

Misys Summit ASP

Banca Akros



Searching for the smartest route to modernising its interest-rate derivatives and FX trading operations, Milan-based Banca Akros chooses an ASP hosted solution from Misys.

Banca Akros Banking on ASP

The investment-banking arm of Banca Popolare di Milano Group, Banca Akros has, like many other sell-side financial institutions, seen its software infrastructure evolve organically, over a number of years, from a collection of narrow-focus applications to a complex mixture of in-house applications, third-party vendor packages and complex Excel spreadsheets.

As a consequence, the bank's systems environment had, over time, become increasingly difficult to maintain and hampered the ability of front-office traders to work with complex instruments. Ultimately, a point was reached when it was agreed that a more modern and integrated approach to supporting the bank's business operations was required.

The business challenge

With the need for a modern and strategic solution clearly established, the bank's management team moved quickly to research possible solutions. The ideal replacement system would include integrated business features to manage more complex and higher margin financial instruments, be relatively future-proof and offer high availability, low transaction costs, and fast implementation.

Banca Akros ruled out using its in-house resource to develop a bespoke solution due to the time and resource demands this would place upon the bank and instead chose to investigate the answers available from specialist vendors. The first problem they identified in taking this route, was that any traditional in-house system capable of covering multiple asset classes, front to back, was too expensive and in particular the continued running costs and commitment to internal resources for on-going system maintenance.

Discovering the ASP route

An alternative route to following the costly in-house solution path was suggested by Misys. They offer smaller banks, hedge funds and corporate clients a web-hosted version of Misys Summit, its treasury and capital market solution. This approach appealed to the Banca Akros as it offered a reputable and robust solution combined with broad coverage, low start-up costs and fast implementation. As a result, Banca Akros were eager to see if Misys Summit could deliver an equal level of sophistication through an ASP portal.

Paolo Galli, Quantitative Analyst and Project Manager at Banca Akros describes the challenge: "We needed superior trading support for a wide range of OTC interest-rate derivatives, plus the ability to trade exotic and structured instruments. After comparative tests, Misys Summit held an edge in this regard."

The Banca Akros team quickly recognised that the basic difference between the in-house installed software and the ASP version was a matter of transaction volume. This is because Misys Summit offers the same functionality that is employed in its traditional system implementations in Tier 1 to 3 banks.

Choosing an ASP solution would relieve the bank of costly in-house software installation and by leaving day-to-day support issues with the vendor, the bank could avoid the overhead costs of expensive IT resources.

Key benefits

A key benefit to the bank lay with the start-up savings that could be achieved through using Misys Summit. Choosing an ASP solution would relieve the bank of costly in-house software installation and by leaving day-to-day support issues with the vendor, the bank could avoid the overhead costs of expensive IT resources such as DBAs and the presence of experienced application developers.

A further benefit of choosing an ASP solution is that a remotely managed service offers additional benefits, such as dedicated hardware and software at the host site, 24x7 monitoring and support, periodic upgrades, on-site user training, rapid implementation, on-call business consulting expertise and of course a help desk.

One of the bank's principal concerns surrounded reliability. Their transaction volume may not be as high as Tier One banks but Banca Akros still require a mission critical system that offers full security. Could they depend upon an ASP solution to keep their business up and running?

A convincing case had to be made that the hosting facility partner in Europe, Easynet, could provide better, more rigorous security and system availability than virtually any internal IT support group.

In addition to hardware redundancies that are standard in carrier-class providers, Easynet's host facilities also offer advanced fire monitoring and suppression systems, biometric-based site access controls, and long-duration backup electrical generators. Banca Akros is further served by Easynet personnel in eight countries worldwide and alert systems that continuously

examine the health of all hardware and network. Product and technical experts from Misys provide additional support to Banca Akros and are geared to monitoring the performance of all hosted Misys Summit software, instantly taking any remedial actions if needed.

Banca Akros and Misys worked closely on the development of a comprehensive service level agreement (SLA). The document ensures that the ASP hosted service clearly satisfies the needs of the Bank, clearly specifying terms of system availability, performance, vendor assistance, and avenues of problem resolution; exactly what any bank would expect from an internal IT group.

The smart decision

After agreeing on an SLA that would best suit their needs, Banca Akros committed to an implementation of Misys Summit Transact ASP for its OTC interest-rate derivatives trading, market making and risk management activities. In a matter of a few short months the bank was up and running in production. Twelve months later, entirely satisfied with their experience of Misys Summit Transact ASP and with it, a record of successful, reliable and profitable operations, Banca Akros broadened their partnership with Misys, by adding support for FX cash and FX option trading, plus associated market making and risk management capabilities.

Banca Akros now has two FX desks for which Misys Summit provides FX spot, forward, swap, option (plain vanilla and exotic), and FX futures trading. Front-office traders benefit from real-time position management and real-time position hedging with interest-rate products such as deposits, FRAs, interest-rate swaps, and interest-rate futures. Real-time data connections include EBS and D3000 dealing systems. The system also provides Excel users the ability to directly access and employ sophisticated Misys Summit functions and calculation services within their spreadsheets.

Paolo Tradati, head of the FX option desk, comments: "Besides overall performance and ease of use, Summit's ability to comprehensively manage complex structured products that combine interest rate and Forex assets is proving invaluable for our trading activities. We made a smart decision when we chose Misys Summit ASP."

About Misys

Misys offers customers a global perspective and an unparalleled knowledge of the banking industry that extends far beyond the practical aspects of software.



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