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# **Real Life Experiences:** Lessons Learned in DR Planning

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**GFI Group**  
**June 2005**

# What Makes DR So Hard?

- **Difficult to do “after-the-fact” (while it’s happening)**
  - It might be impossible
- **Money**
  - Takes away from Development \$\$
  - Provides only Risk Reduction
  - No cost savings
  - No revenue increases
- **Cooperation**
  - Between IT organizations
  - Between IT and business users
  - Between Businesses:
    - Politics: Requiring Senior Management to prioritize one revenue stream over another
- **Thought**
  - Requires Senior Management to make decisions as to Risk and \$
  - Increasing systems/data/client interdependencies

# What Makes it easier vs. ten years ago

- **The Business has experience**
  - Y2K
  - 9/11
  - August 2003
- **The Business is being asked**
  - Audit/Regulators
  - Clients
- **Not just IT driven**



# Application Managers' Perspective

- **GFI Group**
- **Rapidly Changing Environment**
- **Requirements**
- **Experience**

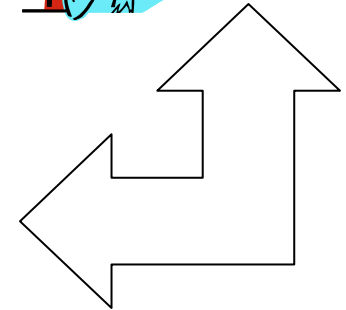
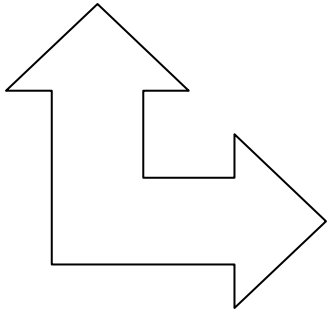
# GFI Group Overview

- **Inter-dealer broker**
- **Approx 900 employees**
- **NY, London, Sydney, HK, Singapore, Tokyo...**
- **Background in more “esoteric”, exotic derivative products**

**Broker/Dealer**



**Broker/Dealer**  
**Broker/Dealer**  
**Broker/Dealer**



**Inter-dealer  
Broker**

# Rapidly Changing Environment – Part 1

## 2000

- Private Company
- ~ 300 employees
- ~ 30 broking desks
- NY, London, Sydney, Tokyo, HK, Singapore
- Telephones, Bloomberg, and 1 application critical to business revenue generation

## 2005

- Public Company
- ~900 employees
- 90 markets
- Larger presence in Asia
- US equities broking
- Realtime trading applications critical to business revenue generation
- Central Reference Data
- Provider of Realtime Market Data
- STP Directly to clients
- Connectivity internal and external

## In 5 Years...

### 2000

- Private
- ~300 employees
- ~30 markets
- NY, London, Sydney
- Telephones, Bloomberg and Reuter and 1 application

### 2005

- Public
- 900 employees
- 90 markets
- Larger presence in Asia
- US equities broking
- Realtime trading applications
- Central Reference Data
- Market Data provider to street
- STP directly to clients
- Connectivity internal and external

### Added Complexities

- More visibility
- More people to support
- Greater diversity of products to support
- More locations to support and to account for outage potential
- More time-critical availability requirements
- More revenue at risk
- More client-sites which require connectivity
- More connectivity on the whole (regulatory, affirmations, etc.)

# Rapidly Changing Environment – part 2

## Entering 2005...

- No** ● Retiring 1Q  
real-time commodities trading system
- No** ● Phased replacement by EOY  
real-time FX Options trading system
- Yes** ● Phased expansion  
real-time credit/fixed income derivatives  
trading systems
- No** ● Upgrading 1Q & 2Q  
Market Data distribution systems
- No** ● Outsourcing  
our Oracle Financials Implementation

## End of 1Q...

- Upgrading and Keeping **Yes**
- Slowed the phasing  
into 2006 **Yes**
- Speeded up this expansion **ASAP**
- Slowed to End 2005 **Yes**
- Keeping this In-house  
and upgrading **Yes**

## Reminders...

- **Continually (at least quarterly) revisit your assessments**
- **Keep business thinking about what's critical – especially at every significant resource juncture**
  - **E.g., just before you purchase hardware or sign that support contract**

# Ridiculous Requirements



How the customer explained it



How the Project Leader understood it



How the Analyst designed it



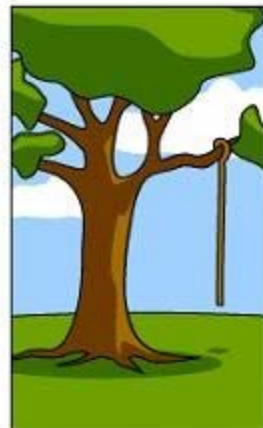
How the Programmer wrote it



How the Business Consultant described it



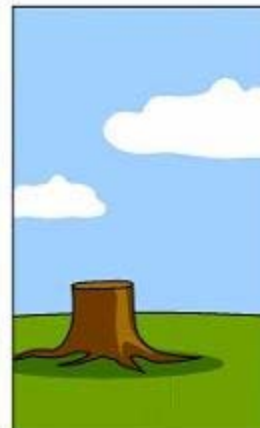
How the project was documented



What operations installed



How the customer was billed



How it was supported



What the customer really needed

# Ridiculous Requirements

- **Audit & IT Data Center Drivers**
  - **Company Management**
  - **Real Business Needs**
- Example:**
- FXO & Energy Trading Systems**
- **2004 – Tech testing w/o Dev**

