

Use the Guidance and Tools of your Software and Service Providers to Prevent, Anticipate, and Mitigate System Downtime

By: *Laura Castle*

The top four causes of IT downtime are failures of hardware, networks, power supplies, and applications. Most of the time, these man-made problems can be controlled or fixed quickly. But what about acts of nature – earthquakes, floods, tornadoes, fires, abnormal heat waves, and more – that have dominated recent headlines? These types of disasters can cause near-fatal system failures if you do not have an established and working plan for recovery. Your systems can be down for days, weeks, or even months at a time while you try to rebuild or, at worst, start over. With these thoughts in mind, it is of paramount importance that IT decision makers within financial enterprises consider integrated disaster recovery and data backup features when selecting a provider of middle- and back-office systems or services.

Achieving minimal system downtime is not as difficult as it may seem. In fact, creating a simple disaster recovery plan before a problem occurs is the best way to ensure minimal system downtime in the event of an emergency. When creating a disaster recovery plan, work with your system/service provider to address three key items: prevention, anticipation, and mitigation.

Preventing System Downtime

The first thing any IT professional should do to reduce system downtime is to try to prevent potentially catastrophic events from occurring. Ensure that all of your systems, or at the very least your key systems, are secure and reliable. You may think you are doing enough by backing up your data, but if your system is not secure enough to protect against hackers and information thieves, for example, data back-ups become secondary.

When considering system downtime prevention measures, use the following guidelines:

- Configure all your systems to tested standards. Do not use software that is

outdated and/or no longer supported by providers.

- Apply software patches and bug fixes on a regular basis.
- Monitor systems regularly to ensure proper performance and storage capacities. If you have been saving your data on a dysfunctional server, it is not going to help you when you need it.
- Use virus prevention and detection tools. It is a lot easier, and cheaper, to prevent a virus than try to fix one once it enters your system.
- Provide a backup power supply and surge protectors.
- Configure critical systems with built-in redundancies. Save important data in more than one place automatically.

While it is impossible to prevent all IT disasters, many can be avoided by planning ahead. Rely on the expertise and experience of your internal IT personnel and your external financial system/service providers to take precautionary and backup measures.

Anticipating System Downtime

The second part of a quality disaster recovery plan involves anticipating what could go wrong if a disaster occurred. Not every company is going to experience every type of disaster, so if you are located in a land-locked area, for example, you should not be focusing your attention on how to protect yourself from a tsunami. When creating a plan for dealing with the disasters most likely to occur in your area, remember the following strategies:

- Identify potential disaster scenarios – What could go wrong if your office were flooded or without power for two weeks?
- Quantify probabilities – What is the likelihood that these types of disasters could occur in your office?
- Articulate consequences – What is the

impact that water-logged computers would have on your business?

By anticipating the worst case scenarios for a disaster, you can be prepared to deal with whatever may happen.

Mitigating System Downtime

The third part of a successful disaster recovery plan is implementing steps to manage and minimize the negative impact a disaster could have on your business. These steps cover the actions to take if a disaster occurs, but they cannot be fully enacted without first creating prevention and anticipation plans. Remember, it is important to first understand the potential problems before attempting to create solutions. Some mitigation strategies include:

- Use an off-site systems hosting facility as an alternate data center that can be brought online in the event of an emergency that affects your normal IT operations center.
- Have spare equipment readily available. If something breaks, have an extra so your system is not down while another one ships.
- Make scheduled backups and store them off site. It is very important to back up your data in case it gets deleted or someone makes a mistake and you need to roll back to a previous day. Backups should be kept in a safe location that will not be affected by the same disasters as your local copy.
- Maintain technical documentation to facilitate recovery. No disaster recovery plan would be complete without documents explaining how to get it done. You may think that restoring backup data or restarting a server is easy for IT to do, but when the department is inflicted with the drama of a traumatic disaster, which may

include limited personnel, it helps to have detailed steps to follow.

- Conduct regular tests. There is nothing more important than making sure your disaster recovery plan works. You can have all the best disaster recovery gurus create your plan, but if you do not take the time to test it regularly, you will never know if the spare equipment works, how long it takes to restore backup data to a system, or if you even have enough personnel to make the process flow smoothly. As an example, in 2005, sixty-two firms and financial infrastructure providers in London, England decided to test their ability to recover from a catastrophic disaster similar to the mass transit attacks that occurred earlier that year. For many, the test was a wake-up call for how they were or were not prepared to deal with a disaster. After receiving feedback from the British Financial Services Authority, the same firms were re-tested in 2008 and showed significant improvement in their preparedness. Almost all the businesses could recover 80-100% of their work by the close of business.

Conclusion

Disaster recovery and data backup features that are integrated into your financial systems and services allow you to prevent, anticipate, and mitigate system downtime. Rather than relying solely on your internal IT department to create, test, and maintain disaster recovery and data backup policies and procedures, use the guidance and tools of your software and service providers. With select few software and service providers offering quality disaster recovery and data backup plans and utilities, it is imperative to adequately research a provider's commitment to disaster recovery prior to making any purchases.

