

Engines Mid-flight



Xoriant helps one of the largest financial institutions support, maintain, and update a mix of financial applications, while providing real time availability for the client user group.

Background:

Our client is one of the largest financial institutions in the world, where a team of more than 300 experts trade fixed income (FI) and foreign exchange (FX) derivatives on global exchanges in the U.S., the EU, and Far Eastern markets.

In financial markets, the current price of an asset is determined by the market demand for it and the supply capabilities; however, the future price of an asset typically remains unknown. As a means of managing such a risk, buyers and sellers often like to hedge their bets against this uncertainty about future prices by creating a contract for future trading at a specified price. The contract—a financial instrument—is called a derivative.

The global presence of our client financial institution results in a follow-the-sun approach, where trading happens almost 24 hours for the five business days of the week covering the global securities markets. Even though the derivatives products are functionally the same all over the world, the specific characteristics and features of the products traded in different countries/locales are governed by the local business environment and constantly-changing compliancy regulations in each market, adding a further dimension of complexity to the entire process.

“I would like to take this opportunity in thanking your team for the excellent work recently done on Hermes auto deployment. This work is going to benefit not just ETD but the wider CMB technology teams. The team was able to work from the specifications with minimum supervision, which really did impress me.”

AVP - CMB Operations
Client

Customer challenges:

Our client's FI/FX derivate offerings are supported by IT systems that provided functionality for trading (product structuring, pricing, etc.), risk measurement/management, trade processing, accounting, and compliance. As the business environment and regulatory environments change constantly across multiple countries, keeping the systems current with the business becomes a perennial challenge. Before the Xoriant engagement, the client IT staff was bogged down with the systems upkeep, and user support was becoming a major problem.

The IT systems of the Derivatives group had some typical inheritance issues:

- Legacy systems and environments with interoperability challenges with new systems
- Compliancy regulations to maintain old data and thus the need to be able to operate, update, and maintain past data
- Redundancy and maintenance support for legacy

Apart from legacy, the major challenge faced by the Derivatives group was to validate the data feeds generated from multiple sources. Additional complexity factors were:

- Multi-format data feeds including simple text file, comma separated value files, and so on
- Multi-source data feeds including IBM-MQ / Tibco-RV / Orbix messages and so on
- Third party data feeds for regulatory compliances, and market place information based on which decisions could be made by the traders
- The transactions themselves are of very high value
- The flow of data is almost through 24 hours of a day, as different markets open and close during this time
- All these require real-time validation and batch validation

Xoriant's participation:

Xoriant teams have been involved in round-the-clock (24 x 5) production support for these systems. Our support activities encompass user functionality support, backend technology support ensuring maximum uptime, scheduled maintenance, bug fixes, patch updates, testing of the underlying software components, etc. In addition, we have also developed some enhancements and new modules to introduce changed/added functionality or regulatory modifications in the course of our engagement.

One of the key issues in this engagement has been to maintain data safety, integrity, and correctness in any development, implementation or support process, as a single error could result in risking billions of dollars. At the outset of our engagement, we began with identifying the software and hardware environments across the global offices, the sources and forms of data feeds from multiple vendors, the compliancy regulations, and the failures or risk situations in the entire chain. Since the modules and tools needed to be implemented in real time, Xoriant brought in the expertise and blend of onsite and offshore services for flawless implementation. The applications we have been supporting during this engagement are in various combinations of tools and technologies including Solaris 8, Sybase 12.5, C, C++, Java 1.5, MS Access, Visual Basic, JDBC, PERL 5.8, Korn Shell Scripts and Weblogic—and all these technologies in their different versions.

“You have definitely lived up to, and indeed surpassed, our expectations. I really appreciate the terrific job you have done on the Access project and I look forward to having you as part of the team.”

Senior VP
CIB Tech Corporate Services Technology

Client Benefits:

Xoriant's domain expertise in derivatives trading has been a key contribution in the global support, maintenance, and updating for the mix of applications in the client's Derivatives IT division. Our support teams have delivered:

- Global support that has been in line with local compliancy, exchange, and business policies
- Lower help tickets by over 60% - a major saving
- Additional applications and components for custom use at the client site, followed by a global roll-out
- 24x5 help-desk for all geographic locations, including level 1 to level 3 support
 - Lower cost of operations by seamlessly ramping up and down resource base depending on client needs
 - Lower total cost of ownership by bringing unique mix of business and domain experts on specific basis, leveraging horizontal and vertical industry experience
 - High availability and business-as-usual environment by testing and bringing live modules during off-hours for each geography
- Continuous process and program improvements
- The client could focus its specialty resources on increasing its operational efficiency by developing and integrating new pricing models, trade execution systems, and so on. The Xoriant team in turn took on the onus of running the systems and supporting the system users.

Xoriant helped lower support ticket request by over 60%