



Project Profile: Straight Through Processing (STP)

Business Situation

As part of the installation of a new front office infrastructure, the client, a global securities and investment firm, installed and integrated an off-the-shelf order management and order routing system (OMS/ORS). The objective of the new infrastructure was to implement an end-to-end straight-through process (STP). The processing chain comprised the initial order capture, the front and middle office processing and the delivery to ADP to accommodate several thousand client accounts with hundreds of millions of shares traded daily. The project scope extended to offices of the client in numerous foreign countries.

The Role of Masfin Consulting

Masfin Consulting carried out all aspects of the analysis, design and implementation of the new processing infrastructure backbone for the application and database components. Within a time frame of four months, the project went live.

The integration was achieved through the following steps:

- ❑ Analysis of front office system, middle office database, ADP and clearing house requirements
- ❑ Design of the physical architecture
- ❑ Implementation of an integrated end-to-end process encompassing the off-the-shelf OMS/ORS, a middle office database, ADP and a clearing house
- ❑ Scaling up of all software components involved
- ❑ Implementation of simple but effective system management measures



Benefits of the solution

- ❑ The client's reputation in the market as a reliable and flexible trading partner has improved
- ❑ Applicable executions are bundled into single trades, saving thousands of dollars a day in processing cost with ADP and the clearing house.
- ❑ The client's volume has doubled, and yet, the workload for middle office and back office staff is still considerably lower than with the old process characterized by continuous scrambling and playing catch-up.
- ❑ Tens of thousands of orders, executions and allocations have been processed from the OMS/ORS to ADP and the clearing house without human intervention.
- ❑ Calculations for commissions, security fees, various local taxes, broker fees, sales credits, etc. have been automated. Middle office staff merely maintains calculation and rules tables and monitors orders for which information is missing.
- ❑ The system architecture is highly scalable to allow for growth by an order magnitude without the need for re-engineering.

Products used

C++, Visual Basic, COM+, Oracle, MTS