



# Managing Enterprise Data and Subscriptions Spend

---



FROM **A-TEAM** GROUP



[www.trgscreen.com](http://www.trgscreen.com)

# Introduction

HOW DOES YOUR ORGANIZATION CURRENTLY MANAGE ITS SPEND ON SERVICES USED ACROSS THE ENTERPRISE – FROM SOFTWARE AND HARDWARE TO MARKET DATA, RESEARCH AND SUBSCRIPTIONS TO TELECOMS, LEGAL AND CONSULTING EXPENSES?

- Is it still very paper-based with invoices pile up on the desks of your finance team, or worse, your business teams?
- Have you implemented shared exchange or Dropbox folders?
- Are they tracked using a mishmash of spreadsheets all owned by individual business units?

If you use any or all of these methods, do you find your organization facing these challenges?

- You have no visibility into the ongoing cost of the multitude of services you pay for, making vendor negotiation and investment decision making difficult.
- You can often pay for services that are no longer in use or were purchased by employees who are no longer at your company.
- Your invoice approval and reconciliation

process to identify billing errors and ensure you're not overpaying can be very manual or, in some cases, nonexistent.

- You find it hard to track terms and conditions and as a result may not be in compliance with your supplier agreements.
- You're paying for an inefficient, resource-intensive process that gets more complex and costly as you grow.
- You find it difficult, or impossible, to allocate costs back to the underlying business units that incurred them in order to develop a true P&L.
- You find it difficult, or impossible, to provide the CIO, CTO or other senior management the transparency into spend that they are demanding in order to justify what's perceived as a major cost item.

## Managing Different Service Provider Costs in Today's Subscription Economy

FINANCIAL INSTITUTIONS CONSUME A BROAD RANGE OF SERVICES IN ORDER TO MEET THEIR COMPLEX BUSINESS NEEDS IN TODAY'S SUBSCRIPTION ECONOMY.

These range from market data and electronic information services, to subscriptions for print and web-based publications. But as firms look to minimize staff costs and capital expenditures, other services are increasingly consumed on a subscriptions basis, whether it's consultancy services, software or something more physically tangible like telecommunications services and hardware.

In each of these cases, firms can benefit from proactive management of these service subscriptions. As mentioned above, many firms still rely on complex spreadsheets or other tools supporting manual processes to manage their

subscriptions. By automating inventory management across the range of subscription services, firms can eliminate these manual systems and save time, money and resource.

Automating inventory control allows firms to analyze existing costs and predict upcoming spend relating to information and subscription services consumed across the enterprise. This in turn supports accurate reporting of usage and cost data to your users, financial controllers and auditors, allowing you to deliver on cost transparency, and manage risk and compliance. Finally, this approach supports supplier negotiations with evidence-based

intelligent, helping to optimize contract renewals.

This approach to proactive inventory and subscription management applies to services across the board:

### **Market Data Inventory & Cost Management**

Gaining control over data inventory through automation can allow firms to transform the way they manage their spending on market data and other information services. What's needed is the ability to track, organize and calculate costs related to all vendors, contracts, products and users. In this way, firms are able to achieve cost optimization, process efficiency and compliance with licensing agreements.

### **Index License Management**

The volume and cost of index licenses are mushrooming, making it difficult to manage licenses manually. At the same time, contracts and vendor relationships previously owned by the business are being transitioned to central control. This translates into a need to accurately track licensing commitments, allocate costs, reconcile invoicing and provide cost transparency back to the business.

### **Research & Information Services**

Firms need to be able to track and analyze their research and information services spend across the enterprise in order to manage costs. But as with market data and index licensing, research and broader information services are becoming too complex to manage by spreadsheet. This complexity means that firms need to automate their inventory and control systems for enterprise subscriptions in the same way they do for market data and

other premium services. This is particularly true as regulations like the EU's MiFID II start to dismantle the bundling of research with execution services, forcing consuming organization to pay and provide transparency around the research they consume.

