



Boerse Stuttgart streamlines financial data management with IBM

Overview

Business challenge

To manage and control its central trading process, Boerse Stuttgart's legacy solution landscape required the implementation of a central platform for reporting and analysis.

Solution

IBM® Global Business Services® developed and integrated a comprehensive solution for efficient financial data management, based on proven and tested standard components.

Founded in 1860, Boerse Stuttgart now employs 300 people and is Europe's leading stock exchange organisation for private investors. With an average share of about 31 percent of the German market (March 2011), the company is Germany's second largest trading centre. In 2009, its overall turnover reached €105 billion, exceeding last year's result by about 23 percent.

With more than 684,000 listed securities, the exchange has achieved an average daily trading volume of about €503 million since the beginning of 2011 (March 2011).

Meeting new requirements

As a publicly supervised stock exchange, Boerse Stuttgart AG is subject to numerous legal requirements. Compliance with regulations requires complete traceable documentation of all business processes. As a result of strong organic growth and several recent acquisitions, the company was using a variety of solutions whose data could not be easily analysed without a high level of manual effort. In particular, it was very difficult to perform ad-hoc-analyses based on current business data to support the market control department in making strategic and operational decisions.

Persistent business growth also meant that the data volumes that needed to be processed daily were perpetually increasing. Moreover, new internal and external requirements for reporting and analysis were evolving, and it was becoming difficult to fulfil these requirements cost-effectively with the available methods and tools.

A future-proof financial data management

In spring 2008, Boerse Stuttgart carried out an internal study about the possibilities for the creation of a central data platform for comprehensive reporting and analysis. Several vendors participated in the subsequent invitation to tender (ITT), and these vendors were whittled down to a shortlist of two: a local supplier who offered a tailor-made individual solution, and IBM Global Business Services (GBS) which presented a persuasive concept based on the adaptation of a standard solution.



Business Benefits

- Provides new insights through optimised business analytics capabilities.
 - Increases flexibility and precision of reporting and analysis.
 - Saves time and considerably reduces manual effort.
 - Simplifies compliance with legal requirements.
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IBM GBS had already been advising Boerse Stuttgart on business processes and technology as a competent and independent IT partner for a long time. Some years ago, IBM specialists developed the real-time trading application for Boerse Stuttgart that is currently in use. The IBM GBS team advised that its standard solution for financial institutions (IBM Financial Markets Data Management, a data warehouse offering built on IBM InfoSphere® Information Server and the company-wide reporting and analysis solution IBM Cognos® Business Intelligence) could fulfil all the requirements for the desired solution.

On account of the more comprehensive package and because of Boerse Stuttgart's strategic decision to focus on standard solutions that can easily be developed to profit from future innovations, the company decided in July 2008 to mandate IBM Global Business Services with the concept, modelling, design and realisation of the new solution.

Smooth realisation – from initial concept to user training

The IBM team, consisting of specialists from IBM Software Group, IBM Cognos and IBM Global Business Services, developed and implemented the complete project from the initial concept through to putting the solution into production, including user training. During the realisation phase, the IBM team performed an intensive know-how transfer to the Boerse Stuttgart IT department and functional department employees. This created a data warehouse centre of competence which made the exchange largely independent from additional support. The IBM team also provided user support in the start-up phase and during the system environment's on-site implementation.

“With this project, IBM has once again proven its ability to smoothly integrate IBM software components like Cognos Business Intelligence, IBM Information Server and IBM Metadata Workbench with a third party database – in this case Microsoft SQL Server,” explains Oliver Keinath, Senior Managing Consultant Financial Markets at IBM GBS.

Once the implementation was completed in July 2009, a three-month stabilisation phase began. During the course of this phase, other validations and individual customer adaptations were carried out. Since October 2009, the solution has been running smoothly. With the new comprehensive reporting and analysis capabilities, the market control department of Boerse Stuttgart is now broadly self-sufficient and able to generate specific reports and evaluations as required with minimal support from internal or external IT resources.

Better control for bond transaction management

The basis of the new solution is a data warehouse built on IBM Information Server, which acts as the central platform for analysis, statistics and reporting for most different user groups. The main data supplier is Boerse Stuttgart's trading system, which provides all information about orders, trade documentation, customers,

Solution Components

Software

- IBM® InfoSphere® Information Server
- IBM InfoSphere Metadata Workbench
- IBM InfoSphere DataStage®
- IBM WebSphere® MQ
- IBM Cognos® Business Intelligence
- IBM Financial Markets Data Management

Services

- IBM Global Business Services®

“We will not exhaust the potential of our new Business Analytics solution for a long time yet. Further know-how improvement will be necessary to completely exploit the huge possibilities the data model and solution architecture can offer us. But for now, we are very well-positioned. And with IBM Global Business Services we have a long-standing and competent partner who can stand beside us to help meet future requirements.”

— Sven Becker, Managing Director Software & Technology, Boerse Stuttgart AG, 1/22/2010

turnover, prices, dates and so on in a Microsoft SQL database. Further information is integrated into the system from connected financial institutions via the trading application's bank interface, from Excel tables, and from news services like Reuters or Bloomberg.

All important data is of high quality, redundancy-free and available in near-real time.

The departmental users – from the office users up to the management level – access the new solution via a web interface or a special PC client. The solution facilitates efficient and comprehensive evaluations and analyses in all essential performance areas on a trusted data basis.

The IBM Orderbook Player function displays all data necessary for a quick customer overview within a single mouse-click: order state and process stages, expiry dates and previous actions. With the Orderbook Player, the buy and sell events on the trading floor can be supervised and analysed in near-real time. Dashboards enable optimised control of the business processes and automated report production. Data quality is significantly increased, while costs are reduced.

Turnover and market share can be displayed and analysed per issuer along different dimensions, including customers, customer groups, investment products, periods and many others. For the preparation of more individual analyses in Microsoft Excel, the employees also use the intuitive export functions of IBM Cognos Business Intelligence. It is now easy to analyse the progress of the order process, with exact time-stamps of the sub-steps, to gain new insights into the processes. The available data is also helpful for answering subsequent customer inquiries about pricing, for example, and for the preparation of the protocols and reports required by the supervisory authorities.

Centralised metadata management allows efficient analysis of data origin and data use at any time. Moreover, the chosen modelling approach makes future extensions of the data model easier.

Constant process control and new insight

With this new comprehensive solution for a user-friendly financial data management, Boerse Stuttgart is now able to provide detailed information at any time. The enormous manual effort required to consolidate data from different sources and prepare reports and analyses is now a thing of the past. Data quality has also been considerably increased, and the new analyses deliver deep insights into the determinants of the core business. As a result, ‘weak spots’ in business processes can be tracked down more easily, and removed with lasting effect. The automated distribution of special reports allows a better supply of information to the different user groups. Also the statutory provisions for reporting systems and business process documentation can now be fulfilled at the touch of a button. Finally, thanks to the use of standardised solution components, the company will be able to profit from technical enhancements in the future.

About IBM Business Analytics

IBM Business Analytics software delivers actionable insights decision-makers need to achieve better business performance. IBM offers a comprehensive, unified portfolio of business intelligence, predictive and advanced analytics, financial performance and strategy management, governance, risk and compliance and analytic applications.

With IBM software, companies can spot trends, patterns and anomalies, compare “what if” scenarios, predict potential threats and opportunities, identify and manage key business risks and plan, budget and forecast resources. With these deep analytic capabilities our customers around the world can better understand, anticipate and shape business outcomes.

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