

FACTSET

Unifying Investment Research Workflows for Centralized Collaboration and Compliance

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Given the amount of data, sources, formats, systems, and compliance elements that asset management firms are working with, logging research can sometimes feel like the investment-world equivalent of orchestrating global shipping logistics at peak season. Lots of people are involved, a substantial volume of content must be tracked and kept up to date, there are numerous places to store it, and the flow is constant.

It's not uncommon to grapple with those challenges. Every firm has unique workflows to store, search, and share investment research that differentiates their performance. That might involve one or more systems such as email, OneNote, Teams, Excel, shared drives, and/or SharePoint.

It's easy for analysts to house their research in any of those places and share/grant access among colleagues. The flip side is that it can be challenging for fellow researchers, data managers, and portfolio managers to locate the content and, over time, sort through increasing amounts of it. Today, portfolio managers need curated views of interim updates on each name, ready for them at any time.

Viewing the Full Research Landscape

For operational efficiency and risk reasons—and to view the full research landscape—more firms are shifting to a research management solution. An RMS centralizes research notes, changes in sentiment due to earnings releases or due diligence updates, shifts in fundamental analysis, and thoughts on new products or strategies. This centralization addresses the fragmentation of information from separate platforms, reducing the possibility of overlooking crucial insights.

Logging and centralizing research content does not mean you have to upend your existing workflows or systems. A solid, proven RMS will mold itself around your firm's unique processes, not the other way around.

For example, it provides a baseline structure (without being restrictive or onerous) for everything researchers track so there is a base level of consistency for portfolio managers and the flexibility for users to add or configure the fields they want and set up workflows. Users should also be able to easily push content into the RMS from Excel, email, or other systems. High-quality search capabilities leveraging the latest technology—including Large Language Models—enable research teams to locate historical content and discern trends and insights with zero friction.

Collaboration, which has become essential to optimizing portfolio performance in today's research environment, is greatly enhanced with an RMS. It facilitates teamwork within research teams and across the firm, breaking down silos and streamlining operations. It also helps converge multi-analyst coverage of a sector, for example, and it supports continuity of research if an analyst is promoted to another area or leaves the firm.

Features like version control, commenting, and real-time editing foster more effective knowledge sharing. The ability to create smaller, team-oriented collaboration spaces while maintaining a connection to the larger research ecosystem is particularly valuable for the development of new ideas.

From a compliance perspective, an RMS provides an auditable record of research activities so you can see how a thesis, recommendations, targets, or other metrics have changed over time, reducing regulatory risks and supporting continuity of research. That enables firms to quickly retrieve and present comprehensive research documentation in response to regulatory inquiries.

Although rare, a subpoena or regulatory inquiry can present an investment firm with material costs to produce documents, records, or other tangible evidence. One of our RMS clients in that situation was able to efficiently gather valuable research records and respond in a timely manner—with minimal disruption to their day-to-day operations.

For firms operating in the EMEA and APAC regions, the increasing regulatory requirements and investor demand for environmental, social, and governance (ESG) factors is another aspect where an RMS proves its worth. It allows the capture of internal ESG scores, engagement progress, and related commentary, which can be layered on top of third-party ESG content for a holistic view of each company or fund and compliance with regulators.

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How AI Differentiates RMS Capabilities

AI is enabling meaningful tools and capabilities for many firm types. That applies to research management solutions as well, but it's important to discern the substance from the hype. It's not enough to claim something is AI powered without the actual functionality that provides users with real benefits.

FactSet's enhanced RMS, Internal Research Notes 2.0, uses our AI capabilities to deliver four key AI features:

- **Conversational search:** Through a Large Language Model chat interface, you can search by typing in a term and receive consolidated results. For example, our system quickly reviews, filters, and digests internal data to generate more sophisticated responses to complex search queries regarding recommendation history, latest ratings, and market sentiment.

- **Draft Assistant:** Our generative AI assistant enables analysts to expedite their research writing by returning search results based on subject, identifier, and theme. The tool then compiles internal and external content derived from users' personalized searches and source-links relevant news, filings, and transcripts based on user-specified themes and sources.

- **Topic Assistant:** As users populate the RMS with topics and definitions relevant to their workflows, the generative AI platform will produce an auto-tag that identifies configurable research and commentary to help standardize team findings, enhance searchability, and recall data to support communication with portfolio managers.

- **Theme Intelligence:** To augment analyst-generated insights, our RMS uses imported notes and research to present the trending themes and topics across all of your firm's research. On the RMS dashboard, users view recent meeting notes, the top five company symbols, and a word cloud that illuminates potential investment opportunities.

Explore IRN 2.0 from FactSet

While a multi-platform approach to managing investment research may be familiar, it presents challenges and risks. Implementing a customizable RMS that molds itself to your existing workflows could materially improve your efficiency, collaboration, and compliance, ultimately leading to better-informed investment decisions and reduced operational risks. View our IRN 2.0 page to learn more.