

Progress® SonicMQ® for Futures Trading Exchange



CHALLENGE

GFI's home-grown messaging infrastructure impacted the company's ability to provide high-quality trading services at a competitive price.

SOLUTION

Citing the need to deploy a cost-effective trading infrastructure that was more reliable, scalable and easy to administer, GFI selected Progress® SonicMQ® to provide an open, standards-based messaging platform.

WHY PROGRESS® SOFTWARE

Progress provides a completely standards-based messaging solution in a substantially simplified, more stable, technical landscape.

BENEFIT

GFI provides one of the most robust trading platforms in the market at significantly lower costs, and it delivers new products faster by focusing on value-added business logic.

CASE STUDY

GFI Group, Inc. is an independent provider of software, brokerage, and data services designed to enable efficient trading of cash and derivative instruments in credit, equity, foreign exchange, energy and commodity markets. GFI knew that it would become uncompetitive and risk losing market share if a rapid change was not made in its messaging system.

GFI became one of the first traditional brokers to introduce online trading to the FX (Foreign Exchange) Options markets for its internal brokers, independent traders and GFI clients like DeutscheBank.

The success of its platform, GFInet, was rapidly recognized by the readers of FX Week, who named GFI the No.1 FX Options broker. However, as GFI sought to broaden its use of the technology and as demand escalated, limitations of GFI's home-grown messaging infrastructure impacted the company's ability to provide high-quality trading services at a competitive price.

Citing the need to deploy a cost-effective trading infrastructure that was more reliable, scalable and easy to administer, GFI selected Progress SonicMQ to provide an open, standards-based messaging platform.

SonicMQ not only enables the performance and reliability that GFI needs, but also is Internet-friendly, a key requirement for supporting GFI's institutional customers. Progress provides a completely standards-based messaging solution in a substantially simplified, more stable, technical landscape. As part of the new environment, SonicMQ was crucial in tripling the scalability of the FX Options foreign-exchange trading system, and increasing the scalability of the energy trading system by 400%!

"SonicMQ gave GFI the flexibility to offer a hybrid trading model, giving us more functionality at a much lower total cost than other enterprise-class real-time messaging solutions," said Ken Krupa, chief technology architect for GFI. "We get a superior, standards-based messaging solution with real-time updates and guaranteed message delivery."



GFI REAPS WORLDWIDE TRADING DIVIDENDS

Reliable, accurate information and rapid, secure communication are fundamental cornerstones of trading activity. Regardless of whether a client prefers a totally electronic interaction or voice communication with a broker, speed, surety and security are indispensable requirements of the infrastructure.

With the advent of messaging designed for performance, security and scalability across the Internet, GFI recognized a new market opportunity in providing an Internet-based derivatives trading network to financial services clients worldwide.

However, several limitations to GFI's home-grown messaging infrastructure became apparent as the business grew. First, the system didn't scale very well. Second, it couldn't provide guaranteed message delivery. Third, it relied on hand-coding to ensure that the messages were being replicated in different places for failsafe redundancy. The result was that less than a year into using it, GFI needed to reconsider their approach.

SonicMQ was able to deliver the industrial-strength scalability and reliability GFI needed, as well as provide a proxy- and firewall-friendly Internet messaging infrastructure, at a cost that made the project viable.

"We're not in the business of building messaging systems, we're in the business of building worldclass brokerage trading systems," said Mike Ahrens, Manager of Trading Systems for GFI. "Progress was our most cost-effective and timely solution. It significantly simplifies our system management load, and we get the commercial-grade features, functionality and speed that we need."

— Mike Ahrens
Manager of Trading
Systems

GFI's environment includes BEA WebLogic Server deployed on Solaris; Oracle on Solaris; and a Java applet deployed over the Web. SonicMQ handles both the client-to-server messaging, and the messaging among server components.

THE DIVIDENDS ACCRUE FAST

SonicMQ has quickly paid dividends by three measures: scalability, stability and time-to-market. "Scalability is a simple measurement," notes Ahrens. "You roll it out to more customers, and it works."

"As far as stability is concerned, while GFI is a medium-size trading house, we manage a commercial grade institutional trading system that handles billions of dollars in trades, especially on the FX markets. Less uptime or stability is simply not an option; we really need five 9s availability in our trading system. And, of course, Progress helps to deliver that."

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STABILITY FOR UNCERTAIN FUTURES

Progress makes it possible for GFI to improve time-to-market of new products and enhancements, enabling the company to focus on applying business logic that automates complex trades, rather than focusing on a complex messaging infrastructure. "All of this is very important to us as we continue to innovate and improve our service of trades worth millions, if not billions of dollars," observes Ahrens. "Two years ago when we built the original system, the available messaging technology wasn't adequate to provide high-performance, scalable, cost-effective and Internet-friendly messaging. Progress changed all of that."

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ABOUT PROGRESS SOFTWARE

Progress Software Corporation (Nasdaq: PRGS) provides application infrastructure software for the development, deployment, integration and management of business applications. Our goal is to maximize the benefits of information technology while minimizing its complexity and total cost of ownership.

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