# Experience is the Best Teacher

## Plans – pre 9/11

Small firm, Mostly phone-based business

### ● Data

- Critical data offsite
- Daily incremental
- Weekly full

### ● Applications

- Local back-up servers for critical applications

## Service Providers

- Redundant circuits and/or carriers for critical service providers

### ● Customers

- Phone lists

### ● Personnel

- Plan to Temporary relocation/fly to alternate GFI location

# 9/11 Experiences

- Immediate evacuations
- Switch to Generators
- Locating Client/Vendor contact lists
- .....
- Hand-offs to overseas partners
- Clients Contacted
- Command Team established
- Contacting Employees
- Website established
- Alternate sites arranged
  - Outfitting begun
- By 9/13 – three offsite locations
  - Phones
  - Laptops
  - Email access
  - Bloomberg access
- By 9/17 – back in the office

# 9/11 Problems

- **Prioritization**
  - First time having **BUSINESS CONTINUITY** discussions with senior management
- **Applications**
  - London running apps in NYC
  - Applications running locally on machines
  - Much more paper processing
  - Communication
- **No mobile phones; Nextel Radios and Blackberry = critical**
- **Data**
  - Many historical data points had to be post-keyed

# Changes Made post 9/11

## ● General

- Documentation
  - Scenarios & contacts
- Planning meetings

## ● Applications

- Application s/w and h/w back-ups between NY & London
- Moved MS Access and MS Excel applications onto network (vs. local machines)

## ● Communication

- Call Tree for critical personnel established
- Central point for information dissemination
  - Who was needed
  - When, Where
  - What was going on

## ● Service Providers, Customers

- Better contact information maintained globally for Vendors & our Customers

# A Macro View: Blackout of 2003



# August 2003 Experiences

- Personnel sent home
- Hand-offs to overseas partners
- Clients/Vendors Contacted
- Tech team on-site overnight
- Next day critical business and support personnel were in the office

# August 2003 Problems

- **Help desk and Key IT people were not on Generator power**
  - How can you watch the network if you have no desktop?
- **Data**
  - Data consistency across applications mattered. (E.g., FXOptions trading required realtime FX rates from Market Data and synchronization with FENICS pricing service)
- **Applications**
  - Connectivity issues between applications – which apps were running on primary, connecting to which other ones running on primary or back-up?
- **Equipment**
  - Needed flashlights, extension cords, battery-operated radios
- **Too many phone-calls from employees**
  - We had the website updated, but our employees didn't have power for their computers at home to access it!
- **Contacting Employees**
  - Out-of-date numbers, mobile-only numbers, etc.
  - Many contact lists assumed International country codes were understood

# Changes Made post August 2003

- **Communication**
  - Added Generic Voice Mailbox for all employees to access latest information (so they didn't need electricity to power their computers)
  - Full employee contact lists given to managers
  - Included international country codes
  - Wallet-sized Emergency Contact/Procedure cards distributed to every employee
- **Added Help Desk and core IT people to Generator**
- **Purchased Emergency Equipment**
  - And located them conveniently (e.g., Flashlights and power cords)
- **Adjust Plans**
  - for new applications (and their integrated environments)
  - Began looking at data "snapshot"
- **Testing, testing and more testing**

# Ongoing...

- **Periodic review of plans – and testing of them**
- **Focus on business continuity**
- **Business impact analysis to drive the Tech plan**
  - **What's critical on Day 1? Day 2?**
  - **Analyzing the costs...E.g., Ability to generate revenue**
    - **50% of daily revenue ... should be recoverable within 48 hours**
    - **75% after 5 days**
  - **Seat recovery costs**
    - **“Shared” is less expensive – but ‘first come, first served’**

# The Best Laid Plans...

- **There will be problems**
- **Focus on critical needs**
  - driven by business, ideally from actual experiences
- **Senior Management needs your help...**
  - to understand the risk choices they are currently making, and
  - to articulate (into IT plans) the risk appetite they will accept.
- **Created/Worked as partnership “team” with**
  - App Dev, Business, QA, System Integrators, .....AND Data Center/Core Services teams

# Continued...

- **Test, test, test**
  - Structured, planned tests
  - With every major release
- **New Application Approval Process and Budget Process**
  - should highlight whether is required now – and in what period it should be re-assessed
- **Keep Re-assessing**
  - Business environment changes too quickly to wait for annual budget / “Demand Assessment”