PRE CONFERENCE WORKSHOP : GETTING ***IT*** READY

Case Study 3 – Implementation of IT system where the Exchange developed their own IT system in house or cooperatively with a Systems Provider.

Basis for Long Term Success – Obtaining the Right Technology and Cooperation

JSE Limited and STT cooperation in developing a Total Multi-Instrument Derivative IT Solution – including front end, matching engine, deal management, physical delivery and clearing solution.

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Michelle Janke, STT
Louis-Jan Bonthuys, STT

Guiding Principles

- Combination of Right Technology and Cooperation
- Mutual understanding
- "Three" parties

Objectives of the JSE Limited

- Multi instrument coverage
- Functionally rich (no less than previous)
- South African market
- Multi faceted (front end, matching engine, deal management capabilities, clearing functionality, physical delivery automation, surveillance)
- Exchange architecture / Bandwidth limitations
- Performance criteria (incl. auto quote)
- Open API

Factors considered

- "go forward"
- Support (read cooperation)
- Understanding
- "the GEL factor"
- Track record
- Availability
- COST / COST / COST

Process

A process to ensure effective involvement from both parties was agreed

Project Phases	Definition	Design	Construction	Testing	Deployment
JSE Responsible	80%	60%	0%	50%	70%
Vendor Responsible	20%	40%	100%	50%	30%

Contractual (formal) Relationship

- Formal contract signed upfront including
  - License agreements
  - Maintenance and support
  - Developments to create and accept new software
- Supporting Documentation including
  - Architecture principles
  - Detail Development schedule
  - Fees schedule
  - Policies and Procedures
- Regular Steering meetings to govern all contractual issues

Contractual (formal) Relationship

- Development schedule in contract was matched to Project schedule
  - The following was defined for each deliverable :
    - Name and description
    - Delivery Date
    - Acceptance mechanism
  - The Development schedule was updated when necessary via the Change Order process specified in the contract
  - Progress was monitored against the Development schedule at all management levels
- Deliverable Acceptance included
  - Documents & Specifications which each required a stringent review, amendment and sign-off process
  - Acceptance Testing for which each error was
    - Logged and categorized in testing tool
    - Monitored until error closed by testing team
  - Acceptance of Software subject to agreed quality specifications measured 3 months post deployment

Contractual (formal) Relationship

Extract from the Development Schedule

Ref No	Deliverable	Brief Description (if necessary)	Delivery Date	Acceptance Test/Sign-Off
2.1	Detailed Functional Design Specification	Functional design of derivatives solution. This is dependent on finalisation of scope between derivatives trading and clearing. Functional Requirements Component design Logical data Model Physical data model Help design User Interface Design	30 February 2007	Sign-Off
2.2	Training Materials	Training material for all users of the system.	30 March 2007	Sign-Off
2.3	System Test Pack	Scenarios, Conditions and Expected Results and Test Script	30 June 2007	Sign-Off
2.4	User Acceptance Testing (UAT) Test Pack	Scenarios, Conditions and Expected Results and Test Script	30 July 2007	Sign-Off
2.5	Deliver New Software for UAT testing		3 August 2007	Acceptance Test
2.6	UAT Closedown Report		15 November 2007	Sign-Off
2.7	Data Conversion	Data conversion and data conversion close out report. User Acceptance mechanism to check converted data. Confirm the data outputs and conversions are successful and not corrupted	3 August 2007	Acceptance Test

Operational Relationship

- Based on 'Trusted relationship'
- Terms of engagement agreed early (during contract negotiations)
  - Maintenance & Support Services agreed
  - SLA's agreed
- JSE Release Management to control software releases (Action requests)
- Regular engagements to discuss JSE business vision for software

STT Demonstration