

Bespoke trading and risk system developed for Elgin

When Elgin Capital wanted to strengthen the operational capability of their European Corporate Credit Fund, RiskCare designed them a customised system.

Background

Following the launch of their European Corporate Credit Fund, Elgin Capital wanted to strengthen its operational capability through improved analysis and increased automation.

After a discussion with RiskCare, Elgin began to consider building a system from scratch as a commercially viable option rather than adopting alternative, off-the-shelf software products or other larger management and banking systems. They felt that a bespoke system could create additional benefits by matching a system to their unique approach to trading, risk and financial control.

Brief

The basis for eliminating systems-related operational risk was to create a single front-end for all of Elgin's trading needs - trade execution, P&L reporting, risk reporting and communications with fund administration and prime brokers. By automating connectivity to brokers and administrators, the business would be less dependent upon these third parties, which could prove mission critical in the future.

The faster identification of trade entry errors would result in less operational exposure and a streamlined end-of-day reporting would result in a more timely P&L.

The system was intended to significantly reduce the manual workload allowing the business to grow without an increase in operational headcount.

What we did

- Designed a robust, secure trading and risk system specifically matched to the complexity of the business
- Integrated the system with external systems and delivered an easy to use, web-based trader front-end.
- Re-engineered internal applications and processes to reduce manual workflows, providing a platform for future business growth.

“Building a bespoke system offered considerable advantages both operationally and analytically, but came with considerable risk. RiskCare's people and reputation were of key importance”

Mike Clancy
Founding partner and CEO, Elgin Capital

“RiskCare quickly demonstrated an aptitude for our business, and provided a project framework that we readily adopted. The more we considered a bespoke software build, the more we felt that this was the right strategic move.”

Nick Reed,
COO, Elgin Capital

Project

After a study of the business requirements, RiskCare recommended a technology architecture based on Microsoft's .NET framework, an emerging technology that readily integrated with Elgin's existing network infrastructure. The approach was to use simple technologies but to use them well, allowing Elgin to extend the system in the future without further programming.

Using a small team of highly experienced software developers to cover the full range of technologies significantly reduced the risk of the project over-running, a particular consideration in systems involving a range of libraries and communications protocols and middleware.

Within two months, the first cut of the application for trade capture was delivered, generating useful feedback from the traders early on in the project. Working closely with the intended end-users also allowed RiskCare to identify further opportunities for automation that were tailored to the fund's workflow.

The system now at the heart of Elgin's day-to-day operations supports a comprehensive but standard range of credit products. As a bespoke system, it encapsulates their own trading philosophy and enhances their competitive edge. It helps them achieve their goal of managing several products in an extremely efficient but flexible manner in a system that will grow with their business.

Technologies

- Microsoft .NET 3-tier system architecture with a web browser front end provided easy deployment of the system and allowed easy connectivity to external systems
- System developed in Microsoft C#, talking in real time to Bloomberg using the client's C-level API.
- Third party library integrated to ensure industry standardised pricing and risk management calculation - along with other analytical libraries, databases and internal components as well as using FTP and email protocols.

RiskCare view

The design of a bespoke solution ensured the new system could grow with Elgin's business. The system was built off-site and trust and communication were important to keep the project on-track.

RiskCare's consultants help investment and asset management organisations get more from their technology.

Talk to us and take a fresh approach to your next technology project.
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