

The Thomson Reuters Contribution Output Handler (TRCO) for ConteX 4

Reducing the TCO of Contributions to Thomson Reuters

– a Gissing white paper

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Introduction

The new Thomson Reuters Contribution Output (TRCO) handler for ConteX 4 multi-vendor contribution system allows users, for the first time, to connect their ConteX servers directly to Thomson Reuters' Contributions Head-end infrastructure without the need for Marketlink gateways. This white paper explores the background to this new product, the rationale behind its development and the customer benefits it provides: in particular with regard to reducing the total cost of ownership (TCO) of contributions to Thomson Reuters.

Background

Historically, contribution to Reuters (and now to Thomson Reuters) has required the deployment of Marketlink gateway boxes on the customer site, to which contributing systems connect and send their data.

Low volume contributors may have a single Marketlink box on site, or possibly a live/standby pair for resilience purposes. High volume contributors will have several live/standby pairs at each contributing site.

The connection from the contributing system to the Marketlink box(es) is either via a serial interface (for MLIP v1) or via a TCP/IP socket (for MLIP v1.5 or MLIP v2).

The Marketlink gateway performs two primary functions:

- Firstly, and most importantly, it creates and maintains a secure and authenticated connection to the Thomson Reuters Contributions Head-end using a proprietary security protocol. This ensures that all connections into the TR systems are from genuine, identifiable contributors and can be traced to a specific gateway at a specific site. This is extremely important, as contributed data can move markets.
- Secondly, it provides and enforces on-site flow control for contributed data based on the message rates agreed with Thomson Reuters, both for individual RICs and pages and for the line as a whole. This prevents data being sent downstream to the TR Contributions Head-end, only to be rejected for throttling reasons and thus wasting bandwidth. These message rates are obtained by the Marketlink gateway from the Head-end, and can change dynamically from time-to-time.

For these reasons ConteX, and all other third-party or in-house contribution systems, have always needed to connect to Thomson Reuters via one or more Marketlink gateways. Marketlink IP (MLIP) is provided

on a software only basis, with customers needing to supply the necessary Sun servers on which to run each of their Marketlink gateways.

If MLIP v1 gateways are deployed at a site, contribution systems (such as ConteX) will also have the complexity of managing the serial connections; usually requiring the deployment of additional hardware (e.g. Digi Etherlite terminal servers) to support connections from both live and standby contributions servers to the same Marketlink gateway(s).

Rationale for Developing TRCO

Following Reuters' acquisition of Gissing in January 2008, a review was undertaken as to whether our new position as a member of the Thomson Reuters family could provide any specific benefits to our ConteX user base.

It quickly became apparent that an obvious candidate for rationalisation within a ConteX environment was the Marketlink gateway: why have ConteX Marketlink Output Handlers connecting to separate (often multiple) Marketlink gateway boxes when we could now simply implement the Marketlink gateway as a ConteX handler running on the same server?

This approach would have a number of benefits for ConteX users, including:

- Reduce the number of boxes deployed in the data centre
- Remove serial connectivity issues (MLIP v1)
- Reduce latency introduced by multiple boxes
- Allow rationalisation of comms
- Improve resilience
- Simplify future MLIP upgrades (only need to update ConteX)
- Simplify contributions permissioning
- Provide guaranteed "future proofing" for TR contributions

It was therefore decided to develop a new ConteX output handler that could replace all current versions of the Marketlink gateway (legacy Serial, MLIP v1, MLIP v1.5 and MLIP v2) and communicate directly with the Thomson Reuters Contributions Head-end infrastructure without the need for any other on-site boxes.

This handler was completed and released in Q4 2008 as the Thomson Reuters Contributions Output handler (TRCO) and has now been successfully deployed in production at a number of customer sites.

Reducing the TCO of Contributions to TR

By implementing TRCO as part of a ConteX system, customers can make significant savings in the Total Cost of Ownership (TCO) of contributions to Thomson Reuters.

As previously mentioned, Marketlink IP is supplied on a software only basis, with a monthly fee being charged for the second and subsequent MLIP gateway (including standby systems) at each site.

In addition, the contributor must provide the hardware for each gateway – a Sun server – and the rack space for this hardware within their data centre. This rack space can be very expensive; especially if the data centre is outsourced (we have recently been quoted figures by customers of around £10,000 per year per server). Furthermore, many ConteX clients have multiple live/standby pairs of MLIP gateways, multiplying this cost several times over.

