

Implementing a Front Office IT Function

Client: European Bank

Consulting area: Shared Services

Business areas: Quantitative Modelling, Risk Management

The client is a major cross-asset class trader and market maker in the European capital markets. Their business includes high volume trading and sales execution in Equity and Equity derivatives but is also constantly evolving around the issue and sales of complex structured products where the client is considered a market leader. When volumes and market demand for new products were 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 set up a Trading IT function with focus to support the users of Front Arena and further develop the platform with efficient processes in order to shorten the time to market for new products.

Business Challenge

The client's business developed fast under a long period with increased number of desks, users, product types as well as higher volumes traded. During the same period the resources for system support and development of the trading applications remained unchanged or even decreased under the massive workload. The Bank IT department was mainly core banking oriented and focused on traditional server side maintenance. As a result of quants and traders gradually taking over some of the application development and configuration there were no single authority in control of the code mass and no one who could assume real responsibility for the production environment

The consequences of any change in the system became difficult to predict.

Our engagement

The implementation of a Trading IT function was the outcome of a Pre study that had been performed by Mindwell. The proposed function was based on Mindwell's Trading IT concept and adapted to the client environment according to an analysis made with in the scope of the Pre-study.

The Trading IT function started up with resources from Mindwell with system expertise on Front Arena with its API's as well as business domain knowledge within the financial product range traded at the client.

The trading IT team assumed the following responsibilities:

- Trading floor support
- Functional development
- Architectural design and planning

The Trading IT team implemented processes and in some cases tools in the following areas:

- Support and Issue management
- Batch job management
- Development process
- Code standard and version handling
- Release management
- Test environment management
- Documentation of system changes

Client benefits

With the implementation of the Trading IT function the situation around trading and the Front Arena system improved significantly. The team bridged the gap between the trading floor and the IT department which made the departments work more efficiently. The system management became more proactive resulting in fewer support cases and the support cases that occurred were handled faster with a clear process. With the closer cooperation with the traders new ideas were picked up and prioritized which lead to quicker implementations of new functionality.

Another benefit of the set up was the redundancy of resources where the client knew they would always have the necessary staffing arranged and with the possibility to swap resources depending on demand.

Further information

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