### **Software License Management**

This level of discipline and control also applies to software licenses. Undocumented software can pose risks to the firm, and lack of transparency around licensing obligations can result in unforeseen costs and penalties. Firms need to accurately track the software licenses they have purchased. This can yield benefits in terms of better visibility into spend, management of software license costs, and compliance with licensing agreements.

### **Hardware**

As firms seek to transpose capital expenditures into operational costs, many are seeking to license hardware, in effect creating a subscription stream that needs managing. But even where that isn't the case, understanding the current status and usage of hardware platforms and associated operating software can reduce risk and help allocate costs to the business more accurately.

### **Consulting and Legal Services, and Expert Networks**

Firms need to track and report on pre-paid balances for consulting and legal services consumed across the enterprise, as well as for services provided by so-called expert networks. Additionally, for the latter, firms need to trace and allocate individual transactions back to specific deals and projects.

## **How Automating the Process Can Help**

AUTOMATING THE DATA SERVICE INVENTORY PROCESS, ALLOWING AUTOMATIC UPLOADS OF INVENTORY DETAILS AND INVOICES, CAN YIELD BENEFITS IN A NUMBER OF OPERATIONAL WAYS, AND ESTABLISH A RELIABLE MECHANISM FOR HANDLING ALL BILLING, RANGING FROM THE SIMPLE TO THE HIGHLY COMPLEX.

Most obviously, automation streamlines the process. Automating clearly eliminates slow, expensive and error-prone manual processes. But it goes further than that.

Once firms have implemented end-to-end order management, users are able to self-service, yielding further operational cost reductions and other benefits. At the same time, the invoice approval and accounts payable workflows can be added to the mix, again with associated operational benefits.

Finally, with a platform in place, administrators and procurement teams can survey consumers and users to identify and, if necessary, cancel under-utilized or under-valued services.

### **The Benefits of a Central System for Enterprise Inventory and Cost Management**

Adding centralized automation and workflow to the enterprise inventory management process, however, can offer other, bigger-picture benefits that allow firms to make a more proactive and strategic approach to managing their subscription services and suppliers. These benefits relate to improvements in transparency and control that help get a clearer picture of ROI and address the needs of senior management for more information about the services consumed by the organization.

As is the case for all aspects of operational cost, management is under pressure to get an accurate, defensible view of expenditures on information and other third-party services. A centralized, automated inventory system can offer

complete cost visibility to business users and line managers, allowing them to see which services are being consumed and by whom.

Modern reporting, analysis and dashboarding capabilities can allow users and managers to quickly assess services consumption. Automation can be used to generate scheduled reports to appropriate recipients, and supports distribution contract action notifications as and when they are need. It also prevents unwanted auto-renewals or expirations.

From a control perspective, a centralized automated approach to inventory management helps in a number of ways. First, an automated system can introduce robust invoice reconciliation that can be used to identify billing errors and eliminate overpayments, a common problem for financial institutions trying to manage complex array of sometimes overlapping services.

Through automating the inventory and invoicing processes, firms are able to capture accurate real-world information about the services they are consuming. This can be used to get a firm grip on even the most complex commercial arrangements and pricing structures.

Armed with this level of accuracy and granularity, managers can enter negotiations with more confidence in their own understanding of the situation and expect to maximize their purchasing power. At the same time, they can ensure compliance with licensing agreements, ultimately yielding improved relations with suppliers.

## **Build the Case for an Enterprise Inventory and Cost Management Platform**

THE BENEFITS OF IMPLEMENTING A CENTRALIZED ENTERPRISE INVENTORY SYSTEM ARE CLEAR, PARTICULARLY TO THOSE CLOSEST TO THE INFORMATION AND RELATED SERVICES PROCUREMENT PROCESS.

But as with any 'enterprise' project, securing budget and selling the concept internally can often prove difficult. There are steps that can be taken, however, to secure buy-in from senior management and other influencers.

### **Step 1: Identify Stakeholders**

To begin with, it's crucial to identify the key stakeholders and decision makers, and then understand their motivations, goals and challenges. It then becomes possible to explain how a market data inventory platform can help them achieve their goals and address their challenges.

