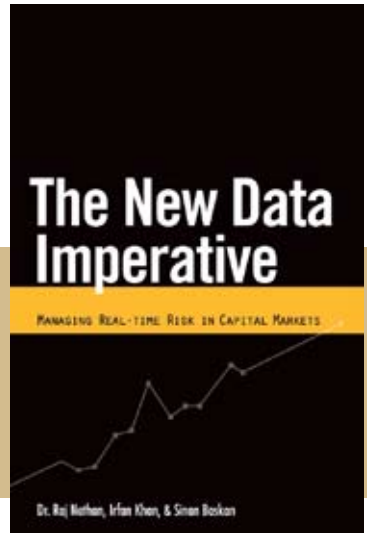


**The New Data Imperative:  
Managing Real-Time Risk in  
Capital Markets**

By Dr. Raj Nathan, Irfan Khan &  
Sinan Baskan  
Easton Studio Press  
115 pages; \$21.95/C\$24.95



## Will Risk Management Become the New Data Imperative?

Anyone who had any exposure to the digitization of the dealing room that took place in the early to mid-1990s will know that whatever data distribution was implemented, the ubiquitous Sybase database was almost certain to make an appearance somewhere in the set-up.

Indeed, broader IT industry commentators have often marvelled at the way Sybase seemed to 'own' the financial real-time database environment, while other industries came down in favour of arch-rival Oracle and upstarts like SQL Server.

Sybase's financial markets ubiquity may have faded somewhat since those heady days. But a new book from a bunch of Sybase executives outlines a blueprint for how it aims to resurrect that ubiquity in the area of enterprise risk management. The New Data Imperative: Managing Real-Time Risk in Capital Markets, by Dr. Raj Nathan, Irfan Khan and Sinan Baskan, is published by Easton Studio Press (more information is available at [www.sybase.com/newdataimperative](http://www.sybase.com/newdataimperative)).

In it, the authors argue that a holistic view of risk data will

be required as the financial marketplace comes under increased regulatory scrutiny, and that a proactive approach to data management is the only way of achieving that holistic view of all risk types across the enterprise.

Readers will be aware that A-Team, publisher of this magazine, also recently published a white paper – A Design for the Enterprise Risk Ecosystem – with Sybase, a discussion of the data management issues underlying any attempt to establish an enterprise risk infrastructure (download it for free at [www.a-](http://www.a-)

teamgroup.com/article/a-design-for-the-enterprise-risk-ecosystem).

As such, we're probably party to more nitty-gritty credible-building, real-world information about Sybase's cunning

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plan than is available in the book. For us, that translates into the fact that Sybase has already made significant strides toward putting its money where its mouth is. Indeed, those who came along to our joint seminar on the topic in London in May would have heard how a certain French bank is using Sybase's data management and orchestration methodology to manage risk data output from some 40 separate risk management systems.

The New Data Imperative explores many of the themes we discussed in our white paper. It points out that the traditional silo-based approach to managing trading and investment businesses has translated into silo-based approaches to data management, which in turn tripped up many major firms

as they attempted to gauge their risk exposures. It argues that risk managers of the future will need access to real-time views of risk if they are to succeed in truly managing – rather than merely measur-

ing, post-event – the firm's risk situation. And it provides some suggestions on how to conquer the risk data challenge without completely rewriting the book, as it were, on legacy systems.

The book's true value will depend on the reader's familiarity with the subject matter. If you're reading this review, for example, much of the preamble can safely be skipped. You don't really need to know what the various big names quoted think about data management and risk because, quite frankly, you know far more about it than they do.

That said, the first few chapters do contain some useful nuggets; the kind of factoids that could easily be cut & paste into the PowerPoint you're preparing to get funding for your risk data infrastructure project approved. For example, it

identifies five variable factors that form a frame of reference for determining the quality of portfolio and risk management decisions, and as such need to be built into internal processes: portfolio structure and financial performance targets; risk targets and exposure tolerance; regulatory and compliance processes and requirements; business organization and workflow architectures; and technology infrastructure.

Later in the book, things get a bit more interesting, as we move from the realm of scene-setting for the rational teenager to Sybase's proprietary take on how to get data management done in the enterprise risk department of tomorrow.

Messrs. Nathan, Khan and Baskan outline a series of basic parameters for building an enterprise data management system that meets the needs (and perceived needs) of today's (and tomorrow's highly regulated) environment.

They look at the requirement and offer suggestions as to how they can be met. Refreshingly, the mantra is on mindset rather than marketing; this is by no means a sales pitch. Its relative brevity and (quite) breezy style makes it a short and easy read. ●