

System Selection Process

The System Selection Process has at times been overlooked in the financial sector, even though it is one of the building blocks for achieving greater success.

This White Paper outlines what companies can do to establish a sound system selection process.

Why System Selection is important

The investment in a new technology is one of the biggest decisions a company can make.

As one of the building blocks of a company's success or failure it is a critical to get a technology that will meet the demands of its end users with the right combination of user friendliness and functionalities.

A solid platform will enhance the company's business opportunities and ensure efficiency, productivity and streamlined processing all resulting in greater gains which will be far exceeding the initial costs and maintenance cost of the technology.

New technology that is solid, structured and easy to use will also decrease manual workarounds which are prone to operational risks. Automated processes will optimise the time efficiency for activities that are adding value to the company thus enabling it to take the next step on its way to success.

Why is System Selection overlooked?

The choice of technology is critical and absolutely necessary to get right, yet the System Selection process is not thoroughly reviewed and quite often overlooked.

This shows poor judgement considering that the investment in value of money, time and people will be amongst the biggest a company ever will make, only rivalled by a merger.

A person would never go ahead and buy a house on a whim without making the proper research, yet a company may not pay attention nor give the necessary time to do the research to find the best technology suited to its needs.

The reason to why companies do not want to invest time and effort into the System Selection process is that it can be a long winded and tiring experience as there is a multitude of vendors in the market place, all trying to make business with you. In such a setting it is incremental to have a clear plan and specified requirements enabling you to get the information you need from the vendors.

The emphasis on System Selection

The System Selection process is crucial and the benefits of a structured and viable process are obvious, i.e. you as a client get the system that best suits you, you will cut down on the time-wasting and the frustration that otherwise is epitomised by purchasing a new system.

A company can of course move forward with a technology purchase based on recommendations and previous experiences which are both valid parameters for the rationale of the purchasing decision. However these should not be the core parameters as it will prevent the client to actually focus on the specific needs of its business. In addition, these can result in a bad buy of a technology that will only be costly and ignite frustration and wasted efforts amongst its employees.

It is these consequences a company want to avoid. Subsequently, System Selection has come into a new light. As a perfected guidance tool it will enable companies to make the right decision and thus ensure maximum efficiency in their business ventures. Thus, System Selection is here to stay.

The basis for a successful System Selection

As established, the System Selection process is important, but what are its building blocks?

Key things to get right in the initial stage are the following:

- What do you as a business want to achieve with the new technology? Is it supposed to support the existing business methodology or to enhance it and take it to the next level?
- Will it provide you as a client with the types of investments you want to pursue as well as keeping costs and processing to a minimum?
- What is the long term aim with the new technology? Should it last for the long haul, thus having the flexibility of upgrades and customisation to ensure that the company is ready for future investments as well as regulations?
- How much of the new technology should be kept in-house and how much can be outsourced to lower the costs?

All of these are questions that the client needs to know the answers to as they will form the foundation of the System Selection process and thus act as the guiding light in the company's dealing with various providers and vendors. Having a clear strategy and plan of what needs to be achieved will ensure that the company is ready and well informed. Thus enabling them to request specific information from vendors that is tailor made for the client.

Moving forward in the process

Once knowing the requirements it is a matter for the company to decide whether it wants to pursue a technology that is customised to its requirements or one that is fairly generic but still would deliver.

By having a customised solution the company will gain a specific design that is being applied for its requirements, thus incorporating processes and structures that cannot be found elsewhere. In addition it offers flexibility to future modifications as requirements and businesses are ever changing.

On the other hand, utilising an existing solution with minor customisation offers the company a safe option, as maintenance and upgrades will be carried out on a routine basis by the vendor. In addition, it is a comfort knowing that your solution is as per the market standard and thus along the lines of your competitors. It will also enable the company to focus on its core business and thus not having to be involved with the IT side.

The vendor relationship

Investing in a new technology is much more than the actual technology, it is also a matter of starting a relationship with a vendor. As a client the main priority is to get the right technology but it is also important to know if a vendor offers the long term ability for future implementation and support. Thus a client needs to know what the willingness and ability of the vendor for investments in new enhancements and functionalities to stand out in the tough competition.

A vendor that comes across as solid, having a great reputation and is willing to invest time and effort to build up a great partnership with the client is great added value to the investment in the new technology. The vendor will understand the important areas of your business and thus provide you with excellent service and support which will help your business to excel.

Where Axxsys fit into the picture

The System Selection requires knowledge and experience of the market place and its vendors. It also requires someone to have time, knowledge and an understanding of what is important to you and your business. This is where Axxsys Consulting fits into the bigger picture. Axxsys Consulting has extensive knowledge of new technology and vendors. With ten years of experience and dealings with the biggest financial institutions on a global scale we know what it takes to deliver a successful System Selection that will enhance and take your company to the next level. Besides our knowledge and experience we have a structure and formalisation of the entire System Selection process which will provide the client with a clear, concise and straightforward overview which will result in the client making an informed decision.

