

## European Investment Bank Combines TIBCO Technology and Luxoft Expertise to Process Trades Faster, Cheaper, and Better Than Competitors.

*Strategic IT Initiative Focuses On Streamlining Front-to-Back Operational Efficiencies.*

### Client:

The client is a leading global investment bank with strong private wealth division and offering their clients unparalleled services. With 1,000+ branches located around the world, the institution employs more than 70,000 people and continues to grow significantly in North American, Asia and other key emerging markets.

### Summary:

The bank needed to proactively address structural cost issues, close capability gaps, enhance shareholder value, and enable the bank to become a global “flow monster” to support business strategy. Their ultimate goal was to go from a McKinsey-rated D-Bank to an A-bank – an effective business leader.

### Challenge:

Maximizing IT Functionality to Remain Globally Competitive

### Solution:

Using TIBCO software integration technology, Luxoft engineers worked closely with bank specialists to blend together packaged applications, custom software, and legacy systems for use across all internal and external networks.

### Results:

Client is now able to leverage advanced IT to process every trade faster, cheaper and better than the competition.

### Technology:

- TIBCO ActiveMatrix BusinessWorks™
- TIBCO Enterprise Message Service™

The bank embarked on a global initiative to deliver integrated systems front-to-back and IT architecture that is instantaneous, scalable, and service-oriented.

In these times of economic chaos and market uncertainty, most financial institutions might have been inclined to simply “hunker down” and maintain the status quo just to survive the storm. While some banks emerged in tack from the collapse, many others did not.

Savvy bankers however, working with a keen eye toward the future, were quick to “seize the moment” and get a jump on the competitor’s who were waiting for the dark clouds to clear.

That’s exactly what one leading European investment bank did and it’s about to pay big dividends.

### The ABCs of Banking

When managers at the investment firm decided they needed to stand out from their competitors -- now more than ever—they understood that it would require an unwavering commitment to operational efficiencies from the ground up. The pressure to increase volume has led to the need for transformation and thus, the global initiatives.

Along with the organizational efficiencies and cost improvements, additional key measure of success will be moving from what a popular McKinsey study terms a “D-bank” to the more competitive position of an “A-bank” - an effective “business-enabler.”

According to a McKinsey’s study, the bank is in the group termed “D-banks - efficient IT executors.” The growth of cross-asset class requirements has led to more complex and in many cases inefficient front-to-back interfaces.

Achieving this “future state” and all its associated benefits would require an integrated approach across the bank IT including the functional architecture, foundation services and other efforts to evolve a new operating model.

Maximizing IT Functionality to Remain Globally Competitive  
The recent financial crisis, resulting structural changes in the industry as well as technological advances, presented the bank with a “seize the moment” opportunity to leap ahead of the competition by radically improving efficiency and organizational effectiveness.

Additionally, volume increases -- driven by market growth and consolidation as well as business opportunities across multiple asset classes --attracted increased instability and delays in bringing new functionality to market.

The firm understood that organizational effectiveness would be delivered through a competitive imperative to:

- Address structural cost issues
- Close capability gaps
- Enhance shareholder value
- Enable the bank to become a global “flow monster” to support business strategy.

A global initiative was developed and implemented to address these concerns as well as to deliver integrated systems front-to-back and IT architecture that is:

- Virtually instantaneous
- Scalable in architecture
- Service-oriented
- Golden sources of data

The project is part of the global set of initiatives and the results will enable the bank to process every trade faster, cheaper and better than the competition through the leverage of technology.

## Luxoft Leads the Way

When it came time to find the right partner to implement these aggressive objects, Luxoft emerged as the clear choice for this global investment firm. Timing could not have been more perfect, since Luxoft has just recently started offering TIBCO implementation and support services, with a specific focus on new Application Development. It was this solution that would prove most beneficial in this complicated situation.

TIBCO develops integration server software enabling enterprises to blend together packaged applications, custom software, and legacy systems for use across internal and external networks. TIBCO's patented approach is called Information Bus (TIB) and is used various industries including financial services, telecommunications, e-commerce, transportation, manufacturing, and energy.

We help TIBCO customers two ways:

- By providing a more efficient and viable alternative for current TIBCO customers who are dissatisfied with their current or previous service providers.
- By offering quick and reliable implementation, delivery, and support on TIBCO-related systems from the ground up.

Luxoft, in cooperation with the bank's specialists, designed, developed, tested, and supported the project, utilizing two particular TIBCO products:

- TIBCO ActiveMatrix BusinessWorks™.

This is a standards-based service creation, orchestration, and integration product built to run natively with other ActiveMatrix products. It enables to expose existing systems as services, build new services, and orchestrate and assemble services into more flexible applications with little or no coding.

- TIBCO Enterprise Message Service™.

This is a standards-based enterprise-messaging platform that brings together different IT assets and communications technologies on a common enterprise backbone to manage the real-time flow of information. It is the foundation of TIBCO's event-driven Service-Oriented Architecture (SOA) that is deployed by thousands of TIBCO customers worldwide.

The first phase of the project involved establishing the foundation for the processing of Flow products as well as defining the basis for the Threat Management Gateway (TMG) and Operations elements of the Front-to-Back operating model and processes across the rates business.

The first implementation was done with a small book of accounts since it had a relatively low volume of trades, approximately 5,000 trades. Once this was successful, the second implementation was done on the huge ones, encompassing over 150,000 trades.

The overall program foundation consisted of design and implementation of a revised Operating Model and its associated processes for Straight Through Processing (STP) including:

- Trade validation & capture
- STP workflow
- Non-economic trade amendment
- Rate resets
- Generation of real time confirmation
- Accounting
- Novation processing
- Batch Reporting

## Project summary

The combined project team developed a suite of services that are used to transform, enrich, validate and route more than 50 internal systems that participate in STP. The services receive trades from either internal or external sources, and then convert them into a standard format to consume. Downstream systems publish trade records, which in turn feed either the majority of systems directly or via the TPM using a unified format called (based on FPML).

## About Luxoft

Luxoft is a global software development partner and Eastern European leader. Companies trust our unparalleled technical proficiency, engineering excellence, deep domain expertise, and best-in-class practices to improve business effectiveness and maximize ROI. We add value to Technology Product Companies and IT-enabled enterprises by designing and delivering solutions for increased productivity, accelerated innovation, and optimized IT architecture. With our worldwide offshore infrastructure, extensive network of offices, and long-term investment in R&D, we offer superior service delivery and support across a wide array of industries.

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