

# Case study

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## The Opportunity

Recently, the head of Fixed Income from Besuto, a large global bank, reached out to our Sales Office to discuss a potential opportunity. "We've hired a very senior group of traders from the leading Investment Banks in NY. We want to become a serious player in the OTC Derivatives Markets." said the head of Fixed Income. "These guys just can't be sitting around -- but I can't have them trading without the right tools to manage their risk.", he added.

Besuto is one of the largest financial institutions in the world, offering comprehensive services including private banking and venture capital through its subsidiaries. The parent company has over 900 offices and 56,000 employees worldwide in nearly 40 countries throughout the Americas, EMEA, and Asia.

The bank has made it clear that it plans on gaining a bigger slice of the pie on Wall Street. As well as building out its fixed-income business, it's also been hiring for Derivatives Trading. In May of 2017, Besuto hired a new Head of Derivatives trading. He will lead the bank's US derivatives trading activities, which currently includes Rates and Foreign Exchange products.

The head of Derivatives trading is also a member of the bank's investment strategy team which is responsible for building out the overall derivatives platform for the bank, including the XVA function. "We have a lot of wood to chop, and I want it done right. I've worked at DB and GS, and our technology gave us a competitive advantage. Convince me that I can trust this to a vendor." said the Derivatives Trading head.

He continued, "Many of the core analytics that I need are widely available through vendors -- even opensource in some cases -- what these guys don't get though, is that we want to automate the adjustments we make to the "textbook" calculations. These are topside adjustments to cover the uncertainty in our modeling approach, including liquidity. What I need is an of analytical services that: (1) never go down, (2) have clean client APIs, REST, fast data support), (3) scale with an increased workload, and (4) log everything, so we can eventually support machine learning. Finally, its clear to most that firms are widely using Python and Scala for a reason. I need Python and Scala support as well. I don't know anyone out there that can do all of that -- which is why I think our quant development team is better suited to meet our needs."

"And one last thing," he added, "No one has figured out how to make a reasonable UI except maybe Bloomberg -- and even their's looks like something out of the late 90s. I need to understand your UI strategy."

The Sales team's conversations with the bank's head of IT shared a similar theme. "There just isn't an offering in the market that does everything we need. Your company is known for analytics, but I don't think you can do what we need. I'm willing to do a proof of concept with you, and if it goes well, we can continue our discussion." said the head of IT.

"Before I'd even consider discussing a deal with you, I'm going to need you to show me you understand our needs," she said. "You have a little over 24 hours to gain my confidence. I will send you an email tonight that outlines what I need from you, and we'll schedule a meeting tomorrow evening," she added. "The agenda will consist of three parts: (1) a live demo of your proof of concept, (2) a walkthrough of your roadmap that shows the evolution of your product for the next two years, and (3) a list of your development investments for this year. I want to understand where you are going, your vision and what you are investing in."