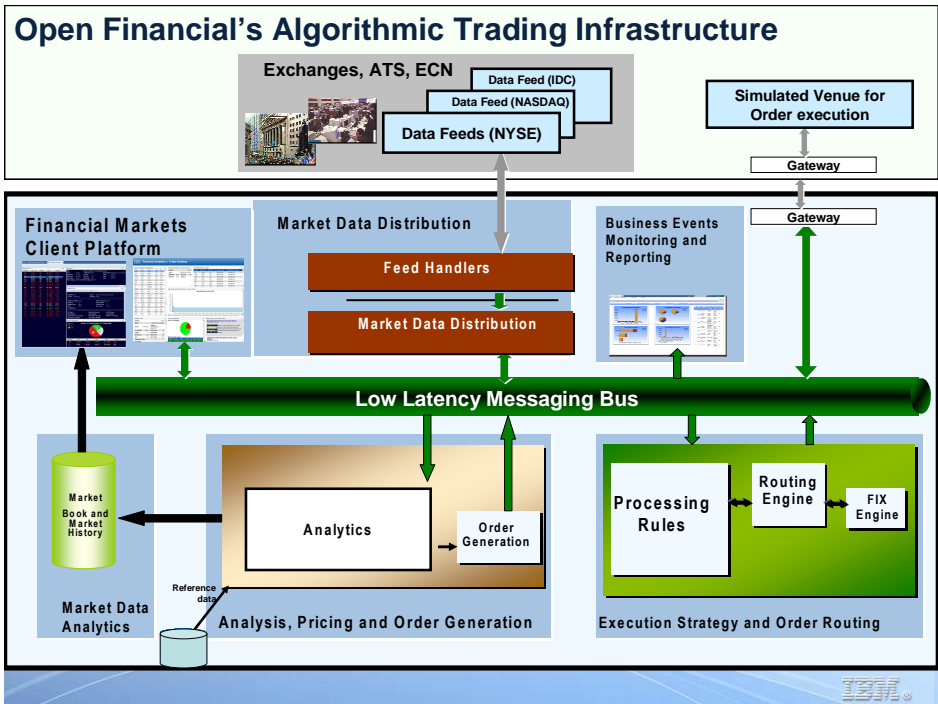


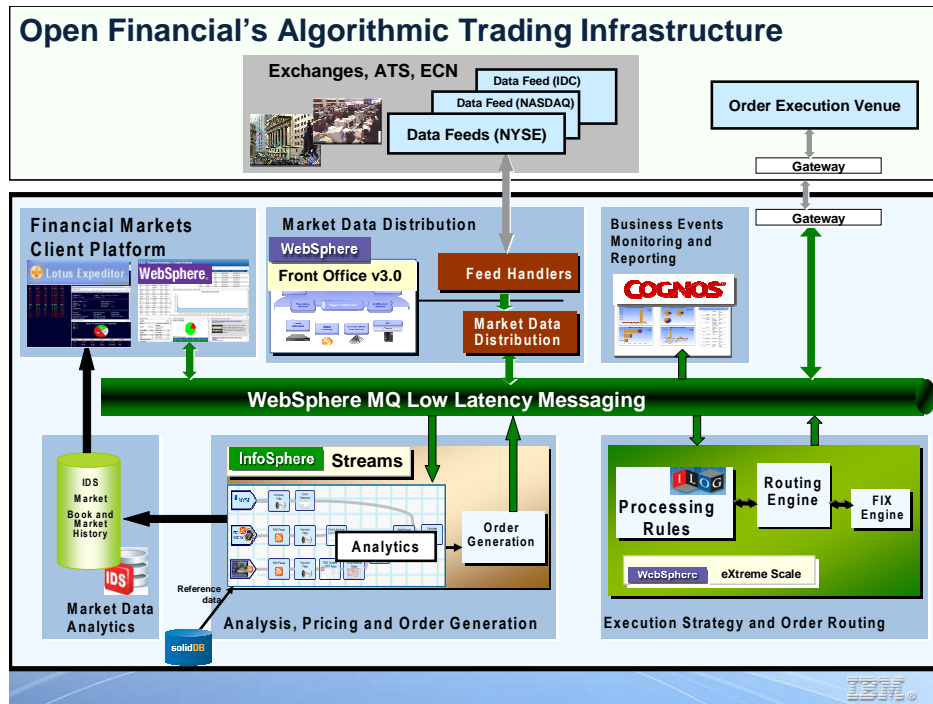


IBM WebSphere ILOG BRMS Capabilities

This demo will describe IBM WebSphere's ILOG Business Rule Management System capabilities and how they can be applied in the financial markets front office. This will be done through an algorithmic trading scenario. We'll refer to the Business Rule Management System as BRMS.



Open Financials is a brokerage firm that specializes in algorithmic trading. Their front office provides the ability to bring market data into the enterprise, distribute that data as fast as possible to their algorithmic programs, and handle the routing of the generated orders and exception processing through business rules. They monitor their trading environment through dashboards, and their traders can initiate orders and handle exception processing through their trader desktops.



Here we can see the technology that Open Financials is using.

They are using ILOG's BRMS, JRules, to handle the routing of orders and routing of order exception processing. JRules clearly identifies the relationship between business rules and business policies. Open Financials is able to deploy business rules quickly, understand the policies and objectives that give rise to the rules, and determine the impact of rule changes on their business.

ILOG Value Proposition

ILOG BRMS empowers the business to:

- Author and maintain business rules directly and confidently
- Satisfy regulatory and business imperatives for security, traceability and auditability of policy changes
- Implement comprehensive decision governance for both business and IT
- Deploy business rules safely to a robust and scalable execution platform

ILOG BRMS empowers the business to author and maintain business rules directly, satisfy regulatory and business imperatives for security, traceability and auditability of policy changes, implement comprehensive decision governance for both business and IT, and deploy business rules safely to a robust and scalable execution platform

Open Financial Employees



Beth Unger
(Business User)

Authors and maintains rules using ILOG Rule Team Server



Brenda Moore
(Business Manager)

Authors and maintains rules using spreadsheets and documents



Rusty Adams
(Rule Administrator)

Manages validation and deployment of business rules



Tim Allen
(Trader 0)



Todd Burns
(Trader 1)

