Hedge Fund Administration Provider Increases Efficiency

Automated scheduling helps HedgeServ address demands of growth and change

EXECUTIVE SUMMARY

Customer Name: HEDGESERV
Industry: Hedge Fund Administrator
Location: New York City, Dublin, Grand Cayman
Number of Employees: 200+ globally

CHALLENGE

- Scaling smoothly to support business development
- Reducing time spent on administration and increasing business supporting activities

SOLUTION

- Deploy Cisco Tidal Enterprise Scheduler
- Use Cisco solutions for VPNs, firewalls, and advanced routing

RESULTS

- Supports scaling of solutions to meet business demands
- Reduces upgrade time for client application environment
- Helps IT staff gain time to work on projects that drive business value

Challenge

HedgeServ is a provider of administration solutions to hedge funds and related financial enterprises. HedgeServ supports all structures, strategies, and domiciles of hedge funds, funds of hedge funds, managed account platforms, private equity funds, and endowment investment platforms from offices in New York City, Dublin, and Grand Cayman. HedgeServ employs more than 200 professionals globally.

The company is consistently cited for its excellence in service and for its transparent technology platform that breaks the cycle of costly data duplication while strengthening controls and giving clients real-time access to their data.

An example of a vital service handled by HedgeServ is the management of clients' post-trade processes. After a trade has been executed, many processes are triggered, such as confirming the trade, passing messages back and forth between HedgeServ, its clients and other counterparties, recording daily net asset value, and preparing investor statements. This complex service and others have to be delivered consistently and accurately.

A major factor in the company's success is its innovative and often unique uses of technology to meet its client needs and serve the business. As Jim Kimball, HedgeServ's CTO, says, "We've developed custom solutions that give us an unmatched competitive advantage. We've integrated proprietary technology with Front Arena from SunGard, which we've leveraged to provide a robust set of accounting and trade operations services."

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The nature of the industry requires HedgeServ technologies to be reliable and precise. Therefore, it is imperative that none of its technologies or services are compromised even as the data centers are rapidly evolving and scaling to cover new demand. HedgeServ's technology team has to be resourceful in order to meet that imperative while containing costs - this applies to both the IT infrastructure as well as the custom applications that serve clients.

The company houses four data centers with 70 IT staff members. HedgServ's IT environment includes Microsoft Windows and SQL Server. Citrix technologies are used to deliver services, and VMware to help scale operations across installed hardware. Cisco technology is used extensively for virtual private networks (VPNs), core network infrastructure, voice communications, and most recently for enterprise job scheduling and automation.

HedgeServ's custom applications deliver a decentralized implementation for clients. A combination of dedicated and shared servers and software are used to deliver Fund Administration services to HedgeServ's clients. In HedgeServ's model, each client's data is stored within a dedicated database that enables better information management and data security.

"One challenge we had with our implementation was figuring out the best way to scale automation in the production environment," says Kimball. "We were using the native scheduler in Windows. But we needed a full-featured enterprise scheduler that would be easy to maintain, of high quality with strong support, and would allow for easy recovery when issues occur. We knew that the strategic use of a true enterprise scheduler could allow us to optimize our deployments to meet our business expansion. That made the search for an enterprise scheduler a critical task.".

Solution

HedgeServ IT assessed potential solutions based on criteria such as architecture, ease of deployment, flexibility, and ease of use. Excellent support was also an important requirement, because HedgeServ operates 24 hours a day. Finally, HedgServ wanted a vendor with whom it could truly partner. After careful consideration, the team decided on Cisco Tidal Enterprise Scheduler.

HedgeServ took Cisco Tidal Enterprise Scheduler to the heart of its business by using it to automate how it deploys its primary application software. "One unique way we decided to work with Cisco Tidal Enterprise Scheduler was to use it as a deployment tool for our custom application software," says Kimball. "Using it this way helps make deployment more efficient."

The HedgeServ application software Kimball is referring to is a portfolio management system that delivers real-time P&L to HedgeServ's customers. The software features an integrated set of operational tools and a built-in general ledger based on a message bus and the SQL Server relational database. Client applications are delivered to end users via Citrix technology.

Implementing an instance of a HedgServ application requires multiple clustered application servers, as well as several Citrix servers, depending on the size of the environment. Larger HedgeServ clients, with a greater number of end users, require more Citrix servers. The company's application services include client-side software run by end users as well as many server components. HedgeServ uses Cisco Tidal Enterprise Scheduler to deploy software across the server side, database, and Citrix servers that deliver the user interface.

"Cisco Tidal Enterprise Scheduler helps us deploy our software through an automated, operational process that occurs at a regular, monthly interval after end-of-day processes are complete," says Kimball. The Cisco Tidal scheduler gives us the capability to define and create dependencies between the steps in an automation process that we create. This lets us manage the deployment process at a granular level so that if a problem occurred during a deployment, we could rapidly resolve that problem and continue the deployment without having to start over, or intervene manually on specific servers."

Kimball offers the example of a user experiencing locked files during a deployment process. With the scheduler, HedgServ can halt the process at any step of its execution, request that the user log off, and then resume the

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process to a successful conclusion. Other deployment options would have required the staff to restart the entire process from the beginning, because deployment solutions frequently package the deployment into a single, monolithic file with automation scripts that control the process. Moreover, depending on the complexity of the automation, with other solutions the IT staff might have had to finish the deployment manually.

The ability to define and create dependencies is important to HedgeServ. This functionality meshes well with the company's decentralized model and enables it to closely and flexibly manage the performance of individual databases and other parts of the system. For example, if a client has a comparatively high activity, HedgeServ can allocate more resources to the client. Every client has its own environment, and Cisco Tidal Enterprise Scheduler helps HedgeServ to distribute and deploy its software through a consistent methodology that can run in parallel across all environments.

Business Results

Before HedgServ adopted Cisco Tidal Enterprise Scheduler, it took two people - a systems administrator and a database administrator - between 90 and 120 minutes to upgrade a customer environment and each upgrade had to be done independently. Today, the time required for the process to execute automatically is between 12 and 20 minutes, and multiple deployments can be run in parallel.

"We use the product in another, more unusual way," says Kimball. "We use it to automate the creation of jobs themselves. We've built a tool we call the Tidal Job Creator that uses the Tidal APIs and command-line interfaces to create and schedule jobs in a completely automated way. It reads a configuration file we've created that contains everything necessary to define all the steps in the job that are required for a deployment including all dependencies. Before Tidal, this was all manual and required a significant amount of custom scripting."

He adds: "This frees up time that we then spend on activities to support revenue generation such as setting up new customer environments, enhancing our applications, and improving the engineering required to scale up operations. This shift supports our scaling objectives and helps us control costs."

HedgeServ also uses other Cisco products for its virtualized wide area network (WAN) that connects customer sites and data centers with HedgeServ's production sites and disaster recovery center. The mix of Cisco products used includes VPNs, firewalls, and advanced routing technologies, generic routing encapsulation (GRE) tunnels.

> "Enterprise Scheduler supports our goal of using automation to improve scalability and efficiency, which allows us to focus resources on growing our business."
> **—Jim Kimball, CTO, HedgeServ**

Next Steps

HedgeServ plans to extend its use of the scheduler to automate more standard activities such as running daily and end-of-day processes, conducting price downloads from market data providers, producing batch reports, and sharing data exports throughout the day with customers.

For More Information

To find out more about the Cisco Tidal Enterprise Scheduler, visit: http://www.cisco.com

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