Axxsys System Selection Process

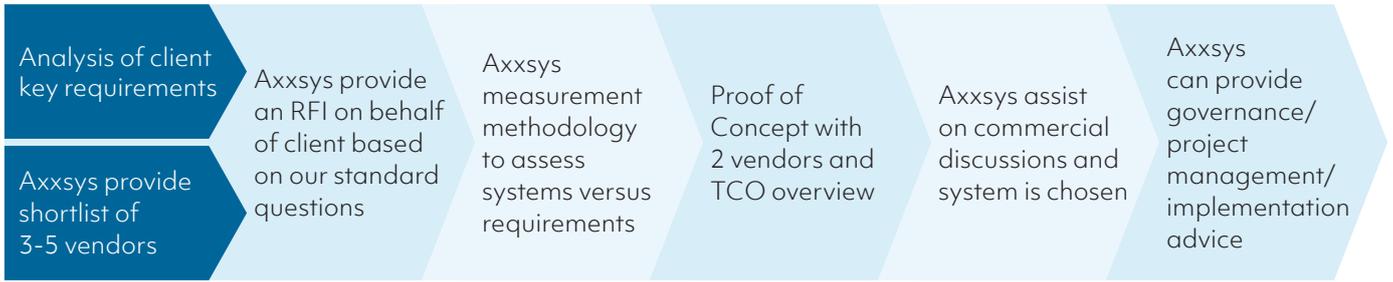
Axxsys Consulting has a clear and structured System Selection process which is in the forefront in the market.

We analyse the key client requirements and utilise our knowledge to narrow down the list of possible vendors, usually in a shortlist of 3-5 vendors. Thereafter we move forward and produce the RFI (Request For Information) on behalf of the client.

Once the answers from the RFI has been collated we apply our measurement methodology (benchmark comparison) where we assess the 5-10 most drivers for the client, score these for each vendor against the benchmark. This qualitative assessment makes this decision clear and transparent.

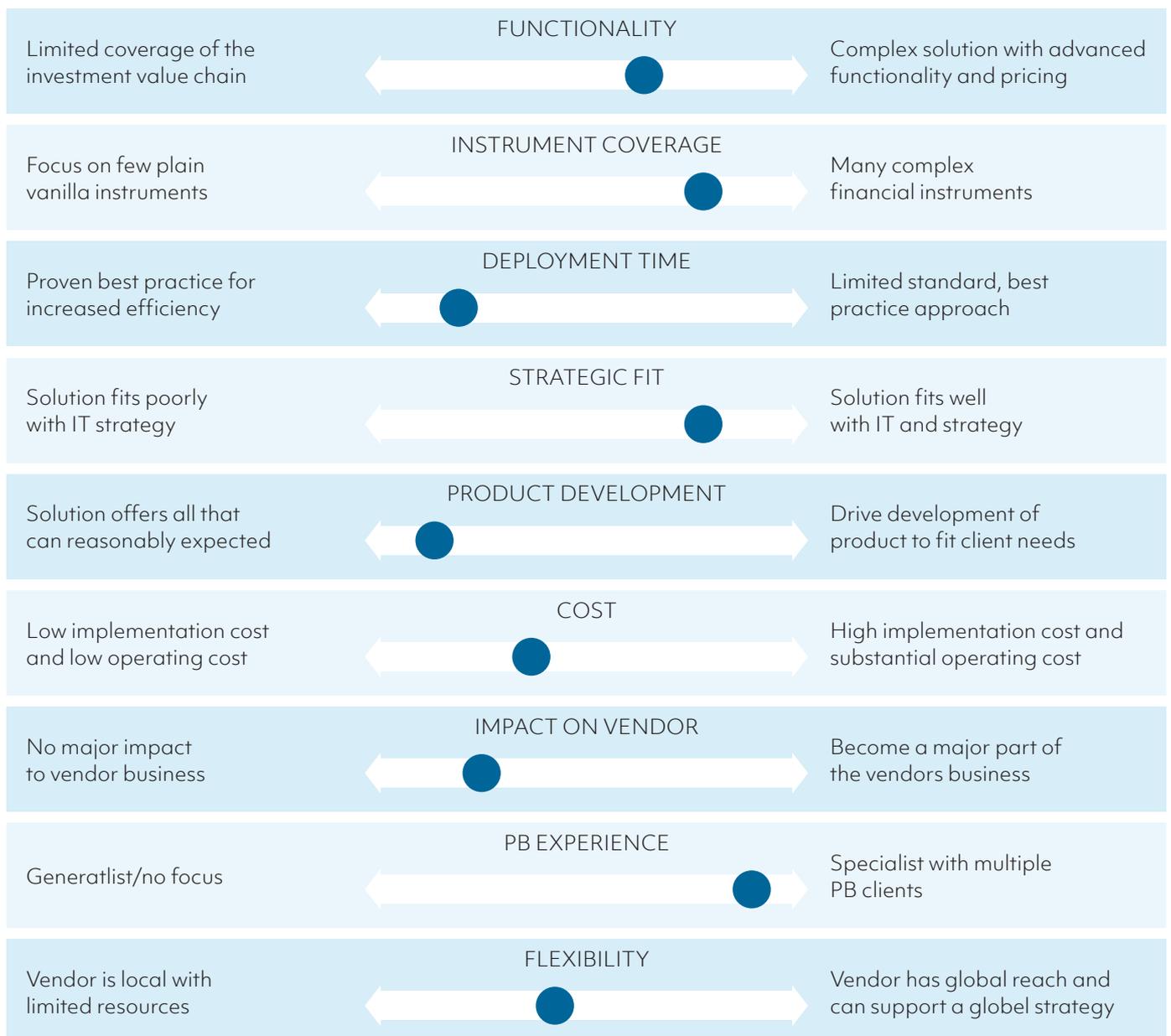
From the benchmark comparison we assist the client moving forward with proof of concept with two vendors and the overview of the total cost of ownership.

