

# Inside Market Data

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## DATA ADMINISTRATION

### ISN Debuts VendorScape Optimization Service

ISN's new VendorScape service will help firms rationalize and optimize their spend with vendors, across data and other areas.

San Francisco-based management consultancy International Solutions Network has launched a new data optimization and vendor rationalization consulting service for financial firms, dubbed VendorScape.

Richard Clements, managing partner at ISN, says VendorScape will combine top-down and bottom-up analysis. First, the firm takes a top-down approach, breaking down spend on vendor services by asset class, sub-asset class and region, before using a bottom-up approach that implements a vendor scoring system—created on a bespoke basis with each client based on working with staff from across each firm's business—that analyzes usage, criticality, service-level agreements, due diligence, disaster recovery, quality and regulatory impact, i.e. when a vendor is performing a task that meets specific regulatory needs, and is hence deemed critical.

Next, ISN examines areas of overlap across data, analytics, order management systems, and risk, compliance, reporting and



position-keeping systems, and at the vendors providing all those services, then works with clients to eliminate spend by consolidating services and renegotiating deals to broaden spend with vendors that could eliminate a product from another—based on the bottom-up vendor scoring—while also giving firms more purchasing power with that first vendor.

Clements says he envisages these projects could run over multiple years, because they typically involve multi-year vendor contracts.

“We had a conversation with a large global bank who told us they spend billions of dollars on vendors,” Clements says. “Our goal is to save our clients 10 percent across the board on their

capital markets [vendor] spend. Even if we save five percent, on a budget of hundreds of millions of dollars... that's still a win for everybody.”

Clements says firms often have internal rationalization projects and teams in place, but the professionals working on those projects are usually seconded to those teams, and still have day jobs sourcing data, negotiating with vendors, and renegotiating existing contracts for data used by traders, asset managers and risk management teams. As a result, optimization projects often take a backseat to those day jobs, he says.

However, bank staff shouldn't see ISN's proposition as a threat to their own jobs. “If we're doing our job right, we're not positioning this as an internal threat,” Clements says. “Our team comes in to work with internal resources to kick projects over the goal line. We say, ‘We're not here to do your job; we're here to augment your job.’”

*Max Bowie*