



Banking Technology

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The impact of grid

With so many buzzwords all competing for the attention of IT managers, some valuable concepts can get overlooked. It would be a shame if grid computing were one of them. Yes, it is a buzzword, but behind the hype are some impressive delivery capabilities that are bringing immediate and sizable returns on investment.

Volume growth, coupled with the need to deliver real-time information for business and regulatory reporting are two of the main drivers behind the growth of compute resources. In the financial services industry in particular, the traditional response has been to over-provision and ensure there is plenty of 'headroom' in resource availability. This means more money is spent on hardware and people, increasing support overheads, complexity and total cost of ownership.

Grid has largely been perceived in the past as a solution suitable only for compute-intensive applications. But grid technology is now being applied to a significantly broader array of application types. As grid extends beyond its traditional usage — that of improving performance for monolithic legacy applications — financial services firms are deriving value from the technology in new areas, such as:

Service-oriented applications that require guaranteed service levels

Volume-intensive applications that represent smaller units of work, but with large and/or unpredictable volumes

Data-intensive applications

Event-driven applications that require completion of a complex task by a particular deadline

Through open, standards-based technology, grid computing software creates a real-time operating environment that decouples applications from dedicated hardware.

Early adopters of grid technology can expect to see key gains in such areas as revenue growth, performance optimisation and cost reduction and containment.

The technology represents a unique opportunity to improve performance in each of these areas simultaneously and the short time windows involved make grid projects both attractive and compelling.

For example, we have seen an insurance firm suffering from capacity challenges in a range of processing intensive areas, including applications for actuarial calculations, risk management, cash-flow projections, and pricing for products. The actuarial cycle times would take one of the department's processors 83 days to calculate. But with grid technology in place, this was reduced to 81 minutes.

Always aggressive in their use of technology, financial services firms are particularly well positioned to leverage grid computing, thanks to a universal truth: financial services is a data and compute-intensive business. For firms in banking, insurance and the capital markets, grid technology will help them complete compute-intensive processes faster, more thoroughly and accurately. This is sure to have a dramatic effect on their day-to-day activities.

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