

10 Questions To Ask Your Custodial Data Aggregation Provider



Data Aggregation Enables Today's Technology

Data aggregation is enabling WealthTech innovation across industries. From banks, to FinTechs, asset managers, and more, institutions are seeking improved access to accurate, trade-ready data. From the latest financial apps to daily investment transactions, today's innovation thrives with support from data aggregators.

The market for data providers has grown substantially in recent years. An industry that was once dominated by legacy titans is giving way to modern providers which have built proprietary infrastructure. Modern data aggregators leverage an API-first approach to build secure, real-time custodial data feeds.

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If you're concerned about data lag, inaccuracies, lost data, and time-to-deploy feeds, one thing to know is that data aggregation has come a long way. This whitepaper outlines several key questions any organization which is considering data services should give thought to. Whether your organization has already opted to work with an external data expert, or are still weighing the pros and cons of an internal build out, the following list can help you make an informed decision.

The Questions

1

How speedy and simple is the solution to deploy?

Depending on the vendor, time to deploy an API-based integration can vary widely. Legacy providers that rely on traditional data file transfers and batch processing often quote several months, with up to half a year total time to develop and launch. Modern data aggregators can slash deployment timelines by more than 50%.

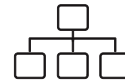


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2

What data coverage is offered?

Consider what type of data coverage the aggregator has. This may include ensuring all major custodians are covered, as well as digging into individual data points your organization needs. Custodial account aggregation is a highly complex process, with each custodian having unique policies, systems, and data structures. Ensure your preferred vendor partner is an expert in the custodial feeds and data formats your organization needs.



Dig into the individual data points & sources your organization needs.

3

How is pricing structured?

Data aggregation services are a significant purchase decision for any enterprise. Within this field, the quality and price of services can differentiate vastly between firms. However, with a solid diligence process, it's absolutely possible to find a vendor that balances cost and quality. Before entering conversations with potential data partners, consider a budget range and what's feasible for your organization. After determining a suitable budget range, ensure you understand all potential fees leveraged by data aggregation vendors. Some examples of fees to watch out for include platform fees, connectivity fees, transaction fees, ongoing maintenance fees, and setup or implementation charges.

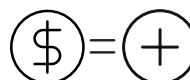


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4

What is the cost benefit analysis for working with a data partner?

Before entering into a partnership with a data aggregator, you must build a business case for the relationship. This means considering other possible use cases—such as working internally to create a portfolio accounting system or management KPIs. This might involve building an internal team of resources, or distributing current resources to the buildout project. Both of these options will likely divert essential company resources away from your core business function and value proposition.



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5

Do we envision ourselves working with this provider in the long-term?

When selecting a data provider, it's of paramount importance to select a partner whom you envision your organization working with in the long-term. Ideally, the establishment of data feeds is a one-time process, with only small ongoing maintenance or expansion concerns as they arise. Moreover, selecting a partner that understands your business' long-term goals will likely result in better outcomes for both parties down the line.



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6

How developer-friendly is the platform?

Deploying an API-based data integration will require cohesive collaboration between your internal development resources and your partner's development team. Consider working with API platforms built by developers for developers—ensuring the best experience for your team. A developer-friendly solution is built in the cloud with well-documented open APIs and quick action development recipes/kits. These tools, when available, reduce the need for dated batch processes, data file transfers, cumbersome databases, and FTP infrastructure.



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7

Is data a key focus area for the technology provider?

Some data aggregation companies have multiple lines of business that cover many different functions, while others have a core focus on data. It may be best to select an aggregation partner that specializes in data, as they've likely invested the greatest amount of time and resources into their data platform.



Look for an organization with a core focus on data.

8

How reliable is the data?

Data is only as good as its reliability. Consider the infrastructure the data aggregator has in place, including how data is sourced, reconciled, and then presented to the end user. Asking questions about data protocols is important too. Determine what their processes are for handling data requests, updating connections, and solving issues in real-time.



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9

How adaptable is the data?

Some data platforms rely on rigid processes and predetermined structures, while others are more customizable. Consider your organization's unique use case and if you're better off with a partner with predetermined data paths, or if you're seeking a more creative, open-ended approach.



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10

How secure is the data?

Data security should be top of mind as you seek an aggregation provider. It's important to consider how the data will be protected and stored and what methods the potential partner leverages to do so. Be sure to ask any vendors about their security certifications and standards, which will tell you a lot about how seriously they take data security. One warning sign to look out for is providers who store client PII data. Sensitive PII includes information such as Social Security Numbers and driver's license numbers, among other data. Working with a vendor who stores this type of data puts your organization at higher risk of data breach.



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The Future of Data Aggregation

Today's market demands access to complete data coverage across financial institutions. For emerging FinTechs, TAMPs, asset managers, and more, technology powered by direct custodial feeds is becoming table stakes.

With the surge in access to data and development of direct integrations, data security has come under scrutiny. Transparency, traceability, and accountability must be the foundation for all modern data aggregators. Compliance with all local and federal data security standards and regulations should always be top of mind.

As legacy data vendors phase out and access to modern data aggregation services becomes more common, organizations will worry less about how to reconcile data, and concern themselves more with what can be done with said data. This is of utmost interest especially in regard to real-time, trade-ready data. The ultimate goal is to create the most possible value to the end-user from said data services.

As organizations look to transition to more modern, API-first infrastructure, leveraging the ten questions outlined in this guide is of paramount importance. Assessing all areas of success in a potential partnership including data quality, technological infrastructure, and business needs and use case should be industry best-practice.

Today's data aggregation providers are creating a thriving ecosystem around data which integrates institutions, technologies, and more. From syndicating new financial products to powering emerging FinTechs, modern data aggregators will be the backbone of WealthTech's evolution for years to come.

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WealthTech API

WealthTech API is the industry's only API-first, cloud-native wealth infrastructure platform that delivers total wealth data aggregation and app building blocks required to develop and manage next generation wealth management applications.

Innovate Faster: The WealthTech Infrastructure to Drive Your Digital Acceleration

Offering a single connection via a modern, open API, WealthTech API offers full access to trade-ready, multi-custodial and held-away data sources, complex calculations, and feature-rich app services.

The WealthTech API Advantage

As a next-gen platform, WealthTech API serves as the foundation for your innovation, and the opportunities are endless.

- API-First, Cloud-Native
- Single Integration, Many Sources
- Highest Data Quality
- Go Beyond Data
- By Developers, For Developers
- Fastest Time to Market

Our Clients are Succeeding with WealthTech API

“Not having access to the data we needed was inhibiting our ability to grow our business – we needed the custodial feeds and BridgeFT could offer that in a transparent and simple way. We considered it an easy-to-deploy multi-custodial data aggregation service which we could scale up as we needed.”

– Brian Bleasdell, Chief Product Officer
Flyer Financial Technologies



Contact sales@bridgeft.com or visit us at www.bridgeft.com/data to learn more.