FISD Whitepaper: Accelerating Peak Performance in Your Market Data Teams

A strategic guide to optimizing team structure, spend, and data velocity.

Acknowledgments:
With special thanks to Jag Sidhu, Head of Market Data at Investec Bank Plc and Sainath Chinnaswamy, Data Governance & Big Data Center at International Monetary Fund, for providing critical industry expertise, data analysis, and technical guidance that made this white paper report possible.

Executive Summary

In modern financial enterprises, market data functions stand at a critical crossroads. Long perceived as purely back-office procurement and compliance units, these teams are increasingly required to prove their strategic worth. This white paper summarizes the findings from two recent Consumer Market Data Workshops in London and New York, bringing together leading industry practitioners to examine how market data architecture and leadership can evolve beyond traditional cost-cutting mechanics and towards becoming front-office partners. By restructuring operating models, optimizing demand management, embracing advanced analytics tools, and formulating governance and risk considerations, progressive institutions are shifting from a reactive "order-taking" mentality to an advisory service model. The ultimate objective is to drive alpha, enhance enterprise innovation, and deliver precise institutional insights.

1. Reframing the Role of Market Data

Historically, corporate stakeholders have viewed market data teams through a single lens: cost center management. The internal perception has stayed firmly rooted in procurement dynamics, where success is quantified primarily by contract discounts, compliance enforcement, and service gatekeeping. However, leading financial institutions are engineering a structural shift. Rather than operating in isolated silos, modern market data teams are being embedded directly within front-office desks, supporting live research, quantitative investment strategies, and real-time risk management decisions. The modern market data professional acts not as an administrative barrier, but as a proactive strategic advisor who understands the downstream business goals and maps data assets optimally against them.

2. The Three-Dimensional Value Framework

"Key Imperative: Market data must cease to be positioned as a defensive tax on the business. It must instead be recognized and funded as a core enabler of revenue-generating business outcomes."

To institutionalize this new paradigm, practitioners outlined a consistent framework for value delivery based on three clear pillars: Transparency, Cost Optimization, and Innovation.

I. Transparency

True transparency forms the foundation of data governance. Teams must have end-to-end visibility into data inventory, granular consumption tracking, entitlement enforcement, and financial allocations. A persistent structural challenge remains the alignment between operational usage data and actual financial invoicing ledger views. Best practices dictate the deployment of dynamic, interactive dashboards that convert raw usage logs into comprehensive business narratives, effectively "telling the story behind the numbers."

II. Cost Optimization

While cost reduction is no longer the sole metric of success, cost management remains vital. Leaders are exercising aggressive scrutiny on multi-year vendor commitments, typically 4–5 year horizons, and driving consolidation across redundant services. By instituting precise chargeback structures and spend amortization schedules, institutions hold internal business units accountable for their consumption patterns, helping them stand up to continuous index provider escalations and exchange fee premium increases.

III. Innovation

The innovation track requires market data functions to actively evaluate alternative datasets, explore internal data catalogs, and find viable, cost-effective substitute data feeds. Crucially, the role has transitioned from rigidly curating and restricting data choices to dynamically informing and guiding the front office on how to best acquire and handle new information pipelines.

3. Core Capabilities and Operating Toolsets

Transitioning into a trusted strategic advisor requires modern execution capabilities across five distinct functional axes:

Capability Domain	Core Mandate & Focus Areas	Representative Toolsets
Demand Governance	Structured intake validation, proactive business challenges, redistribution risk management, catalogue expansion.	Internal Catalogs, Intake Portals
Vendor & Licensing	Complex usage rights definition, continuous contract negotiation, AI training data clause governance, redistribution controls, entitlement compliance.	Glacier, Specialized Legal Advisory, MDSL/Calero Optimize Spend
Inventory & Tracking	Live consumption analytics, entitlement mapping, onboarding automation, tracking moves/adds/ changes	TRG Screen Optimize Spend and Xmon, Calero MDM, and Crizet Submarine and Periscope
Financial Engineering	Granular downstream chargeback models, predictable amortization, quarterly metric cycles.	DART, MMG, Internal API Analytics
Data Engineering & Distribution	Entitlement provisioning, downstream distribution, cloud data pipelines,	Snowflake, Databricks, internal APIs

A key benchmark insight from leading financial firms indicates that top-tier execution is realized only when data sourcing, vendor management, and business analytics are supported by dedicated market data engineering and IT infrastructure teams.

4. Cross-Functional Architecture & System Integration

Market data cannot manage this transition in isolation; it requires deep operational orchestration across Procurement, IT/Data Engineering, Corporate Finance, and Risk/Compliance. The creation of specialized data engineering infrastructure significantly boosts efficiency. Embedding market data controls directly inside core pricing and reference data pipelines enables automated, scalable chargebacks and error-free downstream distribution.

5. Alternative Data, AI, and Emerging Horizons

As traditional alpha sources compress, evaluating alternative datasets via specialized scouting platforms (such as Eagle Alpha, Scout, and 3DI) is becoming a major priority. However, workflows remain heavily manual and relationship-driven. Organizations experience difficulties defining high-conviction use cases, allowing enough time for value validation, and handling restrictive licensing terms regarding model training.

Artificial Intelligence (AI) acts as both a powerful tool and a compliance challenge. From an operational standpoint, generative AI can automate data discovery, synthesize vendor contracts, and streamline administrative workflows. Yet, deploying AI internally demands strict governance rules around data attribution, prompt engineering competencies, and explicit licensing rights to prevent copyright disputes or retrospective vendor penalties.

6. Strategic Recommendations and Next Steps

To conclude the session, workshop participants put forward several immediate, actionable strategies for market data departments:

- **Repurpose Audits:** Shift vendor audits from defensive, punitive occurrences into opportunities for rootcause workflow improvement and catalog refinement.
- **Implement Vendor Scorecards:** Deploy quantified vendor tracking sheets to hold external market data providers accountable for performance, data accuracy, and delivery SLA metrics.
- **Enact Graduated Offboarding:** Build structured transition and parallel-running paths before abruptly canceling legacy feeds to minimize business disruption.
- **Automate Core Invoicing:** Invest in programmatic email mining, contract parsing, and invoice reconciliation tools to minimize manual administration.

- **Elevate the Market Data Leader:** Reposition the role as a peer of the CDO and Head of Trading Technology, with a seat at product strategy forums.

For a decade, market data has fought to prove it was worth the spend. The next decade will belong to the teams that stop justifying cost and start delivering edge — sitting closer to the front office, shaping investment decisions, and measured not in savings extracted, but in alpha enabled. The winners won't be the firms with the cheapest data estate. They'll be the ones whose data estate makes the business faster, sharper, and harder to compete with.