

Trading up: The IntercontinentalExchange implements a service-oriented architecture (SOA) with Progress® SonicMQ®.



CASE STUDY

CHALLENGE

Needed to accelerate its development plans to accommodate for future growth.

SOLUTION

Use Progress® SonicMQ® to integrate Intercontinental trading service platforms into a standards-based service-oriented architecture (SOA) so they operate independently and reliably.

WHY PROGRESS® SOFTWARE

Progress rated the best for ease of use, cost-effectiveness, service, and responsiveness, and approached the relationship as a partner, not just a technology vendor.

BENEFIT

Intercontinental can more easily maintain and enhance applications, quickly launch new services, grow its customer base, and reduce development costs.

The IntercontinentalExchange handles billions of dollars in trades each day for more than 600 precious metals, petroleum, natural gas, and power complex commodities. Now Intercontinental is betting on a flexible architecture to keep rallying success.

TAKING STOCK OF ONLINE TRADE EXCHANGE

When energy giant Enron collapsed in 2002, many companies in the industry felt a ripple effect. At the time, the IntercontinentalExchange operated an over-the-counter (OTC) energy commodities exchange that was second only to Enron for U.S. energy market share.

Amid the Enron scandal, Intercontinental volumes went through the roof. "We handled the new demand well, but it was clear that we needed to accelerate our development plans to accommodate future growth," says Edwin Marcial, Intercontinental CTO. Intercontinental decided to bet on a flexible service-oriented architecture (SOA) to keep rallying the company's success.

Initially, Intercontinental provided just two online services: the ICE OTC trading platform and eConfirm, an electronic trade confirmation platform. Today the exchange has evolved from a pure OTC platform to a marketplace infrastructure for price discovery and trading in energy, metals, and emissions markets called the Interchange.

The Interchange includes services for trading, confirmations, clearing and credit, and market data. Intercontinental currently lists more than 600 energy commodities and sells market data through its subsidiary The10x Group. The Interchange also serves as the electronic platform for its subsidiary the International Petroleum Exchange of London (IPE) and for the Chicago Climate Exchange (CCX). Today, 80 percent of all Intercontinental OTC trades take place over the Internet.

ARCHITECTING FLEXIBLE SERVICES

In the past, most energy trading was done over the phone with the help of voice brokers, a slow and inefficient process. By hosting its exchange online, Intercontinental provides traders with transparency, liquidity, speed of execution, and cost-efficiency.



While system stability is essential to the company's bottom line, adding new online applications, also critical for success, was becoming increasingly complex.

Intercontinental decided to develop a new, loosely coupled architecture that could both unlock the applications and connect them across a business platform. Intercontinental decided to separate the core applications into discrete services, and to build an SOA that would enable the services to seamlessly interact for increased flexibility and to simplify the integration of new services.

After researching leading integration vendors during most of 2002, Intercontinental ultimately chose Progress Software. Compared to other vendors, Progress rated the best for ease of use, cost-effectiveness, service, and responsiveness. "Progress performed well, took our feedback, and had people available whenever we had questions or problems. It also was the easiest to work with," Marcial says. "It feels more like a true partnership than a vendor relationship."

INVESTING IN THE POWER OF INTEGRATION

To build its SOA, Intercontinental first segregated its Java™-based services into individual applications. Then the company built a service-oriented messaging backbone using Progress SonicMQ to ensure the reliable and fast exchange of mission-critical information across the company's platforms and between customers and the back office.

Support for XML allowed Intercontinental to create a standards-based energy infrastructure schema—dubbed IceML—which provides the common language to integrate Intercontinental applications across the SOA. For example, when applications encounter a critical error, a Sonic-enabled alert is sent to the Intercontinental operations center so problems can be addressed in real time before they affect customers.

By spring 2004, Intercontinental had a solid SOA. The result is that Intercontinental services are well-defined, self-contained, and they do not rely on other systems to operate. "Progress is the glue that brings it all together," Marcial says. "Now that we've developed these separate components, these services will perform better, which improves time-to-market, customer service, and reliability. It also makes systems run smoother."

RACKING IN CAPITAL GAINS

With an SOA in place, Intercontinental is boosting its profits and efficiency. The company can more quickly build on existing services to create new products and increase its competitive edge.

The SOA also helps extend the life of Intercontinental applications because additional services can be developed from core code, which reduces development costs and improves time-to-market. And Intercontinental expects to reduce operational and support costs because applications and the SOA will be better tested and more stable.

"Progress is the glue that brings it all together."

— Edwin Marcial
Chief Technology
Officer

In the past, Intercontinental might have delayed product launches because of system interoperability and scalability issues. Now the company has the flexible architecture it needs to keep up with market demands. "By standardizing our architecture on Sonic, we can be more efficient and responsive so that development and integration of new products and services is easier," Marcial says. "Now we have a common and powerful backbone to build on. And when great business opportunities arise, we have a clear path to execution."

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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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