

**Business Issues in the**

# **Finance Sector**

**A Solutions Guide for End Users**



## Data Archiving

Archives saved without significant attention to retrieval are difficult to access and manage. Intelligent archiving needs to be an integral part of any ILM implementation and should involve strategy, process, systems and infrastructure. Through linking intelligent archiving, information asset management and advanced applications strategies, organisations can realise the value in their archived data. The combination of Sun storage platforms with Sun StorageTek QFS and SAM-FS software can address these challenges with policy-based file services and continuous archiving of file data to meet service levels based on the data's life cycle, and value to your business.

### Financial Services Authority

The most significant challenge for financial services companies in the next few years will be the EU's Markets in Financial Instruments Directive (MiFID). The legislation emphasises principles such as best execution, which means that financial institutions must prove that they secured the best price for a particular trade. This requires more thorough transaction reporting, which relies on the retention of considerable amounts of trading information for up to five years. Not only will the storage capacity for such reporting jump considerably, but companies must also cross-reference the transaction information.

### Sarbanes-Oxley

The Sarbanes-Oxley Act 2002 put significant governance requirements on US companies, but also on their subsidiaries in other countries, and on their suppliers. Electronic records must be retained for five years, while financial data must be archived for a further two years. Sarbanes-Oxley sets out specific rules for retaining email and many other types of information, meaning that even the content of employees' electronic calendars must be retrievable. Because the integrity of this information is important, corporate storage policies must create tamper-proof copies of data that regulators can rely upon for accuracy.

### Basel II

The Basel II legislation aims to regulate risk in banking. It emphasises process consistency and requires the retention of application and system event log data for at least two years to provide the best possible picture of the business. Although paper-based processes could theoretically comply with Basel II guidelines, in reality regulators concerned with consistency may be critical of such documentation. Storage systems that are able to replicate large amounts of system data from a variety of sources will therefore be vital if financial institutions are to prove their competency in a Basel II environment.

## Data Consolidation

In the face of expanding data requirements and shrinking budgets, effective utilisation of storage and data has become. Sun can deliver a complete storage solution for consolidation by providing an end-to-end IT infrastructure, from the operating system to server and storage systems, through applications and management tools, to service and support. This paves the way for the lowest possible total cost of ownership. Storage tailored to the Sun server platform offers easier implementation, higher performance, and greater reliability. Sun storage can also play a key role in consolidating existing infrastructures starting at the workgroup level through Switchless SAN™ technology.

### File and print services

Electronic record management has long been a core competency for heavily regulated financial services companies. Consolidating storage enables those records to be stored more cost effectively and securely. Electronic data may be an important aspect of operation for financial companies, but they still live and breathe paper, both for customer communications and internal records. Consolidating physical storage and logical data structures makes it easier to access information to help keep customers up to date. Accessing data from disparate sources increases the risk of inaccurate or outdated information, which can have severe ramifications for customer confidence.

### Web services

Online interaction has become a central operational tool for financial services companies. Online banking, for example, reduces the cost of customer interaction, while web services using XML technology have made cross-company application integration easier to design and execute. However, these data-driven processes require fast access to integrated records in a consolidated storage environment. New concepts such as service oriented architectures that will drive forward the maturity of web services are best executed within a consolidated data environment. Bringing records together creates a more flexible asset that can drive process reuse within the organisation.

### Competitive advantage

As new regulations emerge, the key to survival is not just to ensure compliance, but to use the regulatory requirements to enhance a company's IT capabilities. Business managers can use these capabilities for competitive advantage. With regulations such as the Markets in Financial Instruments Directive (MiFID) looming large, this approach is becoming greater than ever. Without data consolidation, IT departments cannot access the data to push these innovative new concepts forward. Consolidating data logically by merging disparate databases is best achieved atop a consolidated physical layer such as a storage area network, for example.

## Data Protection

In the Participation Age your business data is your most valuable strategic asset. Sun's portfolio of data protection solutions allows you to protect information for thousands of networked servers and workstations. By standardising on the Sun modular storage family, incorporating enterprise data protection services, you can protect your largest data centres and smallest branch offices, while minimising costs, reducing management overhead, and increasing return on your storage investments. Of course, one size rarely fits all, but you can be sure of finding a flexible solution with scalable backup and recovery capabilities for your storage infrastructure within Sun's data protection portfolio.

### Payments in and out

Financial services companies face particular business and regulatory challenges around payments entering and leaving the organisation. The Financial Services Authority has strict rules to prevent money laundering that require companies to demonstrate a detailed knowledge of their customer. Financial companies must take extra care to verify and maintain information concerning their customers' identity. Similarly, the significant increase in identity fraud makes it particularly important for companies to protect the integrity of stored customer data in consumer-facing financial applications.

### Business continuity

Business continuity has always been best practice within the financial services community, and the Financial Services Authority has also recommended "appropriate arrangements" with regards to meeting regulatory obligations in the event of an unforeseen interruption. Thanks to regulations such as the Markets in Financial Instruments Directive (MiFID), the mandate for business continuity is becoming tighter, and customers will also be concerned about a financial institution's ability to maintain operations in the event of a terrorist attack. Financial services companies must therefore protect their data using effective storage management as part of a broader business continuity strategy.

