

# American Stock Exchange

The American Stock Exchange Trades Simple Tracking System for ITIL® and SOX Compatible FrontRange™ IT Service Management

## CUSTOMER PROFILE



### Industry

Financial

### Products

ITSM Incident Management

ITSM Problem Management

ITSM Change Management

### Business Benefits Realized w/ IT Service Management

- ITSM provides a congruent enterprise tool that supports the Amex initiative for ITIL, providing a cost-effective solution and rapid implementation.
- ITSM provides an objective vehicle to promote change and defect requests.
- Problem Management and centralized reporting in ITSM helped the Service Delivery Management team identify and improve latency performance on key components within trading systems.
- Amex participants now have access to incident reports fulfilling regulatory needs and management requirements.
- Overall service has improved as measured by customer feedback and reduction in 3rd-level escalations.

## Summary

In the fast-paced exchange environment, quotes and trades for any given financial instrument can change many times in the space of a second. From the opening bell to close, technology processes hundreds of millions of transactions each day. Exchanges, like many financial institutions, live and die by the performance and availability of their system technology.

It's a far cry from the early days of the American Stock Exchange® (Amex), when "Curb Brokers" traded literally at the curbstone on Broad Street and Exchange Place in New York City. Today, the Amex trades across a full range of equities, options and exchange traded funds (ETFs). It's also one of the largest options exchanges in the U.S., trading options on broad-based and sector indexes as well as domestic and foreign stocks.

## Targeting Service Delivery Improvements

Service Delivery Management at the Amex supports all technology related service issues for both "on-floor" and "off-floor" (trading floor) employees and members of the Amex. Members can be Specialists, Market Makers or Brokers.

In the last 24 months, the Amex upgraded its trading systems along with numerous other technology initiatives. Service Delivery Management identified a need to enhance its Incident and Problem Management capabilities to improve service and incident reporting while building toward an industry based service and support framework.

Previously, the team used an open-source e-mail tracking system that lacked needed functionality: enterprise scalability, high-level reporting, workflow, flexibility or compatibility with best-practices processes.

Without a centralized, defined process and tracking system, Service Delivery Management faced challenges such as delays in fully closing the loop with customers on incidents, or having access to the reporting it needed to identify recurring incidents and identify them as problems.

"Anytime a user has an incident that affects trading, that incident is flagged for review," said Erich Umar, Vice President, Service Delivery Management. "We need documentation and objective data to show root cause of an incident and define whether it was due to a system problem or user error. That was really the number-one driver."

## An ITIL, SOX Compatible Framework

Service Delivery Management evaluated three service management solutions against its incumbent application, with very specific criteria in mind. The ability to support ITIL® standards and Sarbanes-Oxley (SOX) compliance topped the list, with configuration management database functionality, ease of use, reporting and automation falling in behind.

IT Service Management (ITSM) from FrontRange Solutions offered a complete ITIL framework and SOX compliant solution, while meeting Amex cost, implementation

and support requirements. Beyond Incident and Problem Management, ITSM also offers specific modules for managing change, knowledge, releases, service levels, configurations and availability. The Amex can start down the path toward ITIL compatibility, implementing additional modules as it goes.

Initially, the Amex implemented Incident Management and Problem Management with the assistance of a FrontRange professional services partner. With some customized training, Service Delivery Management staff quickly understood the application and how it drives the team's new workflow.

### 100 Percent Compliant

With ITSM, the team follows a specific workflow and escalation process for every incident. Along with incorporating new incident standards within the ITSM tool, Service Delivery Management began requiring that incident "owners" speak to every customer before closing out a ticket.

"Our process increases ticket closure and reduces the chance of misinterpretation of issues with members," Umar said.

"Now, every incident has an owner and every owner has accountability to manage the incident. Most incidents are closed within 24 hours of resolution, easily surpassing our targeted metrics. Closing the ticket ensures completion of its lifecycle which improves customer service and reporting."

That gives the team a complete record of all incidents to support reporting requirements. "Three months down the road, we have the incident documented

to show members or regulatory folks upon request," Umar affirmed. "We've improved the process and the tools exponentially."

Service Delivery Management also taps reporting to identify trends, and relay incidents and problems to its independent software vendors.

### Proactive Problem Management

The Amex assigned specific essential staff as "Problem Managers." They look at open incidents and identify recurring trends or potential risks that should be escalated to Problem Management. By proactively spotting problems, the team accomplished a major goal of addressing root causes. In one case, that meant improving message latency – a major component for any financial trading system.

"Because we have data in a central location and standards based, we are much more effective at correlation of individual incidents to problems," Umar said.

### The Outcome: Noticeable Service Improvements

At once, Service Delivery Management staff improved efficiency in processing incidents, its service levels and reporting requirements. For Umar, key performance indicators of the newly implemented tools include a higher rate of incident logging and closure, reduced percentage

of incidents being escalated, and positive member feedback.

"Since implementing ITSM and the ITIL Service and Support framework it supports, we've had outstanding response from member firms about service improvements," Umar added.

Looking ahead, the Amex will also implement ITSM Change Management to further standardize and optimize Change Management.

### About FrontRange Solutions

FrontRange Solutions develops software and services that growing mid-size firms and distributed enterprises rely on every day to build great customer relationships and deliver high-quality customer service. The company applies a unique combination of innovation and automation with a standards-based approach to simplify core business processes, including: IT service management; customer relationship and sales force management; and PC lifecycle management. More than 150,000 of the world's best-known brands use FrontRange offerings to quickly improve their interactions with external and internal clients and achieve better business results. For more information, call 800.776.7889 or visit [www.frontrange.com](http://www.frontrange.com)

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**Erich Umar**

*Vice President, Service Delivery Management*