Many enterprise projects involve the chief operating officer or equivalent. A key concern of the operations department is how to scale operations while managing costs. In this instance, it's important to demonstrate how a platform that can centralize all the information about your third-party services spend and contractual obligations will save significant time and money, but also give them a strong foundation to support growth going forwards.

It may also be useful to demonstrate how to manage a variety of costs across other divisions under the COO's remit – market data, index licensing, software, hardware, research, subscriptions and so on – from a single centralized platform so the COO can see potential to address broader enterprise challenges.

### **Step 2: Explain the Benefits**

Even for those senior managers who see the operational benefits of such a system, it's important to explain the costs involved and to identify the potential ROI so they can see the impact on the bottom line. Also, it's essential be clear about how an implementation or migration project would be managed and the timescales involved. Once these have been decided, it's important to establish and maintain a clear communications program with your target decision-makers and influencers to discuss your proposition.

Listen carefully to their feedback and objections and then work with your internal supporters and suppliers to address those objections, which may take a number of

forms.

### **Step 3: Demonstrate ROI**

Understanding and communicating ROI is key to justifying the expense of a project of this scale. The first step here is to assess how invoices are currently being managed to ensure compliance with contractual terms and identify redundant services to save costs.

Concerns about expense can be addressed by assessing how much resource existing manual and / or spreadsheet-based processes require. Monitoring how many man-hours are spent each month inputting data, reconciling invoices, and gathering data to understand usage and relevance of services, can be used to calculate the true cost of existing processes, which can be used as a basis for calculating potential ROI.

It's also possible to assess the benefits of implementing a market data inventory platform in terms of time saved. Automation reduces the need for manual intervention by requiring staff only to address exceptions, allowing them to focus on those issues that require their attention. Centralizing contract and spend information can also save valuable management time by providing transparency into costs, and a fast and easy way to find information.

The result is that your team can be freed up to focus on higher value work. This can be difficult to measure, but more tangible are the cost savings in terms of reductions in information services spend.

Here, firms that use an inventory platform often see annual savings of between 10% and 30% of their information services spend, which more than covers the typical cost of the platform.

### **Step 4: Determine Build vs. Buy**

The decision to buy or build can be complex. The usual argument centers on the fact that buying is typically faster and cheaper than building and you leverage external expertise that is hopefully being continually invested in ongoing product development. But building gives you much greater control and flexibility to create a product that suits your needs perfectly.

Issues with building your own product can arise with scope creep, or when your original developers leave, resources and budgets are constrained leading to frustration in users who need additional features or development, or manual workarounds are developed as a short cut.

### **Step 5: Conduct Cost-Benefit Analysis**

With market data inventory and enterprise cost management platforms, the supplier market is a mature one, where the products have been developed over many years to cater for a wide range of needs and to deliver a high level of flexibility.

With a critical mass in the world's largest investment banks and asset management firms, and benefiting for the ongoing feedback from their very large user communities, the level of sophistication of the services is usually considered far greater and more cost effective than building from scratch.

It's worth conducting a cost benefit analysis (with enough margin for the inevitable scope creep) of your own development with the overall cost of buying an external platform to see what you think will get you the better return.

### **Step 6: Secure the Budget**

Building the business case and securing budget for any enterprise project takes time, but it's possible to add a sense of urgency to proceedings. It's worth considering the opportunity cost of not moving.

How much does it cost to manage your information and services spend? Where are the inefficiencies? What capabilities would help you improve cost management? Focusing on current costs, inefficiencies and the risk of non-compliance with supplier contracts, is useful to securing sign off for additional budget to support your business case for a market data inventory platform.

### **Step 7: Perform Due Diligence**

Enterprise projects are often complex, and people are wary of embarking on long drawn-out projects that require significant internal resource. To address this, it's useful to secure client testimonies from any suppliers involved, to ensure that they have the technical and management capabilities required to deliver a smooth transition process.

