

Driving ROI

**The business case for a comprehensive
market data management solution**



Introduction

Market data remains one of the largest expenses for financial institutions, and the costs continue to rise. In 2023, market data spending increased by 12.4%, reaching a record \$42B globally.¹ Large financial institutions subscribe to hundreds of data sources, potentially requiring thousands of licenses, making it critical to optimize data spend. However, this can be nearly impossible when market data management teams often rely on spreadsheets or outdated systems, which can significantly limit visibility into license inventory and usage.

Without a comprehensive market data management solution, data managers also spend excessive time on administrative tasks such as invoice processing, reconciliations, payments, cost allocations, contract renewals, and exchange reporting. This is time that could otherwise be freed up to focus on more strategic initiatives, like better understanding business users' data needs, proactively identifying data opportunities, and strengthening vendor relationships.

1. <https://www.trgscreen.com/market-data-spend-hits-another-record-as-complexity-grows>

Hobson & Company, a research firm specializing in Return on Investment (ROI) studies, partnered with TRG Screen to investigate these challenges. Through in-depth interviews with eight existing TRG Screen customers, they explored the value generated by the TRG Screen spend, usage, and exchange management solutions. The findings revealed that TRG Screen addressed these challenges and delivered measurable results. This white paper highlights key examples of many of the operational and business benefits that can be achieved with a comprehensive market data management solution.

224% ROI Over three years



A sample organization with annual spending on terminal fees of \$20M, display fees of \$10M, web-based subscriptions of \$10M, pricing and reference data of \$5M, and 6 FTE dedicated to market data management, could see an **ROI of 224%** and total value creation of \$13.8M over three years with TRG Screen.

Without a comprehensive market data management solution, data managers also spend excessive time on administrative tasks

A continuous stream of vendor and exchange verifications, recertifications and data audits, creates the need to prepare for them on an almost real-time basis

Market Data Management Challenges

Difficulty tracking annual spending on licenses and subscriptions

Financial institutions using premium market data products and services to support their business activities likely have a significant amount of this spend allocated to subscriptions for terminals and websites. However, it can often be difficult for them to know exactly how much they spend on these subscriptions, or to understand how, and by whom, they are being used. Companies may also have thousands of individual licenses to view data from regulated trading venues and/or brokers, making it very difficult to confirm the numbers, categories, and locations of consumers actively engaging with a service. Keeping track of movers and leavers in a timely manner can be a struggle as well. Without proper oversight these challenges can lead to redundant data, oversubscriptions, and unnecessary spending on unused licenses and subscriptions.

Teams distracted by nonstop task work

Data managers at financial institutions are tasked with overseeing an ever-expanding list of information sources,

placing significant demands on already stretched data teams. With team members consumed by tasks such as contract management, reporting, and invoicing, little time remains for strategic initiatives. The increased complexity of financial data licensing has also added to this workload. A continuous stream of vendor and exchange verifications, recertifications and data audits, creates the need to prepare for them on an almost real-time basis. Additionally, regulations for netting programs often involve complex rules and pricing structures, typically requiring a direct reporting methodology for each exchange.

Poor control, compliance problems, audit risk and penalties

A lack of visibility and controls around data usage can make it difficult for organizations to comply with the terms and conditions of supplier and licensing agreements, increasing the risk of back-billing for non-compliance. It can also result in unauthorized staff gaining access to data sets they shouldn't, potentially triggering a data supplier audit, or leading to financial penalties for violating licensing terms.

Customer research verified benefits of TRG Screen **spend, usage,** and **exchange** solutions in three key areas:



Reduced market data and subscription spend



Improving operational costs and efficiency



Mitigate risk



Reduce Annual Market Data & Subscription Spend



Terminal fees

TRG Screen's flagship Optimize Spend solution lets users view current costs, self-certify that their current inventory is suitable for their requirements, and identify services they no longer need. ResearchMonitor will track any application, including terminals, installed on the desktop of a user and it will collect usage data on the total time the application was open and interacted with by the user.

“Pre-TRG Screen it was more difficult to stay on top of terminal usage, so unused terminals might have lingered on the books. With TRG Screen we now get constant alerts from the system. This ensures nothing falls through the cracks, and enables timely cancellations and cost savings.

Enterprise Data Lead

Display fees

TRG Screen Application Compliance Tool (ACT) provides a clear and dynamic view of exchange compliance obligations for all of a firm's applications. Integration with Policies, Explanations, Analytics, Repository (PEAR) enables firms to instantly identify impacts of market data pricing/policy changes and ensures correct licensing is in place.

Axon Declaration Service (ADS) maximizes benefits of netting and fee waivers such as natural user netting, multiple instance single user (MISU), and role-based exemption programs.

