

VIDEO

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Focus on Funds: Fund Operations Go High Tech

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Fund operations are embracing technology to manage data, create new efficiencies, and help funds scale their businesses. In the July 27, 2018, edition of *Focus on Funds*, ICI Chief Industry Operations Officer Marty Burns discusses the technology trends, including the promise of blockchain.

Stephanie Ortvals-Tibbs, ICI director of media relations: These days, when you're talking about fund industry operations, you might feel like you're having a conversation with your IT department as operations and technology blend together in new ways, as I recently learned from talking with ICI's Chief Industry Operations Officer Marty Burns.

Marty Burns, ICI chief industry operations officer: When you talk about operations, you are talking about technology. No longer is operations a point-to-point, transaction-driven kind of procedure. The mechanics behind operations now is really based in the technology tools that are used to be efficient, to create scale, and to really contribute to the overall building of the business that all of the mutual funds are after. And that is all driven by technology.

Ortvals-Tibbs: You guys are swimming in data.

Burns: We are—and it's a good thing, and it's a bad thing. Data [have] become easy to accumulate, very easy to acquire, but because of that, it means that the challenge is now: what do you do with that data, and how do you use it appropriately? And how do you ensure that you're using it appropriately so that you're not creating more issues or more concerns than you're solving with the data that you get?

Ortvals-Tibbs: It also sounds like another technology that our members are picking up on is blockchain. They've decided it's no longer just a buzzword, but how is it starting to play out for us?

Burns: Blockchain is a very interesting conversation, Steph, and it's building. It is far more prevalent outside of the asset management world. In the asset management world, a lot of

our systems are very efficient today, so blockchain doesn't have as much benefit. But it is coming; it's coming on the margins.

So for example, our members use a lot of bank services, and the banks are heavily invested in blockchain. As the custodian for our members, the blockchain will become part of the servicing orientation, and the members will see that blockchain as part of their service package.

Now, that doesn't mean that our members are not using it directly. They are beginning to see applications internally, as well as in areas that—for example, bank loans—that were not as well structured. The blockchain is coming into those areas, so it's really much more of a question of *when* and no longer a question of *if*.

Additional Resources

- [Video: How Blockchain Could Transform the Industry](#)
- [Video: Understanding Cryptocurrencies and Funds](#)

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