluctance of some software makers to open their Application Programming Interface (API’s) to outside companies out of fear that they might use that information to somehow clone or replicate the software. Whether or not this is a valid fear, more software companies are coming around to the concept of universal data integration.

However, there are still large gaps for those companies dealing with large amounts of data from divergent sources that they wish to combine. As an example, say a firm wishes to create a custom report that includes data from a Client Relationship Management Software (CRM) with detailed investment performance data, typically not integrated with such programs. The concept might be to create a combined report that could be used with clients that contains highly detailed performance data along with historical information taken from the CRM and other information. For many firms, this involves pulling data from several sources and then either retyping the information or simply combining reports in a folder.

The problem with this is the lack of uniformity of the resulting client deliverable. Pages with different font, repagination and different looks are sometimes viewed as unprofessional in appearance. There is also the risk of errors in cases where that information was manually re-typed into the report. And, having to retype the same data is inherently inefficient and costly to the firm.

There may be an answer to this, however. There is a new software product that could change the landscape in handling and integrating large amounts of data. Offered through a company called 4DIQ ([www.4diq.com](http://www.4diq.com)), the software is called Tesseract Analytics. The purpose of the software is to integrate data from any source with any other source. And, it does it fast, efficiently without data errors, according to 4DIQ’s Director of Sales and Marketing, Christopher Blakely.

Blakely said, “unlike traditional business intelligence software, 4DIQ’ s Tesseract Analytics allows you to quickly load and manipulate disparate data, irrespective of source or format. Once loaded, scrubbing your data is as easy as the click of a button. Our service also allows you to visualize the data in charts and reports to help see trends, patterns and outliers, to derive meaning from data with unprecedented speed and adaptability - in collaboration with others in your organization.”

Blakely went on to mention that the software allows users to easily analyze large datasets. The interface gives you the ability to manipulate data on-the-fly, letting you draw from both structured and unstructured sources including data warehouses, enterprise applications, spreadsheets, and flat files. For financial advisory firms and even larger broker dealers, this uncovers an opportunity to harness huge amounts of data typically found in Excel spreadsheet formats and many other formats.

“The major opportunities for data analysis/business intelligence in investment management is for enterprise-wide integration of customer, product and operational data. After all, the asset management industry is largely about information,” Christopher Blakely said. He also said, “With the right set of tools, actionable information in the form of data that was either tucked away or unobtainable (think social media) becomes available.”

One of the challenges facing broker dealers and financial advisors alike is the use (or misuse) of social media. If this software can be used as a tool to collect and monitor social media use on an enterprise level, it harnesses a huge amount of data and solves a potential headache for those organizations.

The more data that gets collected; the more challenging it will be to efficiently handle that data. Using available choices as those mentioned in this article, financial advisory firms can perform more efficient data integrations and report building with less duplication of data entry and, hopefully, less frustration.

David L. Lawrence is Founder and President of **The Efficient Practice**. Efficient Practice is a consulting firm that provides financial practices, broker dealers and independent firms with comprehensive, profit-driven efficiency consulting, technology solutions and resources. For details, visit [**www.efficientpractice.com**](http://www.efficientpractice.com).