Axxsys Consulting can also assist on any commercial discussions with the vendors as well as providing system implementation advice and project management for a successful implementation of the new technology.



LOW

HIGH



 Target (how important is each area – how will the ideal solution score)

The Right Solution and Quality Consultancy

So through each step of the System Selection process Axxsys Consulting will be there for you as a client, adhering to the following key attributes:

– Delivery Focused

Our delivery based approach, working with you to establish a system that is optimising business based on your requirements with tangible results.

– Experience

We have worked on projects covering every aspect in finance. Our consultants are experienced in dealing with financial institutions and vendors. Our experience means there are few problems we have yet to encounter, and by leveraging our joint knowledge we are able to overcome any obstacle.

– Independence

Axxsys Consulting is completely independent of software vendors, which allows us to remain politically neutral and 100% client focused. Our priority is project completion on time and on budget.

– Knowledge

Our experience has enabled Axxsys Consulting to build an extensive industry and functional knowledge base which allows us to make rapid progress through the various stages of a project, and gives us an unprecedented advantage to bring targeted geographic, functional and industry knowledge to each client. Our consultants have a combination of experience from the vendor and the client side.

– Relationship

Our consultants understand what clients expect in terms of service and commitment. We view every client interaction as part of an on-going relationship, one which we continually aim to maintain and foster.

Conclusion

– The System Selection process is important, probably more important than you realise. But with a solid System Selection process you know that you will get a technology suited for your needs and requirements, thus avoiding time-wasting, frustration and missed out business opportunities. Focus on getting a technology that will move you forward to success.

- Enable yourself a technology that will provide you with tangible benefits that far exceed initial investment and maintenance costs. Focus on a technology what will work for you in the long term by saving you money, energy and time but also will give you the opportunity to focus on the important things, such as the challenges in the market place and move into new business opportunities.
- There are plenty of vendors out there today wanting a part of your business and offer you intriguing propositions. However, it is necessary to keep focus on what is important, stick to your core requirements and thus avoid confusion and difficulties.
- Remember that a System Selection process does not provide you with the best technology suited to your business but it also will establish a relationship with the vendor, thus it is important to keep the vendor in mind. A vendor that has a sound understanding of your requirements and your needs as well as investing in new technology, support and client relationship management will ensure that you as a client has the best setup possible.
- If you do not have the time, energy nor the skills to conduct a System Selection process then hire someone who does. Axxsys Consulting has the experience, knowledge and procedure to bring the maximum benefits to you as a client. Our System Selection process will ensure that you are always aware and will enable you to take a well informed decision on which technology you want to buy.

About Axxsys Consulting

Established in 2003, Axxsys Consulting (axxsysconsulting.com) is a specialist IT consultancy to financial institutions. We advise on all aspects of the trade lifecycle and have a dedicated pool of over 40 specialist consultants working on client assignments worldwide. As a group, we have implemented financial technology projects in over 50 organisations, including some of the largest buy-side organisations and hedge funds.

Because Axxsys Consulting is not tied to any one software vendor, we can offer broad, independent advice about optimising your buy-side platform and maximising the contribution it makes to fund performance and profitability.

If you would like to discuss any aspect of this white paper or for more information about how we help hedge funds with their technology management, please contact us at info@axxsysconsulting.com or +44 (0) 20 7526 4900



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