

CAJA DE VALORES: FUTURE PROOFING BUSINESS APPLICATIONS WITH VISUAL COBOL

Visual COBOL improves application availability and performance



CAJA DE VALORES

URL: www.cajval.sba.com.ar
 Industry: Financial Services
 Country: Argentina

Highlights

- Realized 70% IT cost savings
- ROI applied to application modernization initiatives
- Improved service availability
- 50% performance improvement for batch and on-line transactions
- Improved developer efficiency

“Using Visual COBOL within our modernization project, has given us unrivaled application platform stability, improved customer satisfaction and significant cost savings. Visual COBOL was the right choice for our business.”

Alejandro Wyss,
 CIO, Caja de Valores S.A.

At a glance: Caja de Valores S.A.

Visual COBOL: A platform for business success

Solution

- Visual COBOL for Eclipse
- COBOL Server

Challenge

Established in 1974, Caja de Valores, Argentina’s Central Securities Depository, plays a key role in the capital market. It provides secure purchase, sale, clearance, and custody services for the Argentinean market place. It acts as the IT Operations and Support platform for the Argentine stock market system and provides securities clearing services for the Buenos Aires Stock Exchange. It also manages the Electronic Securities Transfer System, which processes transfer instructions from various participants.

The organization desired to lower its IT costs associated with running its investment management portfolio which operated on a Bull Mainframe platform. Caja de Valores also wanted to reduce its ongoing operational costs, as it saw the attractive economic benefits of a distributed and more modern application platform, as Alejandro Wyss, CIO at Caja de Valores, explains: “One of our main concerns was the cost and the stability of our aging mainframe platform. The business risks in running an unstable environment became too high for us to absorb. Our research showed us that an Intel-based and distributed application architecture would give us the confidence and security we needed as well as the operational cost reductions we were looking for.”

Visual COBOL – The right choice

Caja de Valores considered an application re-write to Java, but the cost and risk to do so was deemed too high. It also investigated industry package applications, but the many years of customization and localized business rules within the application portfolio, meant a high degree of expensive tailoring would be required. It was important to its board that Caja de Valores found a suitable, low-risk approach to address its serviceability and cost concerns. After conversations with Micro Focus and a targeted product evaluation, Caja de Valores selected Visual COBOL to address these business challenges.

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A new platform for business

This investment management application portfolio consisted primarily of a complex stock and bond trading system but also contained several other business modules including custody, registration, transfer, settlement, matching engine, and investment accounts. This large trading portfolio consumed nearly 400 MIPS (Millions of Instructions per Minute) of processing capacity on the Bull mainframe. Ongoing maintenance, resources, and costs to support this mainframe platform had proven to be increasingly difficult. Caja de Valores wanted a more flexible architecture which would allow for reduced operational costs, but also establish a strong position against which to modernize for the future. Visual COBOL gave Caja de Valores the ability and choice it needed to address today's challenges while looking to the future.

Optimizing business operations

After the application re-platform effort was complete, one of the very first benefits noted was the improved availability and stability of the new environment, as Wyss comments: "In the last fourteen (14) months, we experienced less than two minutes of downtime in total, which is just amazing compared to our previous application environment. Through our testing, this new environment, under Visual COBOL, also saw faster transaction processing speeds, with improvements as high as two to three times their original levels. These performance advancements in our application portfolio have revolutionized the way in which we work and service our customers. These efficiency improvements have allowed us to reduce our overnight batch processing window and its associated costs."

Savings and re-investment

In addition to its application performance and stability improvements, Caja de Valores also realized IT cost savings of 70%. These savings were reinvested into the business to begin modernizing its trading application portfolio. Caja de Valores used a portion of these funds to purchase a package solution offered by the London Stock Exchange which will replace the current trading subsystem. The remainder of its savings will be applied to modernizing the remaining investment modules.

A modern development environment for the future

An additional benefit derived from this application re-platform project was the opportunity to utilize a more modern development environment. As the development staff gain more experience and confidence using the new environment Caja de Valores sees an increase in developer efficiency. Our team is very excited about the new development tools and its functionality. It is utilized every day to maintain and support the trading application portfolio.

The new environment sets Caja de Valores up for the future, according to Wyss: "Thanks to Visual COBOL, we are now able to plan a progressive and integrated modernization strategy. This solution will serve as the foundation and connection point, integrating existing COBOL business modules with future developments using modern programming languages. The latest and most important example of this new architecture is the recently released Java based FIX protocol gateway; which allowed us to open a modern and up-to-date service point to access our stock market".

Wyss concludes: "Using Visual COBOL within our modernization project has given us unrivaled application platform stability, improved customer satisfaction and significant cost savings. Visual COBOL was the right choice for our business."

About Micro Focus

Micro Focus, a member of the FTSE 250, provides innovative software that allows companies to dramatically improve the business value of their enterprise applications. Micro Focus Enterprise Application Modernization, Testing and Management software enables customers' business applications to respond rapidly to market changes and embrace modern architectures with reduced cost and risk.

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