

ESG Viewpoint: Crux Informatics

RepRisk interviews Michael Rude, Head of Go To Market at Crux Informatics

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1. RepRisk: Please provide some insight into your specific role at Crux Informatics (“Crux”) and the work that you do.

Michael Rude: As Head of Go To Market, I oversee our go to market strategy and manage our client facing organization, which includes Sales, Marketing, Customer Success, Operations and Supplier teams at Crux. I also lead our partnership initiatives and focus on making the various parties of our network find economies from our platform and services.

2. RR: Crux and RepRisk entered into a partnership earlier this year to deliver RepRisk data across the financial services industry. In your view, what is most important when it comes to accelerating market reach and delivery capabilities?

MR: There are a few elements that are critical to optimizing market reach and delivery. I’ll start with delivery capabilities; if you develop scalable infrastructure with excellent operations, it will enable frictionless movement of data from the supplier to its intended destination. From there, the infrastructure has to be able to manage different delivery channels and formats – that is essential to meeting the variety of supplier and consumer requirements. Achieving both scalable delivery and distribution is made possible when there is a central utility that serves multiple consumers with the same dataset – creating economies of scale that significantly reduce the resources and operations suppliers would otherwise have to maintain.

3. RR: In an increasingly tech- and data-driven world, Crux removes the friction of complicated technical integrations and provides consumers with a variety of data at scale. Since Crux’s establishment in 2017, how have the conversations around alternative data and cloud-based platforms changed?

MR: Alternative data has seen various trends since our founding. When we launched, alternative data was all the hype, with each client conversation leading to a new, interesting alternative data request. I think what has happened since, is that a lot of consumers have been disappointed in the reliability and accuracy of many of the alternative datasets out there. The key players that have succeeded have been those that invested heavily in having a reliable data source with rich coverage and history, such as RepRisk. That said, the COVID-19 pandemic and the volatility it has generated in the market reignited a demand for novel datasets that help them gather new outlooks on businesses. At Crux, we continue to sign and onboard alternative datasets and look forward to making them easily accessible to consumers interested in this sector.

Cloud-based platforms have seen a significant acceleration over the last three years. Not only in the warehousing and distribution space, but also in the analytics environment – with Snowflake being a clear example of the demand for these services. There is no question that the scale and efficiency of cloud platforms in storing and accessing datasets within organizations of all sizes is hard to beat with Onprem solutions. However, as firms have moved to the cloud, it has become clear that the cloud is not a monolithic service with a simple manual. The cloud is quite fragmented and is composed of many different players and services, many of which are competing. As a result, companies that leverage various cloud platforms find it hard linking all their workstreams and execute an effective “multicloud” strategy. In particular, data suppliers face a steep hill to climb in integrating, onboarding, and maintaining all the cloud destinations customers want. Crux can help with these challenges, as we are already fully integrated and can seamlessly deliver their datasets into any cloud platforms.

4. RR: Extracting meaningful ESG data for agile investment decisions is a top priority for RepRisk clients. What do you believe to be the value alternative data brings to financial institutions? What developments do you see on the horizon for alternative data and data platforms, and what is in store for Crux in the near future?

MR: Accurate and reliable data will continue to be the most important variable in most investment processes, so the ability to generate valuable ESG data will be essential for alpha generation. Data collection, processing, and insight generation will only accelerate as data in the ESG space becomes more ubiquitous. Based on these trends, we anticipate more demand for datasets such as RepRisk, who offers a consistent timeseries of more than 14 years and daily-updated, relevant ESG data that can be used for backtests and quantitative analysis. Crux stands ready to help new consumers discover and gain frictionless access to it.

At Crux, we will continue to improve our infrastructure and operations to process more data and expand our services to more customers. With each incremental dataset and consumer on our platform, the entire network benefits from greater content and reach. As such, our focus remains on scaling and improving our service for our supplier and consumer clients.

Conclusion

Crux Informatics believes that accurate and reliable data is the most important variable in most investment processes. In keeping with that belief, they partnered with RepRisk this year to deliver ESG risk data across the financial services industry via their cloud-based platform. Crux expects to see the demand for ESG data increase as its ability for alpha generation becomes more salient.

Bio – Michael Rude

Michael Rude is the Head of Go To Market at Crux, accountable for all client-facing functions, articulating strategic vision and product roadmap, creating and executing go to market strategy, and achieving revenue targets. Michael was previously the Head of Buy-Side Trading Solutions at Refinitiv, where he was the proposition owner for the REDI trading platform, the Alphadesk portfolio and order management system, and Autex Trade Route. He held Chief Operating and Revenue Officer responsibilities at REDI Global Technologies from when REDI was spun out from Goldman Sachs in July 2013 and until it was acquired by Refinitiv (Thomson Reuters) in January 2017.

At Goldman Sachs, Michael held various senior leadership positions in electronic trading in New York, Tokyo and Hong Kong prior to the REDI spinout. Michael attained an MBA from NYU’s Stern School of Business and an undergraduate degree from the University of Minnesota.