By implementing TRCO as part of their ConteX system, customers can remove all of these additional boxes and run their entire contributions system on their existing ConteX servers, thus saving both the MLIP software fees and, more significantly, the hardware and data centre fees for all current (and future) Marketlink gateways.

Other TCO reductions are achieved in the areas of system management and administration, as there are fewer boxes to manage and monitor.

As an example: one recent analysis we produced for a new customer showed a TCO saving of around £100,000 per annum after taking account of the full ConteX licence fees for their entire system; and this is not an isolated case. Obviously savings will vary based on individual systems and customer deployments, but can easily be calculated if the full costs associated with the Marketlink gateway boxes are known.

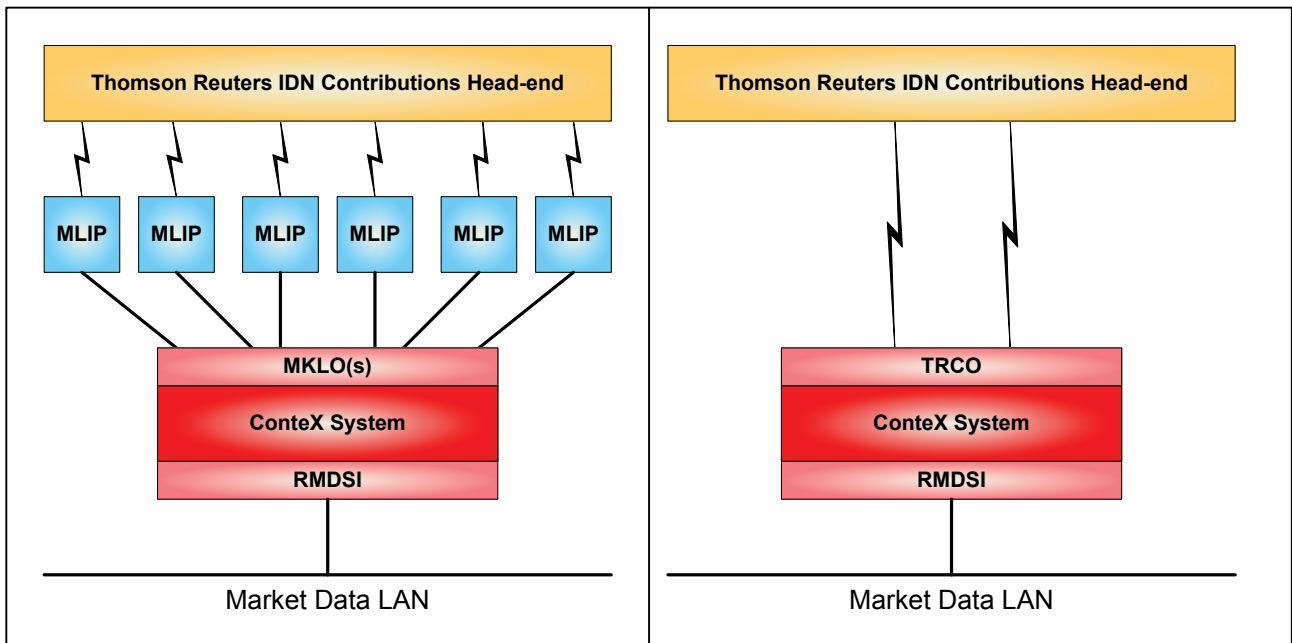
Conclusion

Gissing's unique position as a division of Thomson Reuters has enabled us to provide the functionality of the Marketlink gateway directly within our industry leading ConteX multi-vendor contribution system.

The Thomson Reuters Output Handler can provide significant benefits to ConteX users, both by simplifying their contributions infrastructure and, more importantly, by reducing the Total Cost of Ownership of contributions to Thomson Reuters.

The addition of TRCO to the extensive ConteX 4 handler suite reinforces its position as the industry's leading platform for contributions management and multi-vendor contributions.

Before and after implementing TRCO



Founded as Gissing Consulting in 1991, Gissing is now the leading supplier of multi-vendor contribution systems to financial institutions worldwide. We have more than 30 major investment banks and brokers as clients and offices in London, New York and Hong Kong. Gissing was acquired by Reuters in January 2008 and now operates as a division of Thomson Reuters.