Success story
Gold standard trading, risk and operations platform for the insurance linked securities sector

Leadenhall
Capital Partners

Leadenhall Capital Partners, a global leader in insurance linked securities (ILS) and reinsurance-linked investment strategies, partners with Digiterre to design and build a gold standard trading platform to significantly improve all-round operational robustness and integrity and to greatly enhance the quality and speed of data used to inform key trading and other business critical decisions.

LCP's key technical challenge was how to reduce operational complexity by having a single source of truth for all their trading positions and cash flows. With the creation of this "single version of the truth" LCP would be able to improve data input and validation efficiencies, focus more on data optimisation and analysis and ultimately offer far greater value-add for their investors. However, no such 'off the shelf' product existed. As financial technology specialists with an in-depth knowledge and extensive experience of trading and risk systems, Digiterre was chosen to design and build a gold standard software and data platform to deliver on these requirements.

> *Working with Digiterre felt like a true partnership to achieve our goals. We built something that was material and relevant to our business. I'm impressed.*

Luca Albertini
CEO, Leadenhall Capital Partners

> *Digiterre provided a healthy degree of discipline to our data management and processing and have significantly reduced our operational risk, whilst demonstrating a good understanding of our products and processes. They were very supportive, at the same time as providing solutions that the business hadn't even envisaged on commencement.*

Chris Learmonth
COO & CFO, Leadenhall Capital Partners

Project goals

The project goals were to:

- To support the growth of the business.
- To reduce overall operational risk and complexity.
- To improve team collaboration.
- To create a single and robust data source to run the trading operations of the business.
- To create a portfolio reporting tool designed to increase the efficiency and quality of reporting to external investors, which could be tailored to meet the needs of different investors groups.
- To develop a Management Information (MI) tool to increase the depth and efficiency of reporting to LCP management. A key requirement was the improved reporting within the business of the twin parameters of fund capacity levels on the one hand, (i.e. the deployment of money) and fundraising targets on the other, (i.e. the raising of money).

Key benefits

- The removal of data input complexity and its replacement with single, one time data input and single, one time data validation.
- A dramatic reduction in time preparing and reconciling data and much more time focused on the analysis and the reporting of data.
- The realignment of the patterns of work between the front, middle and back office functions at LCP. This includes much more goal congruence across the business, so that LCP team members' goals are now much more closely aligned.
- Processes are more streamlined improving the speed and accuracy of reconciliations. As a result, the middle and back offices understand the business much better and can therefore challenge and support the business much better.

Our solution

- An 'Agile' approach to the overall development of the product. Particular benefits of the approach included accommodating LCPs changing requirements as the programme progressed. Running 2 week development cycles that brought more frequent delivery of the working software and closer collaboration between LCP and Digiterre.
- Introducing a 'straight through' data processing approach to LCP. A new interface was designed and built for the front-office to enter data securely and for the data to be warehoused securely. Subsequently, operations are able to reconcile the data and report from it. The data system in turn produces trade instructions to LCP's administrator and custodian.
- Bringing together the LCP front office, middle office and back office, enabling them to have a unified approach to data management, having previously worked in a less connected way from one another. The Agile approach encouraged these different departments to interact and to engage with one another to improve business processes and outputs.

- Allowing the business to absorb much higher workloads at existing resource levels, especially over an ongoing period of significant business growth.
- Providing deeper, faster & more accurate management reporting to the LCP board.
- The ability to respond more rapidly to changing business conditions and given the "single version of the truth" with greater confidence in the decisions made.
- Overwhelming positive feedback from investors about the new system's capabilities & its value-add for them.