



Consulting for the Financial Industry

CASE STUDY

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Rigorous Q/A testing ensures success of new broker-dealer platform

VMS manages entire project and delivers new system on schedule

Customer Challenge

At its headquarters in New York, a major financial institution needed to take remedial action on a broker-dealer trading platform that was proving inadequate in several aspects. The system offered only batch-time rather than real-time trading, lacked sufficient audit trails for every transaction, and bumped into capacity issues when trade volume increased. The firm planned to deploy a new off-the-shelf platform that required significant testing as well as modifications to adjacent systems that handle employee options trading and stock purchase plans.

With a new system comes risk. Changes in one part of a system can lead to unforeseen negative effects in another part. If a transaction doesn't go through properly, the firm could be liable for millions of dollars. In addition, the timeline was aggressive; implementation needed to be complete for a significant investment banking firm vesting event within six months.

VMS Solution

To mitigate risk and ensure a successful launch of the new platform, the firm chose VMS to manage the entire quality assurance (Q/A) project. VMS was selected because of its extensive experience in managing Q/A projects for financial services firms and specifically broker-dealer and employee plan systems. Additionally, VMS offered the right mix of resources, including project managers, Q/A managers, Q/A testers, and business analysts.

VMS applied a proven methodology to the project. VMS consultants analyzed business requirements, developed a test plan, and created a series of test cases and scripts to ensure the system operated correctly.

VMS was responsible for the following:

- Coordination of all project activities and vendors
- Regression testing of the broker-dealer platform functionality, including the development and execution of 125 re-usable broker-dealer test scripts

Executive Summary

Challenge

- Q/A a new broker dealer platform
- Test and help de-bug custom interfaces to front end systems
- Meet aggressive implementation timeline

VMS Solution

- Overall project management with expert resources
- A customized Q/A approach based on the client's specific business needs
- Re-usable Q/A and test scripts, without proprietary fees or restrictions

Results

- On-schedule launch of new broker-dealer platform
- Cost and time savings through re-usable scripts
- Higher system functionality and lower liability risk



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- Detailed testing of custom modifications of the platform to satisfy reporting requirements to management and regulatory bodies, including transaction audit trails
- Q/A testing of new application code permitting the client's front-end systems to interface with the broker-dealer product, including the development and execution of 600 re-usable Q/A test scripts for system interfaces. In addition to formal test cases, VMS followed through with rigorous testing during the initial development and defect resolution phases.
- Maintaining a log of issues consisting of all test results and documentation of system defects uncovered during testing
- Meeting with the client management team on a daily basis to report progress and resolve issues quickly
- Communicating with the software vendor's technical team to report defects within the product, and to facilitate resolving these issues
- Documenting the correct execution of all Q/A test cases, and certifying that the system functioned according to the approved business and technical requirements

Customer Benefits

On-schedule launch of new system. VMS managed the entire Q/A project on an aggressive time frame, allowing the system to be ready, tested, and stable for a high-transaction major vesting event.

Improved trade execution. The new broker-dealer platform provided the client with real-time trades, faster execution of trades when trade volume increased, and the ability to track, manage and report trades after market hours.

Cost and time savings. VMS developed and documented more than 600 Q/A test scripts and 125 broker-dealer test scripts that can be re-used by the client's offshore resources for future system testing, helping to save time and money.

Lower risk. The new system allowed timely reporting of trades to regulatory bodies and an audit trail of every transaction, helping to lower liability risk on trades.

About VMS

Founded in 2002, VMS, LLC (Virtual Management Solutions) offers a specialized portfolio of consulting services for financial services firms worldwide. We are owned and operated by an executive team with a reputation for excellence and integrity in the financial services industry. Because of our exclusive focus on financial services and dedication to personal service, we are able to work with clients quickly and expertly to deliver technology requirements, business models, and management practices, as well as complete project management—from planning and methodology, to execution, staffing, documentation, quality assurance testing, and training.

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