Responds to dynamically changing rules seamlessly

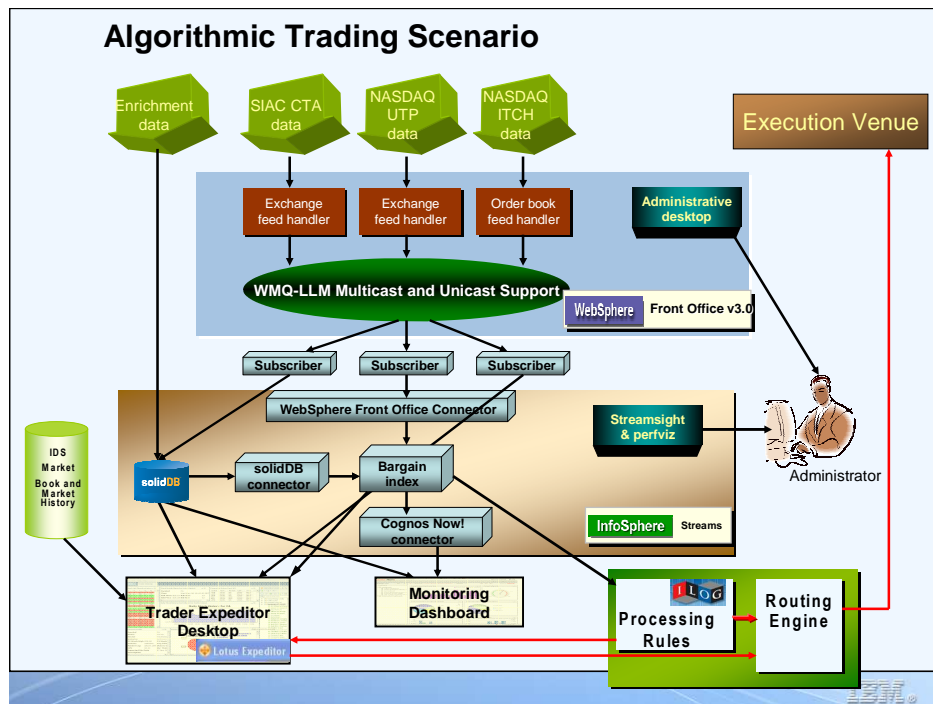


Beth Unger, a business user at Open Financials, uses the ILOG Rule Team Server to author and maintain rules.

Brenda Moore, Beth's manager, authors and maintains rules using spreadsheets, which are easily uploaded into the rule team server

Rusty Adams, the rule administrator, manages the deployment of the rules and is responsible for the auditability of the rule changes.

Tim Allen and Todd Burns are two of the company's traders. They see the results of the rule execution through their trader desktop.



Here we show the flow of the data in the algorithmic trading process.

The market data is distributed to the algorithmic program which determines when to generate orders.

Those orders are either matched internally or routed to an execution venue to be executed. Business rules determine what execution venue to route the orders to. Rules are also used to identify orders that exceed configurable thresholds and require Manual approval.

LIVE:

Lets take a look at the order exception processing that Tim and Todd are responsible for.

Here we can see we are viewing Tim's desktop.

Tim has a lot of exceptions he must investigate, especially for the symbol KBE.

Let's take a look at Todd's exception workload

We can see that he doesn't have any exceptions to process

Beth has noticed that Tim is overloaded, and wants to re-assign trades for KBE to Todd. She wants to change this logic without any help from the IT staff.

Beth signs in to RTS and finds the PickTrader rule that assigns manual trades.

She edits the rule to reflect the desired change.

The change of the rule has been stored in the rule repository and can be reviewed by others. It is also ready to be tested and deployed.

Brenda, Beth's manager, wants to know what the current trader assignments are.

She requests a spreadsheet from Rusty that contains all of the current business rules.

Brenda wants to further reduce Tim's workload by offloading responsibility for KFT to Terry Carlson, Trader 5. She updates the document with the change and sends it back to Rusty who uploads the changes to the Rule Team Server.

The upload was successful.

We can see the updated rule in RTS.

Rusty would like to verify that the rule changes made by Brenda do not cause any unintended consequences before he deploys them.

He uses the Decision Verification System to run regression tests against the modified rule set.

Rusty finds that some test cases fail because of the changes made.

He fixes the test cases by updating the expected results.

After saving the changed test case, he runs the test again and all tests pass successfully.

Rusty is now ready to deploy the modified business rules to the production system.

The new business rules are immediately available in the production environment.

Lets go back to the trader desktop

Here we can see that the workload has been reassigned and Todd is now receiving the KBE exceptions.

With a proven track record of delivering ROI, IBM Websphere ILOG BRMS is widely used by many of the leading investment banks, asset management and mutual fund firms that rank among the GLOBAL 500 to build smarter trading applications throughout the trade process cycle in pre-trade, trade and post-trade.

In summary, the IBM Websphere Business Rule Management System provides a full business rule life cycle support. It comes with a host of advanced features and functionalities geared toward both business and IT users including:

- A collaborative rule management environment for business teams whereby business users can easily author and edit rules using point-and-click editors
- Collaboration among different users can be managed with role-based permissions', access controls as well as customizable rule metadata properties
- Other features include a central rule repository, versioning, history management, testing, validation and simulation tools as well as the ability to obtain comprehensive audit trails of rules and decisions rendered

To learn more or to download a trial copy of Websphere ILOG BRMS, please visit us at the IBM Websphere website.