

# ITG & Omgeo

The benefits of an agile development process

ITG is an independent agency broker with a global asset management client base. As an early champion of electronic trading solutions for the finance industry, ITG was well placed to partner with Omgeo in Australia on the agile development of the Omgeo Central Trade Manager (Omgeo CTM<sup>SN</sup>) Message Translation Interface (MTI) for broker/dealers.



Greg Bond, Vice President, Head of Settlement Operations – ITG Asia Pacific, discusses the company's role in the project.

ITG provides a range of research and trading products for asset managers, with particular expertise in algorithmic, electronic trading and dark liquidity aggregation, a growing focus for the Asia Pacific region. ITG has also developed multiple electronic solutions for its institutional clients covering analysis, trade execution and processing, and performance management.

With a global client base and trades being executed in markets across the world, ITG had originally adopted Omgeo OASYS Global<sup>SN</sup> to process trades, as part of its ongoing efforts to reduce operational risk and maintain client confidence in the company's operational infrastructure. In June 2010, ITG looked to migrate to Omgeo's central matching platform Omgeo CTM to leverage Omgeo's latest technology and build a more robust and efficient post-trade environment.

ITG agreed to work alongside Omgeo in an agile environment as a beta client for the development of the message translation interface, an import/export interface for brokers on Omgeo CTM. The interface enables partially automated broker/dealers requiring a file-based import/export batch interface into Omgeo CTM to migrate from the Omgeo OASYS Global platform.

The migration to Omgeo CTM has ensured that ITG stays at the forefront of developments in operational risk management.

"Operations will not win you a new client, but it will lose you one in a minute if you fail in the daily job of getting trades confirmed or settled." Greg Bond.

In order to better process local and international trades, ITG looked to provide global product offerings supported by the same processes across all of their markets. Omgeo CTM provided the company with one common platform for processing trades locally and offshore. Moving to the web-based Omgeo CTM platform enabled ITG to provide multiple accesses to employees at the same time and to share this access with US and European teams, thereby improving their ability to support the company's global client base.

The migration to Omgeo CTM also enabled ITG to take advantage of other functionality such as real time central matching capabilities, the promotion of higher same-day affirmation rates and flexible and non-sequential workflows. In addition, ITG gained greater visibility into post-

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- Benchmarks
- Central Trade Manager
- Connect
- CrossCheck
- OASYS
- OASYS Global
- OASYS-TradeMatch
- ProtoColl
- TradeHub
- TradeSuite



trade processes, identifying unmatched trades more easily and proactively managing them to a successful resolution. They also benefitted from faster processing rates and increased capacity.

“Australia is the first major market to open each day. This means that ITG does not always have the luxury of talking to trade counterparties on trade date. Omgeo CTM provides the company with an excellent vehicle to overcome this challenge.” says Greg Bond. “With Omgeo CTM we are now able to be more proactive in managing clients. If you can identify potential problems up front, you get a more positive reaction from your client.”

For Omgeo, the move to an agile development process marked a shift in the way the company had managed product development. Previous projects had been managed via a “waterfall” process in which distinct phases follow one another with client involvement typically only taking place in the final client test environment.

Under an agile development program, work is carried out in small iterations, each delivering incremental value based on client feedback. Agile promotes client engagement and teamwork and is responsive to change. The value of small iterations of work is that a team can quickly adapt to changing requirements. ITG has employed this agile approach for many years and was happy to share experiences with Omgeo.

Continuous collaboration and communication between Omgeo’s project management team and ITG ensured that the working product delivered at the end of each iteration met ITG’s requirements. This meant they did not have to wait until the end of the project to validate developments, as they would have done in a waterfall environment.

Partnering with Omgeo during the entire development program meant that ITG was strategically engaged from the very beginning. ITG was involved in the entire project, enabling them to shape the solution, prioritize their requirements and benefit from an early adopter advantage. They were also given access to early versions of the software in a beta test environment so that they could proactively initiate the migration project from Omgeo OASYS Global to Omgeo CTM. Throughout the process, ITG and Omgeo communicated regularly, exchanging continuous feedback as the solution evolved. This feedback was then incorporated into successive iterations.

ITG felt they benefitted from the opportunity to give input to the design of the broker import/export interface. In turn, working with ITG meant Omgeo gained a unique insight into ITG’s business processes. As a result of this close collaboration, both parties had a high degree of confidence that when the solution went live it would deliver on ITG’s needs.

“The strength of the agile process is that it makes a virtue of the fact that not all events affecting development are known up front” Greg Bond says. “So the process is arranged in a way that it’s understood we will learn as we go. Collaborating with Omgeo meant that the initial release was a product that could be integrated and used straight away.”

Now live on Omgeo CTM, ITG processes many millions of trades globally a month and delivers increased efficiency and reduced operational risk to its clients across multiple markets and time-zones.

[www.omgeo.com](http://www.omgeo.com)



## About ITG

Investment Technology Group, Inc., is an independent agency research broker that partners with asset managers globally to improve performance throughout the investment process. A leader in electronic trading since launching the POSIT® crossing network in 1987, ITG takes a consultative approach in delivering the highest quality institutional liquidity, execution services, analytical tools, and proprietary research insights grounded in data. Asset managers rely on ITG's independence, experience, and intellectual capital to help mitigate risk, improve performance, and navigate increasingly complex markets. The firm is headquartered in New York with offices in North America, Europe, and the Asia Pacific region. For more information on ITG, please visit [www.itg.com](http://www.itg.com).

## About Omgeo

Omgeo creates certainty in post-trade operations through the automation and timely confirmation of the economic details of trades executed between investment managers and broker dealers. Every day Omgeo enables an efficient community of more than 6,500 financial services clients in 50 countries to manage matching and exception handling of trade allocations, confirmations, and settlement instructions. Leading organizations rely on Omgeo to help manage an increasingly complex investment industry by providing operational stability and solutions that complement the focus on profitability in an era of escalating trade volumes. Across borders, asset classes, and trade lifecycles, Omgeo is the global standard for operational efficiency across the investment industry. Formed in 2001, Omgeo is jointly owned by the DTCC and Thomson Reuters.

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