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About QED Financial Systems, Inc.

Based in Marlton New Jersey, QED Financial Systems is a unique provider of a totally integrated portfolio accounting system solution to the public and private sectors. A small, privately owned company, QED carefully selects the organizations they choose to partner with and then provides an extraordinary degree of initial and ongoing service. As a result of this, QED has a 100% referenceable client base that is the envy of its industry. QED's clients account for approximately \$1 Trillion in assets managed, with its largest single client managing approximately \$180 Billion.

QED Financial Systems Offers Comprehensive Disaster Recovery Services

QED Financial Systems recognizes that recovering from or even avoiding a service disruption, whether a component failure or a full-site disaster, depends on an effective contingency and business recovery planning process, combined with experienced people to execute the plan. QED offers comprehensive disaster recovery and data backup services to get clients up and running as quickly as possible after an emergency.



Regulatory Challenges and Advances in STP Technologies Pave Way for Integrated Investment, Accounting, and Treasury Management Solutions

By: *Steven M. Kendus and Laura Castle*

Businesses today are moving to consolidate and streamline processes and are therefore implementing single, advanced software solutions that combine comprehensive functionality that previously could only be found in disparate systems. Among the processes that financial organizations are attempting to streamline are investment management, departmental accounting, and enterprise-wide treasury operations. Additionally, special emphasis is being placed on seamless general ledger integration with each process.

Select Software Facilitates Information Sharing and Reduces Process Redundancy

Typically operating in a decentralized fashion, an enterprise's investment, accounting, and treasury departments have traditionally relied on multiple software systems for managing their investment portfolios. However, with regulatory challenges and advances in straight-through processing technologies leading the way, select financial software providers are creating solutions that facilitate cross-departmental information sharing and reduce process redundancy.

QED Financial Systems, a Marlton, New Jersey-based portfolio management, investment accounting and general ledger software and services provider, is one of the few software companies that recognizes the need to integrate investment, accounting, and treasury management solutions into one core product offering. QED's Q2 Investment Workflow System provides complete investment accounting, cash management, transaction processing, mark-to-market valuation, reconciliation and trade settlement, performance measurement and analysis, *and full general ledger capabilities* in the software package's *core functionality*.

Minimizing the Technology Footprint with an Integrated General Ledger

By providing an integrated general ledger along with the investment accounting and treasury operations functions of Q2, QED is catering to the needs of financial organizations who want to minimize the 'technology footprint' in their organizations and maintain one database (and hence one version of 'the truth'). Rather than researching, purchasing, maintaining and supporting the hardware, software, licenses, and services associated with multiple incongruous systems, treasurers, CFOs, IT directors, and other enterprise decision makers can solely rely on a single system like Q2 to meet their demands.

Easier Implementation, Use, Maintenance, and Support Lead to Real Cost Savings

From a technical standpoint, it doesn't take long to see the tangible results of replacing multiple systems with a single, cohesive system. As any IT professional or accounting software user will certify, it is much easier to maintain and use one system than multiple. Using more than one system to manage and analyze your accounting data will force you to learn the user interface and procedures of multiple systems. The time spent learning a new component could be better spent on actually performing the tasks you bought the software for. Since you are already familiar with the user interface, functions, controls, and order of operations of software you already use, why muddy the waters by introducing foreign concepts and procedures? All the components within one system should be similar, and therefore easier to learn, which will decrease the downtime associated with learning a new product. Likewise, the labor costs and intellec-



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tual capital spent customizing, maintaining and supporting multiple systems and their related interfaces are greatly reduced when one comprehensive system is used. Freeing up time and resources to work on other mission critical tasks can pay dividends for any financial organization. Additionally (and possibly most obvious to financial decision makers) using one centralized system positively affects an organization's bottom line. With cost savings realized through reduced hardware, support, and license fees, many executives are quickly changing their philosophies about their enterprise software requirements.

Complete, Real-time, Readily Accessible Financial Data Streamlines Operational Workflow

From an operational workflow perspective, it makes perfect business sense to have a centralized general ledger, investment accounting, and treasury operations system. With today's companies mandating clear, real-time views of cash and transactions across departments, divisions, and global facilities, it is becoming a best practice to store and access these financial records in one location. Specifically, with an integrated investment accounting and operations system that includes a general ledger, transaction events that are directly linked to the general ledger are easier to examine and evaluate than events that are stored in separate systems' databases. A single click of the mouse is all that is necessary to drill down from a general ledger entry to its originating investment transaction. In addition, it is easier to view specific details about a general ledger entry (like account and security type information) when all the details are cohesively linked together in one place. Quite simply, operations are streamlined when all the accounting functions occur at the same place and in the same system. Moving from one workstation to another, or having to open multiple applications in an attempt to view related, but disjointed, accounting data simultaneously, is wasting time that could be better spent performing other tasks.