### Security

The UK Financial Services Authority adheres to the principles of data protection as laid out in the Data Protection Act 1998. Consequently, companies must take appropriate technical measures to prevent the unauthorised access of personal data or its loss. The FSA applies strict controls to ensure that financial services companies in the UK meet these requirements. Data should therefore be stored in a secure manner, and financial companies should take necessary measures both for customer confidence and legal compliance.

## ILM

Without ready access to relevant, secure data, you are exposed to risk and left to make key decisions in a vacuum. Around 90% of data is seldom or never accessed after 90 days and an estimated 80% of data can safely be stored on lower-cost storage. Sun's storage solutions can help even the smallest of enterprises start to establish the foundations for Information Lifecycle Management (ILM). From creating simple tiered storage architectures using Sun's comprehensive range of Workgroup level disk and tape solutions, through to Information Management Maturity Model (IM3) diagnostic tools, these solutions help you turn your data into a usable business asset.

### Reduction of operational overhead

Financial companies dealing with complex information workflows and information stored across multiple documents need to strike a balance between cost of storage and speed of access. Archiving the wrong information to tape, for example, will incur significant retrieval overheads in both cost and time. Information lifecycle management uses information about the age of a document, its popularity and value to decide where it will be stored. This decreases operational costs by providing the right information to staff quickly.

### Managing risk

With regulations such as Sarbanes-Oxley and BASEL II, the demands placed on financial companies have direct implications for senior executives who will be personally liable if internal controls are found to be inadequate. Understanding and enforcing policies that dictate when data is to be created, how long it is to be retained, and when it should be destroyed has become a critical part of an information strategy. In particular, the ability to render information unalterable at a certain point in its lifecycle is vital to help satisfy regulators, who are looking for consistency in data management practices.

### Competitive advantage

Perhaps more than in any other sector, financial companies view information as a core competency. New products such as financial instruments are based almost entirely on this information, meaning that its quality and accuracy is crucial. Whereas hierarchical storage management focused only on moving data onto different types of media based on age, ILM assesses the business value of a piece of information and keeps it readily available for activities such as data mining, decision planning and access by operational systems. This leads to information that is more accurate and readily accessible to employees, which makes a financial services company more responsive and able to generate new revenues.

### Why choose Sun StorageTek products?

Sun Microsystems is a recognised multi-billion dollar industry leader in the UNIX and open systems storage market. Its innovative storage solutions help simplify IT environments so organisations of all sizes can increase efficiency and utilisation, lower costs, improve reliability and compete more effectively.

Deliver Better Value,  
Access, Simplicity, and Trust

### What does Sun offer to your business?

- End-to-end offering of storage hardware, software and services
- Open systems approach, support for heterogeneous environments
- Best-of-breed devices across every storage class
- Unique systems approach
- Proven storage expertise

- Innovative products, technologies and methodologies
- Sun protects more data than any other Vendor
- Leaders in Virtualisation, Identity Management, Integration, Security and ILM

# Get 50% Off your next Storage Healthcheck!

Can your current infrastructure meet your existing and future storage demands?

Are you maximising the availability of your storage environment?

Do you know what specific actions are needed to resolve your current infrastructure issues?  
0800 022 0170

**If you cannot answer the above questions with a definite YES then your Sun Microsystems Partner can help with the solution. Request your Data Storage Assessment Service today.**

## The Data Storage Assessment Service includes:

- Two day on site visit
- On site audit of Sun Storage infrastructure
- Formal report to detail all findings of the assessment
- Optional follow up meeting to review the report (where appropriate)
- Assessment of up to a maximum of 10TB of Sun data storage, split across a maximum of three Sun arrays, and a maximum of 10 host connections.
- 50% savings on list price offer
- Offer code: IS-STO-HCK-001
- Offer lasts until May 29th 2007

**For storage infrastructures comprised of non-Sun storage arrays, request alternative Data Storage Assessment Service quotation from your Sun Microsystems Partner**

## Address your Business Issues today and request your Data Storage Assessment from your Sun Microsystems Partner.

### Your Sun Microsystems Partner

Call 0800 963 941 to find your nearest Sun Microsystems Partner



United Kingdom  
**0800 963 941**  
Avnet Technology Solutions  
Access Division  
5 The Sterling Centre  
Eastern Road  
Bracknell  
Berkshire  
United Kingdom RG12 2PW  
Email [marketing@avnet.com](mailto:marketing@avnet.com)

Manchester  
Manchester Exchange Quay  
6th Floor  
8 Exchange Quay  
Manchester M5 3EJ

The Netherlands  
**0800 022 0170**  
Amstelveen  
Dr. Willem Dreesweg 6-8  
1185 VB Amstelveen  
The Netherlands

France  
**0800 905 941**  
Paris  
8-10 rue de la Ferme  
92100 Boulogne Billancourt  
France

Spain & Portugal  
Portugal **800 831 467**  
Spain **900 993 187**  
Madrid  
c/Chile 10  
Edificio Madrid 92-OF 234  
Las Matas  
Madrid 28290  
Spain

Slovakia  
**+ 421 2 3211 1114**  
Avnet Technology Solutions s.r.o.  
Digital park, Einsteinova ulica 21  
851 01 Bratislava  
Slovenská republika

Czech Republic  
**+ 420 281 002 383**  
Avnet Partner Solutions  
V Olsinách 75  
100 00 Praha 10

Hungary  
**+ 36 1 487 6161**  
Avnet Technology  
Solutions Kft.  
MOM Park, SAS Torony  
H-1123 Budapest  
Csörsz utca 45.