

Objectivity Case History

Customer Information

Customer: DRW
Industry: Financial
Application Domain: See Below
Status: Couldn't agree licensing terms, so moved to another ODBMS that didn't scale.
Platform: Windows NT
Compiler: Microsoft Visual C++
Other Tools: Orbix, Rational Rose, Rogue Wave

Contact Information

Objectivity Rep: Dan (Jack)
Customer Contact: Urban Jonson
Phone:
Email:

Application Information:

DRW Systems International, LLC (located at the Mercantile Exchange in downtown Chicago) is a small (currently four people) spin-off of DRW options trading company. The major figure behind both companies is Donald R. Wilson (initials DRW) who is a very respected expert in options trading (often quoted and interviewed by major financial media such as the Wall Street Journal).

The new software unit plans to bring to market two applications using Objectivity. The first is a standalone Options risk analysis and trading sheets application. The second is a large-scale, globally distributed clearing system code named PANAGAEA (the single continent on earth before breaking into seven).

The first project is targeted at any options traders who maintain options portfolios professionally. It will generate position risk and position analysis to give traders a variety of "what ifs" (market up X points, market down Y points) to analyze before taking their trading sheets to the pits. Currently there are some applications on the market that do this but they tend to handle only stock OR interest rate OR Eurodollar options not all types. Also, the output leaves a lot to be desired. DRW plans to embody the successful model and methodology used by DRW trading as another key value added in the product. Don's credibility should help this product sell.

They plan to begin coding the application in January and deploy within six months. They expect to sell 1000 units the first year and want to begin negotiating a pricing model with Objectivity in late January. They would like to include labeling the product as having "Objectivity Inside" as part of price negotiations and helping assure the success of Objectivity whom they view as a critical strategic partner.

The revenue from the first project and beta customers for PANAGAEA will fund the second project which is planned for deployment 2 years after funding is complete. While the first product will be price sensitive, the second will not.

PANAGEA, the second, longer-term project will address the limitations of current global clearing systems from Sungard and Rolfe-Noland. Those old, back office systems are batch oriented, hard to change and error prone and thus do not truly reduce risk for clearing firms. The proposed DRW global clearing infrastructure will provide a real time means of viewing and managing clearing information and risk via inexpensive platforms with web enablement. DRW also touts the benefits of object oriented technology

underlying this endeavor as making it the Open, flexible solution needed to “bring the continents back together” in the 21ST century.