

EXIGEN[®] SERVICES: CASE STUDY

INVESTMENT BANK –
DIVIDEND PROCESSING
SYSTEM TRANSFORMATION



ABOUT CUSTOMER

Our customer is a large global investment bank institution with corporate offices in Europe and America.

PROJECT BACKGROUND

Since May 2007 Exigen has delivered 9 projects, and currently working on 3 more. In focus of this case study is a bank asset management division that provides back-office securities trading services for clients across the globe.

BUSINESS CHALLENGE

In order to cut operational costs and reduce risks the customer IT-department makes serious effort to automate existing workflow and implement SOA-based straight-through processing. At the same time no dedicated “SOA project” was started. Instead the main focus was set on delivering fine-grained projects aimed to shorten ROI. This way they are implicitly moving towards SOA, delivering an increasing number of services supporting high level integration of systems and business-processes.

The customer was looking for an outsourcing partner that could rapidly and reliably implement changes in existing applications as well as developing new services aligned with the target architecture vision. An important concern was a minimization of business unit experts involvement time, as well as taking over the burden of detailed requirements management from the key IT specialists.

PROJECT CHALLENGES

The system is intended to enrich information on current trades and positions in response to more than 200 types of events occurring at securities market and obtained from Fidelity and other third-party services. It utilizes set of complex business rules to support effective operations on customer’s positions.

The system has been developed previously by another vendor that serviced it 3 years and was able to deliver releases only once per year since this provider ran his projects using Workflow methodology and also did not have any test environment set up, so all tests were run on the user acceptance testing environment provided by the customer. Moreover, the application needs to be transformed to expose its core services to be reused in the context of the entire asset management business domain.



DELIVERED SOLUTION

The project team of 10 software engineers took over the code and started application transformation with additional focus on enrichment of documentation, unit-tests, and automated functional tests. In order to improve time-to-market, it was necessary to replicate test environment at Exigen Services side. Apart from enormous number of associated systems, the major challenge was multi-terabyte Oracle databases, which contains classified information. The team has successfully setup database emulation utilizing JAMon in just 2 months period.

Using Agile process as a basis the team has established effective communication with the bank's specialists for whom this became a new beneficial experience. Additional positive factor was dedicated business-analyst possessing deep domain knowledge within the development team. All of these efforts have enabled release speed up to 4 times per year.

The development team has integrated both dividend processing and dividend payment application, thus, introducing optimized operational workflows for dividend payment, driven by the events, generated by the corresponding subject services. The system has been improved allowing operational staff working on corporate action events to request automatic generation of entitled and manufactured positions, instead of creating them manually using several systems.

Based on the built target SOA-architecture the silo systems are divided into separate services on the bottom side, while top side business processes are modeled in BPM suite. This should in particular allow automatic notification of customers about key events and obtaining their responses with selected option, as well as automatically correct client's positions. On top of that, the system supports additional business-service for securities trading optimization in order to reduce client's costs. Target BPM solution should go across over 15 legacy systems.

IMPACT ON BUSINESS

The first release of the integrated dividend processing went into production in April 2008, and has reached the following major goals:

- ▶ Risk and loss reduction through improvements in timeliness and accuracy of entitled positions: from 70% to 92% paid on time. Potential savings of over €1M per year have been identified.
- ▶ Capacity increase in Operations through reassignment of staff previously focused on manual creation of entitled positions

As was appreciated by our client, "this was a major deliverable with significant business benefits and an important step on the road to migrating of dividend processing from old system into the strategic platform".

PROJECT OUTLINE

Technologies and approaches used: Java, WebLogic, Oracle, SOA, EDA, JAMon, TIBCO iProcess™ Suite

Development team: 10

Process: Scrum for SOA; business-analyst in offshore development team



ABOUT EXIGEN® SERVICES

Exigen Services is the leading application outsourcing services provider, and combines world class skills, recognized expertise in development methodologies, and industry experience to reduce risks, lower costs and deliver results. Exigen Services has pioneered a new approach to global application outsourcing, Outsourcing 2.0 that includes commercial terms that optimize financial alignment between client and vendor. As a result, Exigen Services makes IT outsourcing a much easier and more beneficial undertaking for global enterprises.

Since 2000, Exigen Services has been the global leader in the use of distributed Agile methods for rapid and precise systems development throughout the banking/ insurance/ brokerage, healthcare, telecommunications, government and media industries. Exigen Services has achieved high honors in a variety of independent lists and rankings, including *Brown & Wilson Black Book of Outsourcing* in 2008, *Global Services 100* in 2009, *Inc Magazine's 2008 Inc5000* and is a top 10 provider of both outsourced product development and human capital development.

Clients range from mid-sized growth companies to Fortune 500 organizations including Sun Microsystems, CSC, Universal Music Group, Standard & Poor's, T-Mobile, Westpac Bank and many others. Exigen Services is a registered trademark of Exigen Services, Ltd.

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