



At Boston FinTech Week, FactSet Forecasts Impact of APIs

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Application programming interfaces (API) have rapidly become a critical business component for the financial industry. While APIs were once considered just a way to share data between systems, they have expanded to encompass a vast array of applications and reports accessed via the cloud. At the same time, the definition of the “data” shared between systems is more expansive than ever, with systems ingesting vast amounts of unstructured information from a multitude of new sources.

Last month, FactSet participated in [Boston FinTech Week](#), an event bringing together key technology players in Boston’s financial services industry. As part of the panel *APIs: You Can’t Just Do Data Anymore*, FactSet’s SVP Global Director of Content and Technology Solutions, Rich Newman, joined representatives from State Street, Morningstar, and FinMason to discuss the recent breakthroughs and expanding power of APIs.

The panel discussed the enormous impact APIs have on the inner workings of financial institutions. The panelists pointed out that more firms are using APIs to connect their internal systems and the systems of external vendors. This collaboration between developers and business partners creates a powerful distribution force for solutions.

“At the Sandbox, we are very excited to see known players like FactSet leading with innovative ways to use platforms and APIs that bring collaboration opportunities between startups and institutions,” said Jean Donnelly, Executive Director at FinTech Sandbox, the sponsor of this session. “That’s how the best outcomes are created and leads to lively discussions on panels like this.”

As financial institutions move their infrastructure from local servers to the cloud to gain scale, these same institutions are seeking to obtain scale from the vast array of API services. These trends are creating a demand for common platforms and concordance systems to facilitate communication between systems. The industry now faces the major challenge of dealing with inconsistent data item definitions. The next frontier of API solutions must address the need for consistency of data definitions, which will allow firms to easily integrate content sets and ensure that they speak to each other seamlessly.

APIs can also increase the velocity of data, creating an environment that empowers developers to build content and products that can be distributed faster to a wider audience.

“Speed is critical in the investment community,” remarked Newman. “With more data, more complex security instruments, and more complex investment strategies, speed is vital.”

Beyond traditional data feeds, APIs can allow systems to ingest vast quantities of data that the financial industry can leverage both to run day-to-day operations and to generate alpha. This can include complex transformations of traditional data, as well as unique niche data sets requiring sophisticated analytics tools.