Optimize Spend gives users a complete view across all aspects of their market data subscriptions.

“Have seen an average reduction in spending of more than \$3M per year due to MISU credits and netting. These annual cost savings and costs avoided would not be possible without ADS.

SVP, Global Market Data Services



Web-based subscriptions

Optimize Spend provides an HR interface to load and reconcile, in bulk, the full details of employees, departments, buildings and budgets, facilitating management of leavers, movers and joiners. ResearchMonitor tracks and reports on online subscription usage, to provide understanding into how resources are being used across the organization.

“Before ResearchMonitor we used to send surveys to all of the users, to check if they needed to retain access to a given site. The challenge was that most people would automatically just respond with yes. With ResearchMonitor we can now track actual usage and logins.

SVP, Head of Enterprise Market Data



Usage licenses

ACT provides consolidated views of license use and requirements tailored to each user's application universe.

PEAR maps products to their associated licenses, as well as grouping licenses by type. What-if cost modeling tools let users determine what it would cost to implement specific datasets/markets.

Optimize Spend delivers a complete global overview of licenses in use, along with their associated costs.

“Optimize Spend has been a key piece in helping us to manage our usage license costs.
SVP, Head of Enterprise Market Data



Pricing and reference data

Xmon delivers reference data usage and cost optimization monitoring via cost transparency, cost optimization, and data governance, including: intraday monitoring of reference data requests sent to vendors; reporting on cost allocation by consumer; proactively alerting users for requests breaching limits or thresholds; and cost optimization analysis.

“Xmon has helped reduce annual spending on pricing and reference data by 25%. We now have visibility into fluctuating costs, allowing us to track and understand monthly increases and decreases.
Enterprise Data Lead



Data feeds

Optimize Spend has interface modules for Bloomberg, DACS, B-PIPE/EMRS, FactSet, Refinitiv CSV, DART Entitlements, and IRESS, to load and reconcile in bulk, vendor assignment information from their files, and to import and auto-reconcile detailed corresponding invoice information.

Xmon tracks every data request to capture which people, systems or applications are requesting which data sets, and maps actual usage to vendor invoices.

“We've saved an average of \$2M per year in data feed costs. We can see any upticks in invoicing right away, and determine if these are the result of overconsumption, added users, etc., which helps mitigate spend.
Global Market Data Lead



Improve Operational Costs & Efficiency



Drive down costs of in-house market data management

Optimize Spend Managed Services combines market-leading spend management technology with a team of market data management experts and best-in-class workflows. TRG Screen can take over ownership of cost and license inventory management, overseen by a team of professionals with an average of 15+ years of industry experience, and deep knowledge of industry best practices.

“ We freed up about 35-50% of total FTE time by moving to Managed Services, allowing internal FTE to focus on more strategic initiatives instead, such as: better understanding the business users' data needs and pro- actively identifying data opportunities; strengthening vendor relationships; and better negotiations with vendors.

Global Head of Market Data

40%
time
savings



Get complete control over contract renewals

Optimize Spend's full function procurement environment lists all of a providers' contracts, including prices, expiry and renewal dates, rules, and terms and conditions. Contract-specific surveys can be integrated into renewal workflows to understand changing needs of contracted services before renewing with vendors.

“ Saw a 40-50% reduction in time needed for contract renewals. With TRG Screen we can now quickly get all of the contract data and expiry dates in one place, versus having to go into each individual agreement every time there was a renewal.

Investment Manager

50%
time
savings



Reduce time spent on exchange license management, exchange reporting and audits / compliance

ACT's comprehensive dashboard provides the market data team with complete control and oversight, from onboarding to regular recertification.

PEAR monitors 700+ documents and exchange notices daily, in 250+ markets, and automatically sends out exchange announcements with details on changes across a global list of exchanges.

ADS is an outsourced solution for vendor / exchange reporting processes, removing internal effort associated with reporting obligations and netting programs.

“ The ease of use of the TRG Screen exchange products, the view they provide into compliance obligations and policy questions, and the time they save on exchange reporting, have resulted in a 75-90% reduction in effort for the market data management team.

Investment Manager

90%
time
savings



Mitigate Risk



I Avoid penalties / fines for exchange license non-compliance

ACT provides a clear and dynamic view of the exchange compliance obligations for all of a firm's applications.

Integration with PEAR enables firms to instantly identify impacts on applications from market data pricing/policy changes, and ensures the correct licensing is in place.

ADS ensures compliant reporting in accordance with exchange policies and unit of count, and delivers full transparency in how end users and applications are reported.

“ PEAR acts as a resource for double-checking and being aware of any changes. We don't have to go into each separate vendor or exchange website to look for any notices or changes, as PEAR now monitors this and sends out notifications.

