

# Technology Investment:

The gatekeeper journey to digitalisation



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# BACKGROUND

Historically, most areas of the financial industry have been somewhat slow in adopting certain technology solutions due to a number of legacy and logistical concerns. However, the Covid-19 crisis saw many firms accelerate their usage of technology as businesses were forced to shift almost wholesale to working from home.

“Covid-19 is busting myths in financial services — from the trading floor to the boardroom — about the ability of employees to work productively and effectively from home,” explains Jenny Grey, managing director, head of human resources at Citigroup for EMEA, in an article.

Technology was the lynchpin that allowed this to happen. In a report, Finindexable, a partnership which launched the first global fintech index, writes: “Fintech exists to solve global problems. Of access — such as in emerging markets where banking economics stop the poor from getting a bank account. Of speed — where old infrastructure slows the sending of money, receipt of payments or makes international trade difficult. Or of cost and convenience — by making it easier to pay, or cheaper to borrow.”

Finindexable describes its aim to: “To promote growth and adoption of progressive, inclusive financial services everywhere.” And meeting this objective is dependent on technology and on financial services firms adopting, implementing and deploying those solutions.

In one of Goldman Sachs’ insights pieces, Steve Considine a managing director in the bank’s investment banking division notes how investment in European fintech companies hit \$34.2bn in 2018, which represented a 400% increase over the previous year.

As the 2020 pandemic saw work practices being turned on their heads, it consequently shone a harsh spotlight on the importance of having a robust technology framework within a business. The firms which had tech solutions in place ahead of global lockdowns could continue with business as usual, in an almost seamless manner.

Businesses without the technological infrastructure to enable remote access had to scramble to find an appropriate solution, dusting off their disaster recovery plans which have been shelved probably since the day they were written.

This report will consider the technology landscape among fund buyers in a bid to understand which type of gatekeepers are best placed in this brave new world. The organisations still grappling with their technology investment and the investment needed to not only identify the ones appropriate to their business but also to integrate them with their existing business practice.

Methodology: This report is based on responses CoreData Research collected from 300 gatekeepers across three regions in April 2020

## FIVE KEY TAKEAWAYS

1

There is consensus among financial professionals that cybersecurity is everyone's responsibility – 95% of gatekeepers agree. But this sentiment sits alongside a gap in the link between cyber-security and these professionals' daily working lives.

2

Over half of gatekeepers say they are not closely involved in matters relating to cyber-security. Taken in the context of everyone being responsible for cyber-security, this highlights the importance of rigorous and regular training together with robust integration of any technology systems an organization invests in.

3

But difficulty integrating new technology with existing systems is the industry's greatest hurdle when it comes to investing and using technology solutions. This is the primary struggle is for 77% of those surveyed. It is most challenging for gatekeepers in the Americas (83%).

4

It is therefore vital for leadership across the industry to instill a sense of responsibility and duty around cyber-security. If keeping a firm safe from cyber threats is everyone's responsibility but many are not directly involved and firms struggle to integrate new systems, then there needs to be clear direction from the top to ensure these issues remain high on the agenda.

5

Discretionary Fund Managers (77%) are the group least likely to have invested in technology in the past three to five years and most in this cohort (15%) don't know whether such an investment was made. Independent Wealth or Asset Managers appear to be the most progressive with 93% having made a technology investment in the past three to five years.

# CoreData

## About Us

CoreData Research is a global specialist financial services research and strategy consultancy. CoreData Research understands the boundaries of research are limitless and with a thirst for new research capabilities and driven by client demand; the group has expanded over the past few years into the Americas, Africa, Asia, and Europe.

CoreData Group has operations in Australia, the United Kingdom, the United States of America, Colombia, Sweden, Malta, Singapore, South Africa and the Philippines. The group's expansion means CoreData Research has the capabilities and expertise to conduct syndicated and bespoke research projects on six different continents, while still maintaining the high level of technical insight and professionalism our repeat clients demand.

With a primary focus on financial services CoreData Research provides clients with both bespoke and syndicated research services through a variety of data collection strategies and methodologies, along with consulting and research database hosting and outsourcing services.

CoreData Research provides both business-to-business and business to- consumer research, while the group's offering includes market intelligence, guidance on strategic positioning, methods for developing new business, advice on operational marketing and other consulting services.

The team is a complimentary blend of experienced financial services, research, marketing and media professionals, who together combine their years of industry experience with primary research to bring perspective to existing market conditions and evolving trends.

CoreData Research has developed a number of syndicated benchmark proprietary indexes across a broad range of business areas within the financial services industry.

- Experts in financial services research
- Deep understanding of industry issues and business trends
- In-house proprietary industry benchmark data
- Industry leading research methodologies
- Rolling benchmarks

The team understands the demand and service aspects of the financial services market. It is continuously in the market through a mixture of constant researching, polling and mystery shopping and provides in-depth research at low cost and rapid execution. The group builds a picture of a client's market from hard data which allows them to make efficient decisions which will have the biggest impact for the least spend.



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