

# Designing a Trading Floor Support Function

*Client: European Bank*

*Consulting area: Business Consulting*

*Business areas: Process Management*

**The client is a major cross asset class trader and market maker in the European capital markets. The client's business includes high volume trading and sales execution in Equity and Structured Equity derivatives but is also constantly evolving around the issue and sales of complex structured products where the client is considered a market leader. In a time where the demand in the market for volumes and new products was rising rapidly the trading organization suffered from an increasing gap between trading system support and business development. Despite having a sophisticated trading platform the client could not fully leverage the business potential due to bottlenecks around the IT services.**

**Mindwell was engaged to define a function and a process to substantially improve the IT services around the trading activities in order remove constraints on volume and shorten time to market for new products.**

## Business Challenge

The client's business evolved rapidly for a period with increased number of desks, users, product types as well as higher volumes traded. The Bank IT department was mainly core banking oriented and focused on traditional system maintenance. Consequently, quants and traders gradually took over some of the application development and configuration responsibility and there were no single authority in control of the proprietary code mass or the production environment. Any change in the system became impossible to predict. Product development suffered and the increased time to market became a threat to the business.

## Our engagement

Our engagement started with an analysis of the current situation aiming at identifying the workload in terms of type (required competence) and volume (number of resources). Interviews were held with traders, quantitative analysts, IT personnel, front to back system users and management to get a complete picture of the requirements of a comprehensive trading floor IT support and development function. In parallel Mindwell presented a benchmark from a similar organization that had successfully made system development and configuration walk safely hand in hand with business development. Based on the current state analysis and the benchmark, Mindwell defined a Trading IT function for the client constituting the main provider of IT services for the trading operation and the bridge to the Bank IT department.

The function was defined and dimensioned based on, among others, the following factors:

- Type and volume of daily tasks arising from the trading floor
- Small and mid-size change projects arising around new products, new regulations, system optimization etc

- Large projects arising around system consolidation, major upgrades etc.
- Long term strategic system planning

The delivered definition of the Trading IT function contained:

- Role and responsibility for the new Trading IT function including.
- Required competencies and headcount
- Work process for the handling of production issues in parallel with project tasks
- Roll out plan for the process.
- Forums for communication and planning
- Case examples as guidelines for the implementation of the Trading IT function

## Client benefits

Based on the process design pre-study the client together with Mindwell managed to constitute and staff an effective Trading IT function in a relatively short period of time. With an effective process the client also could better utilize and develop the existing resources within the bank. The business side gained stronger confidence in the internal IT providers and as a result the gathering of business requirements became easier with a higher precision.

## Further information

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