Senior Manager, Compliance & Audit

“ TRG [Screen] helps ensure compliance, which is big in terms of cost avoidance. These costs can be significant as exchanges can impose a number of different penalties for non-compliance, including: recouping any added license fees they are owed; assessing interest or penalties on these fees; and/or levying fines.

Global Market Data Lead

Reduction

in the potential number
of penalties / fines
for non-compliance



TRG [Screen] helps ensure compliance, which is big in terms of cost avoidance. These costs can be significant as exchanges can impose a number of different penalties for non-compliance

Key Findings

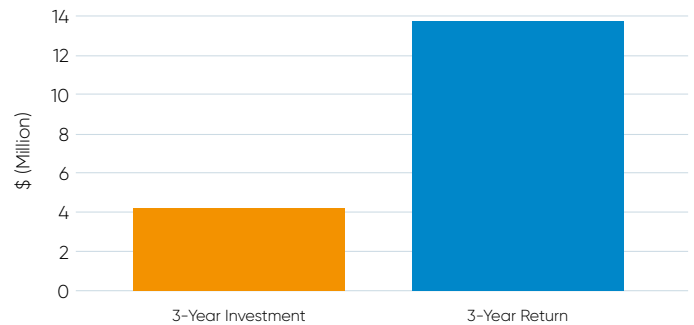
ROI Research Results

The value of the TRG Screen spend, usage, and exchange solutions is immediate and demonstrable. Using a sample organization that is migrating from a more manual/spreadsheet-based process, with the following inputs pre-TRG Screen:

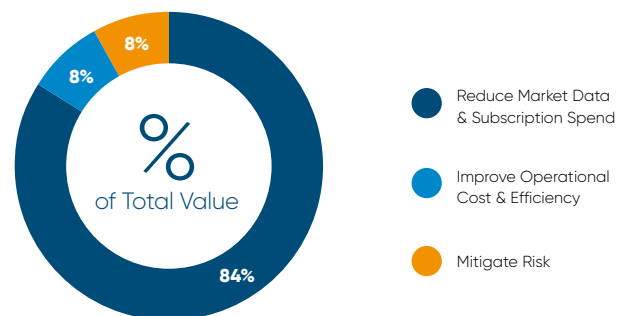
- Average annual spend of **\$20M** for terminal fees
- Average annual spend of **\$10M** on display fees and **\$7.5M** on usage licenses
- Average annual spend of **\$10M** on web-based subscriptions
- Average annual spend of **\$5M** on pricing and reference data
- **6** internal FTE dedicated to market data management
- Equivalent of **one month / year** spent on contract renewals

A total investment of **\$4.25M** over three years in the TRG Screen platform* generates positive cash flows in 5.3 months. The 3-year total value created and return on investment are strong, at **\$13.8M** and **224%** respectively.

Investment vs. Return



Percent of Total Value Delivered by Business Objective



* TRG Screen Platform includes: Optimize Spend, OS Managed Services, ResearchMonitor, Xmon, ACT/PEAR and ADS.

The value of the TRG Screen spend, usage, and exchange solutions is immediate and demonstrable

About us



TRG Screen is the leading provider of market data and subscription management technology and expert insights for financial services and legal firms worldwide. Our integrated solutions give businesses complete clarity and control over market data, reference data and online research usage and costs at scale.

For more than 25 years, we've delivered innovations that enable businesses to strategically manage mission-critical data and information services, including market data, research and software licenses.

TRG Screen empowers hundreds of businesses worldwide to proactively manage one of their largest expense categories, automate complex processes, conduct informed vendor negotiations, improve governance, stop unnecessary spending, and maximize ROI. TRG Screen is headquartered in New York City, with offices in Europe and Asia, as well as a global client support center in Bangalore, India. TRG Screen is a portfolio company of Vista Equity Partners, one of the world's largest and most respected private equity firms.

HOBSON & COMPANY

For over two decades, **Hobson & Company** has created ROI tools that help technology vendors and purchasers uncover, quantify, and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against

key value drivers. Our well-researched, yet easy-to-use ROI tools help technology companies better position and justify their unique value proposition.

We have worked with early-stage start-ups all the way up to some of the largest technology vendors in the world.

For additional information, please visit www.hobsonco.com.

Disclaimer:

The return on investment (ROI) and other financial calculations expressed in this paper are based on data provided by TRG Screen customers, and various assumptions, and provide estimates only. The actual ROI realized may vary from the estimates provided. TRG Screen offers this paper to assist customers with evaluating their solutions; however, TRG Screen and Hobson & Company (the firm that created the ROI calculator) are not responsible for the accuracy of any estimates.

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