This is of course in addition to your own due diligence on any supplier and their systems. It's crucial to test their knowledge of invoice management processes, reconciliations and analytics. The decision-making process should involve a walk-through of prior implementations or migrations to explain the process, internal resource requirements and timelines.

For a system of this type, implementation shouldn't take much more than a couple of weeks. The supplier should be able to handle most of the heavy-lifting, and will train internal teams to handle day-to-day operation and administration of the system.

## **Approaches to Implementing a Central Platform**

GIVEN THE NATURE OF THE BEAST, IMPLEMENTING A CENTRALIZED INVENTORY AND MANAGEMENT SYSTEM FOR MARKET DATA AND OTHER SUBSCRIPTION-BASED SERVICES NECESSARILY INVOLVES THE KIND OF ENTERPRISE ENGAGEMENT WITH STAKEHOLDERS AFFECTED BY THE CHANGE.

As with most enterprise-scale projects, there are at least two schools of thought on the approach. The one you choose will depend on the internal landscape of your firm, in terms of functional and business line organization, the path to securing budget

(and satisfying stakeholders) and good old-fashioned politics.

The first approach is metaphorically to go through the front door. In this case, as with making the initial business case,

communications is key. It's essential to keep key stakeholders and influencers apprised of timelines and developments throughout the implementation process. As the system moves into production, a 'single view' mechanism – a dashboard providing full transparency across the range of spending categories covered – can be useful in terms of demonstrating progress and value – beyond the initial remit of financial information services.

An alternative approach is to identify an internal 'early adopter' for the system; often, this will be a specific department that has identified a strong business need for the solution. This narrow implementation can act as an internal reference site, offering prospective internal clients some insight of the value the centralized system ultimately will bring as well as a feel for how the

roll-out will work. Again, communication with stakeholders is key to success and buy-in.

Whichever approach best suits your needs, it's essential to identify key players involved in the project. Appointing a dedicated person and where appropriate further resource to spearhead the implementation is advised, allowing stakeholders to see a direct line to those responsible for delivering according to requirements, timelines and budget.

Being able to measure success also helps with building the business case. You can look for metrics around the comparative cost of operations and the improved efficiencies and cost optimization that comes with a centralized and managed approach.

End user firms of market data and information services have an increasing demand to manage, monitor and reduce their spend on these services. Complex vendor services pricing structures, changing user requirements and intensified vendor & exchange audits increase the need for global transparency & control.

Lack of standardized processes, limited capabilities for automation and inefficiencies in Governance models result in an industrywide overspending of several billions of \$ each year. Best Practices have shown that end user firms typically overspend between 10% to 15% per year on enterprise subscriptions. At the same time many of those firms are at considerable risk of being audited and penalized for unauthorized use of externally sourced data.

The industry therefore needs professional tools, software and services to get a better control on their enterprise subscriptions landscape.

### **Our solutions**

TRG Screen is uniquely positioned to offer the full spectrum of enterprise subscription management capabilities across expense & revenue management (FITS, INFOmatch), usage tracking (ResearchMonitor, DART), enquiry management (Quest), specialist consulting services, managed services, and events.

TRG Screen is differentiated by its ability to comprehensively monitor both spend on and usage of data and information services including market data, research, software licensing, and other corporate expenses to optimize enterprise subscriptions, for a global client base.

### **Who we are**

TRG Screen is the leading provider of software used to monitor and manage subscription spend and usage across the entire enterprise.

TRG Screen's clients realize immediate ROI and significant long-term cost savings, transparency into their purchased subscriptions, improvements of their workflows and a higher degree of compliance with their vendor contracts.

Our global client base consists of more than 750 financial institutions, law firms, professional services firms and other blue-chip enterprises that jointly manage more than \$6.0 billion of subscription spend using TRG Screen's software solutions.



**TRG Screen**

[info@trgscreen.com](mailto:info@trgscreen.com)

[www.trgscreen.com](http://www.trgscreen.com)



@trgscreen



trg-screen