

True SaaS in Capital Markets

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IT Services in today's market scenario

Much has been written about the current economic conditions and the repercussions that are impacting not only enterprises but even the individual consumer. Analysts and industry experts have spent much ink on the desired change in known methods of doing business and the need to adapt quickly to a new environment. All known scenarios and existing assumptions have fallen by the wayside, giving way to fast emerging, newer equations that match the current business conditions.

IT services has been one of the greatest victims of the current economic downturn. Both customers and vendors are struggling to create new engagement models that deliver tangible returns to the customer and are ROI-centric. In today's "post-bubble" environment the average CIO has already seen cut backs in staff sizes and capital budgets. Yet the demands from business executives have continued to increase as companies seek a more flexible and cost-effective IT organization to support their business plans. Compounding this challenge of doing more with less is the sheer magnitude of accumulated applications and technologies that have been deployed by enterprises over the last 20 years. As a result, there remains a robust opportunity for focused vendors to drive innovative technology into enterprises that will in turn drive efficiency in IT operations.

If we were to coin the *mantra* for success that is relevant in today's context, it would probably read: **Increase productivity at a reduced cost using next-gen technology**. However, this statement is effective only if backed up by effective metrics that deliver at least 20-30% more productivity than previously recorded figures.

Changing product architecture

Before we move further on this issue, let's take a step back and see how product architecture has evolved over the past few years. What used to be black-box closed models in past years are now completely open-ended framework based tool kits that can be configured for use depending on the customer's requirements. While this move has, over the years, found a lot of acceptance from customers, service providers and product vendors, customers and IT vendors have concluded that the full potential of this architecture can only be realized through a strong and robust operational frameworks and clearly documented business processes. Even mature organizations did not perceive clear ROI benefits from such implementations leaving room for doubt on the effectiveness of this architecture.

With the increased adoption of Service Oriented Architecture (SOA) and Software as a Service (SaaS) practices across the industry, product vendors have changed their approach to implementation. SaaS is more than just selling the product on a term or subscription as against on a perpetual license basis. It is about letting customers understand, use and ultimately gain value from the product. Product companies added a configuration layer around the framework that allowed customers to go in with a pre-configured solution that could later be tweaked to fit customer specifics. This was definitely the right move and has already resulted in effective implementations and quicker ROI.

Relevance of SaaS in Investment Banking

The pre-configured solution we have talked about is a significant trend noticed in almost all product vendors in the Investment Banking landscape. The needs common to IT managers of Investment Banking corporations are:

- Scalable trading platforms
- Connectivity to market protocols (FIX, FpML, SWIFT, DTCC, etc.)
- Integrated risk management and reporting
- Easily adaptable workflows

These need to be managed even in tight implementation time frames as markets change from day-to-day and the window to leverage those opportunities is quite small.

A pre-configured solution comes with certain mandatory standards. These include:

- Product definitions
- Market data definitions
- Interfaces to market data providers
- Workflows

These standards allow the customer to quickly implement a no-frills, production-ready, standardized solution. However there remain other issues unaddressed or not addressed adequately but still beg for attention.

The risks - The downside of going in for a shrink-wrapped solution is ending up with a “one-size-fits-all” implementation. Sometimes there are conflicting agendas at play with product companies interested in:

- Quick implementation
- Fast go-live milestone
- Speedy AMC (annual maintenance contract).

On the other hand, the IT manager needs a more “sticky” partner who can address the “known” as well as “implied” needs of the customer by providing additional peripheral services like:

- Data migration from legacy systems
- Position and cash flow loading
- Verification and reconciliation of migrated data
- Integration within the existing IT landscape (accounting, data warehouse, other front-end, back-end and risk systems, pricing analytics, etc.)
- Regulatory and MIS reporting
- Functional, regression and system testing of the product

- Health and performance dashboards for post go-live maintenance and support

The proof of the pudding

A true measure of the quality of IT Services company that delivers on the mantra – Increase Productivity at a reduced cost using next-gen technology is one who can provide real SaaS benefits. Many Investment Banks have recognized this aspect and are now partnering with IT services companies who bring in this additional benefit. For them, the ideal IT Services partner is one who comes with:

- Strong investment banking domain knowledge
- Strategic alliances with investment banking products
- Tools to address migration, integration and reporting
- Re-usable, functional and regression test repositories
- Strong production support capability with application knowledge

The Quinnox value proposition

Quinnox is heavily invested in the product partnership model to bring value to our customers and partners. By leveraging our in-house Technology Research Group's (TRG) expertise and skills, we have built an array of tools and assets around our partner products; through a joint implementation model with our partners, we bring in the right expertise to our customers.

Goals - We believe in being a true implementation partner and work as a bridge between the product company and the client to provide the "fit to purpose" perspective. This balances product orientation with client orientation and works at a strategic and operational level to achieve customer objectives.

Results so far - Our tools and service offerings deliver tangible ROI benefits to our customers and have been proven in live implementations with metrics that have been captured from actual customer projects. Quinnox's migration and testing services offer up to 60% re-usability benefits for the customer and also help product vendors to achieve their goal of optimum product utilization.

Quinnox also focuses on the area of integration which is a technical bugbear for most investment banking companies. Given the multitude of complex and niche applications that are in play at any given time, integration architecture needs to address both business and operational benefits and real-time as well as off-line interfaces. Quinnox has designed an extraction and reporting framework that handles various file formats that are commonly needed for integration between systems. This framework uses open-source technology and has in-built error handling and verification capabilities. It provides the customer with an easy integration option that cuts costs and boosts productivity.

Quinnox continues to successfully use these tools and services to deliver mission critical, multi-country roll-outs of cross asset, front-to-back product implementations. By making the services easily available and delivering clear value to our partners and customers, we believe that we provide true SaaS for our Investment Banking customers.

Read more

More details of our tools, services and customer case studies can be found on our corporate website - www.quinnox.com.

About Quinnox

Quinnox is an IT services and solutions provider headquartered in the US, with offices in UK, Japan, Germany and India. We also have four state-of-the-art development centers in India that leverage a cost-effective delivery mechanism and a wide talent pool catering to a client base consisting of Fortune 500 companies.

Quinnox offers the full spectrum of IT lifecycle solutions, right from development to support services, including packaged implementations and product development services. We are a technology-focused company, with a wide experience in select industries – Banking and Financial Services, Retail and Manufacturing.

QUINNOX FACTFILE

- Headquartered in Naperville, Illinois in US
- Over 1000+ employees globally
- ISO 9001:2000 certified
- Preferred IT solutions partner for several Fortune 500 companies

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