Likewise, having the ability to generate regulatory, operational, and client-facing reports from the same, integrated investment management, accounting, and G/L system is key. In centralized systems, an integrated general ledger would automatically have access to all the reports in the portfolio management system, as well as be able to incorporate any stored data elements into those reports. An integrated reporting package would also give you the ability to create custom reports from your general

ledger data (with investment data, as well as other business data), all while maintaining the consistent branding of the investment accounting reports you're accustomed to generating.

Centralized General Ledger System Provides Confidence, Security, and One Version of ‘The Truth’

What's more, using one centralized and integrated system offers greater confidence and security in your organizations ability to defend its financial calculations and books of records. If you are using separate systems for maintaining investment, operations, and general ledger data, every time a transaction event occurs in the investment system, the general ledger must be updated to incorporate those changes and formulate a new balance. Any time data needs to move from one system to another, a lengthy interfacing process typically occurs. The existing data first must be formatted to prepare it for exporting. Then, the export process must be initiated, which may or may not automatically post to the general ledger. If only a file is created, you then have to import the data into your general ledger system (or in some cases, manually enter the data!). Once there, the data may be checked, scrubbed, or reformatted in case any of the data did not translate effectively the first time. In contrast, if an integrated system is used, all of these processes could potentially be eliminated since cumbersome data interfaces are not needed. Eliminating data transfer to and from multiple systems reduces potential error entry points, trims time consuming processes, and ensures there is only one version of ‘the truth’.

Conclusion

An integrated investment, accounting, and treasury management software solution saves you time and money and makes your job easier in the process. With financial organizations moving to consolidate and streamline investment accounting processes, many are considering such integrated solutions. QED Financial Systems, in their continued efforts to provide industry-leading solutions, has recently added comprehensive general ledger functionality to their existing portfolio management, investment accounting, and treasury operations system - Q2.



More Than Portfolio Management and Investment Accounting Systems Traditional “Software” Companies Offer Market Data, Too

By: Laura Castle and Steven M. Kendus

If you’ve already decided that managing your firm’s portfolios and accounting for your organization’s investments are best done with a comprehensive, specialized software package, why not use a comprehensive, specialized source for obtaining all of your organization’s referential data?

In many cases, financial organizations need to look no further than to their portfolio management and investment accounting software providers for their referential data. Offering value-added services, many of these software providers also offer complete spectrums of referential data, including market prices, benchmark data, corporate actions, security master file information, and other types of high-demand data that are needed for effective management of investments.

Public treasuries, investment managers, pension funds, family offices, and most other financial organizations typically need referential data that is served by disparate data providers. Often, a single vendor cannot provide all of the data an organization needs to maintain its portfolios, and consequently an organization’s staff members must spend countless hours researching data providers, possibly writing RFPs to find the best vendors, choosing and negotiating contracts with multiple vendors, and finally translating the referential data into useful formats that can be loaded into the resident portfolio management and accounting system (or systems, in some cases).

Furthermore, after the initial data contracts and feeds are established, additional time may need to be allocated for periodic contract review, maintenance of system interfaces, and validation of data.

Rather than wasting needed resources on the logistical tasks surrounding procurement of market data, allow your employees to focus on tasks that can directly affect your bottom line. Entrust your portfolio management software provider with finding and supplying your organization with the right market data that fits your business needs and meets your budget.

In most cases, your software provider will have extensive experience in working with data vendors and translating multiple data formats into usable feeds. After all, your software provider is already familiar with the types of data your organization needs, and they are intimately familiar with the

interfaces and corresponding data formats that are needed to directly import data into their systems. What’s more, the software provider usually has the leverage to negotiate more competitive contracts because of the overall volume of data they purchase.

Your organization will ultimately benefit and save money by allowing a single point of contact (who you already trust and have a contract with) to negotiate with multiple vendors at once so that it can act as a large-scale reseller of referential data to your organization.

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With the industry's movement toward consolidation and streamlining of business operations, it only makes sense to first consider businesses with whom your organization has existing relationships before entering into purchasing agreements for products and services related to portfolio management and investment accounting.

As software vendors continue to move away from traditional, product-focused environments and toward solution-driven environments, they will look to add more services that are attractive to their clients. Market data feeds, as well as outsourced financial reporting, accounting, reconciliation, and performance measurement, are all services that many software companies now provide.

About the Authors

Laura Castle is a technical documentation specialist with QED Financial Systems. Working previously with Prudential Financial, Ms. Castle is experienced with creating sophisticated financial documentation, including online help systems, technical manuals, marketing pieces, training guides, and web sites.

Steven M. Kendus, Vice President of Marketing with QED, is a corporate communications expert with more than 15 years of technical and marketing writing experience and more than seven years of executive management experience in software- and Web-oriented environments. Mr. Kendus has assisted financial organizations, including The Bank of New York and Integrated Software Solutions, in enhancing their productivity and identity through training, documentation, marketing, and business process optimization.

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