

GUGGENHEIM PARTNERS IMPROVES DATA INFRASTRUCTURE WITH FACTSET DMS

› A cost-effective, flexible solution provides the issuer-entity database infrastructure for regulatory and compliance purposes, as well as entity and security master management.



AUM
\$260 B

FIRM TYPE
Diversified Financial
Services Firm

CHALLENGE
Lack of reliable data
infrastructure

FACTSET SOLUTION
FactSet Data Management Solutions

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The Challenge

Lack of infrastructure for issuer-entity database architecture.

Guggenheim Partners is a diversified financial services firm that creates exceptional value for its global clients. As Guggenheim expanded its investment banking and securities business, the Managing Director of Application Development, Louis Celiberti, was tasked with building out system infrastructure for the firm to identify legal entities, tradable securities, and the relationship between them. Jonathan Summer, the Managing Director of Business Integration, worked with Celiberti to make sure the new systems would fit the firm’s needs.

“Previously, if we were doing a project with a holding company and were unable to identify that a subsidiary was part of that holding company, we could potentially miss an important opportunity or control point,” explains Summer.

Guggenheim needed a solution that would allow them to identify a broad range of entities – both public and private. Additionally, they needed to be able to tie any tradable securities issued by those entities back to the parent entity.

The Solution

Use FactSet as the backbone for an entity database.

Celiberti and Summer considered a number of vendors to provide the data to populate their legal entity master. “We asked around internally and reached out to some vendors in the field to get a sense of who was in the market. Our bankers were using FactSet’s front-end tool at the time, so it was on our list based on the experience they were having,” recalls Celiberti.

“We wanted a solution that would minimize the work associated with looking up and maintaining the links [from legal entity to tradable security]. We have a service-oriented architecture with applications that do a variety of things. At the core, our systems require accurate and broad data on legal entities, tradable securities, as well as the mapping between them,” says Summer.

After lengthy discussions and trials with several reputable vendors, it was clear that FactSet came out on top. “FactSet was able to provide the coverage and data structure that we needed, at a cost that fit the bill,” recalls Summer.

Guggenheim chose FactSet Data Management Solutions DataFeed to populate their legal entity master. FactSet’s comprehensive entity content set was perfectly suited to be used as the framework for building Guggenheim’s issuer-entity database. In addition to identifying the legal entities and tradable securities, FactSet provides the groundwork necessary to understand the hierarchical and affiliate relationships between entities.

“When a banker is working on a project for a pharmaceutical company, FactSet DMS lets us immediately identify the tradable securities about which we may have material, non-public information. FactSet data also helps us identify if there is another project or security holding that may present a conflict of interest for a potential deal,” explains Celiberti.

“From a sales and trading perspective, as we open new customer accounts, we use FactSet data to uniquely identify our customers. We also use the DMS to identify when entities we care about have changed in some way so we can inform the people who may need to act. For example, when a trading counterparty has a new legal

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name, corporate structure, or address, we are able to pass that information to our new accounts group in an automated way,” says Summer.

Guggenheim continues to be impressed by the level of service they receive from FactSet. FactSet created a web-based portal for Guggenheim employees to submit data feedback and coverage requests. “There are a handful of power users at Guggenheim that deal with legal entity and tradable security data all day long. FactSet built a ticketing system that allows those power users to submit coverage requests and data feedback directly. FactSet is able to respond to most requests very quickly, and any issues or follow up questions are easy for us to track.”

From a technology standpoint, the data integration has been seamless. “It is a straightforward FTP file delivery mechanism. Rarely do we ever come across delays but if there is ever an issue, we have the proper notifications. I’m always confident that the feed will work with FactSet.”



The Outcome

A reliable data infrastructure to support entity and security linkages proves to be advantageous beyond expectations.

As a diversified financial services company, Guggenheim is finding value in FactSet DMS that extends beyond the initial vision for its use. “We are finding even within the regulatory and compliance space, there are many requirements to roll up data from disparate systems, especially equity holdings across the entire organization. Knowing that we have FactSet DMS to link that data is invaluable,” explains Summer. “I read news about LEI and how it’s going to revolutionize the industry. Louis and I just chuckle because we are already seeing this value with FactSet.”

Summer and Celiberti look forward to expanding the role that FactSet DMS plays at their organization. “We are aggressively growing our business within Guggenheim Securities. We’re excited that FactSet is able to provide solutions to support that growth.”