



## INDUSTRY

Financial services

## LOCATION

Hong Kong

## KEY CHALLENGES

- Bring new financial services products to market quickly to meet client demand and maintain an edge over competitors
- Support planned growth in employee numbers from 400 to 800-plus
- Increase the value of the IT function to the broader business

## SOLUTION

Deployed VMware technology to provide a more flexible, robust infrastructure that delivers the required system availability, scalability and performance.

## BUSINESS BENEFITS

- Achieved zero percent increase in new application integration and upgrading costs
- Supported core brokerage systems and expansion of service lines from four to six
- Reduced time to market for new products by 6 weeks
- Eliminated the need to hire additional IT staff to service new business lines



# KGI

## 凱基證券

## KGI Hong Kong Turns to VMware to Support Doubling in Size and Delivery of New Business Lines

Asian brokerage gains an edge over competitors by being able to deliver new products to the market up to 6 weeks faster than previously. The organization has achieved this while keeping its number of application system administrators steady at three and reducing its physical server fleet from 160 to 12.

Established in 1997, KGI Hong Kong Group is a leading Asian brokerage firm. The organization employs more than 400 sales professionals among a total staff of more than 800 people.

KGI Hong Kong provides retail and institutional brokerage services, including equities, bonds, over-the-counter structured products and advisory services. For more sophisticated clients, the organization offers margin trading services, and futures and options. The business is a subsidiary of KGI Group, an Asia-Pacific financial services business.

### The Challenge

In 2007, KGI Hong Kong had ambitious growth plans that included adding new lines of business and gradually increasing its 400-strong workforce. It also planned to relocate its head office and add new branches in following years. The firm aimed to become a one-stop provider of corporate finance, equities, and futures brokerage services to its clients, and a leader in the country's competitive financial services marketplace.

However, achieving this goal would be challenging. KGI Hong Kong and rival brokers were operating in an environment where basic market operations were being automated. To remain competitive and relevant, the firm

had to offer clients high-value services and deliver them to the market quickly. This included supporting those clients who wanted to access trading systems at their convenience—and often from their smartphone or tablet rather than a desktop or notebook.

However, KGI Hong Kong's datacenters and its IT infrastructure were too constrained to support this growth and to respond quickly to market conditions. With a planned datacenter relocation on the cards, the firm began reviewing how it could overcome these concerns.

"In undertaking this exercise, we had to analyze our business and cultural requirements as well as our IT needs," said Andrew Wu, IT Director, KGI Asia Ltd. "For example, one of our firm's core values is that we apply rigorous internal control systems to meet the corporate and governance needs of our clients and ourselves.

"So to ensure these systems remained operational, we needed to make sure our new infrastructure could deliver high levels of performance and availability."

## VMWARE CASE STUDY



*“With the VMware platform, we can start new projects straight away ... we can now get new products to market 4 to 6 weeks faster.”*

Andrew Wu  
IT Director,  
KGI Asia

### VMWARE FOOTPRINT

- VMware vSphere 5 featuring ESXi
- VMware vCenter Server
- VMware View

### APPLICATIONS VIRTUALIZED

- Lotus Notes, Microsoft SharePoint, K2 workflow system, Enterprise Messaging System (EMS), PeopleSoft Financials, VitalDoc Document Imagine Solution, eBroker web trading platform, Sharp Point derivatives trading platform

### PLATFORM

- HP BladeSystem C3000/C7000 with BL460c server blades
- EMC and HP storage systems
- Microsoft Windows Server 2003, Microsoft Windows Server 2008, Linux

The firm complemented this requirement for rigor with an entrepreneurial spirit that it could tap into to resolve its technology issues. “This [spirit] extended to introducing new technologies that could help us work more efficiently and effectively.”

Of course, profitability is the ultimate yardstick for success for KGI Group businesses, and KGI Hong Kong is no exception. “In Hong Kong, our cost structures, including salaries and commercial real estate, are comparatively high,” said Wu. “As a result, we had to make sure that our new infrastructure met all these requirements while being cost-effective.” Finally, the firm wanted to reduce its datacenter real estate and power consumption to minimize damage to the environment.

### The Solution

KGI Hong Kong determined that virtualization would fulfill its requirements and that VMware® had the most robust, scalable, and flexible platform. In 2008, the firm implemented VMware virtualization. Today, thanks to help from Icon Business Systems, the business is running an infrastructure based on VMware vSphere™ 5 datacenter virtualization and the VMware vCenter Server™ management platform. “Icon Business Systems performed admirably in undertaking the implementation,” said Wu. “The process was extremely smooth.” The firm is also in the early stages of running VMware View to deliver desktop virtualization to selected team members.

### Business Results and Benefits

Deploying VMware virtualization has enabled KGI Hong Kong to achieve a range of corporate and cultural objectives. For example, the organization has grown considerably over the past 5 years. It has increased its brokerage service lines from four to six—adding fixed income and wealth management businesses—and grown its employee numbers to 800. In 2009, KGI Hong Kong acquired Taishin Securities and its Hong Kong subsidiaries. The firm is now one of the country’s largest equity brokers by market share, and one of the 10 largest futures brokers.

KGI Hong Kong has also been able to meet demands from customers for the faster delivery of new services, and the ability to trade through a variety of channels. “With the VMware platform, we can start new projects straight away because we have the ability to create virtual machines quickly,” said Wu. “We can now get new products to market 4 to 6 weeks faster than we could in the previous environment.”

For example, the firm recently took just 2 weeks to set up a production environment for a mobile trading application that allowed its clients to place orders using an iOS or Android phone. Doing so using physical servers would have taken the IT team six weeks.

The performance and reliability of VMware has enabled KGI Hong Kong to avoid unexpected outages for critical applications such as its eBroker web trading platform and its Sharp Point derivatives trading platform. The organization has been able to achieve this while minimizing expenditure on IT costs and increasing the value of the IT function to the broader business. “Despite our growth, we have maintained the number of application system administrators at three for the past 5 years,” said Wu. “Not only this, but they are spending less time monitoring and maintaining our systems—they are dedicating more time to business-helpful tasks such as integrating new applications or upgrading existing applications.”

In addition, the firm has maintained rack space consumption at its third-party datacenter at the same levels as 2008, minimizing any increase in rental charges. The business is now running about 150 virtual machines on 12 host servers, a considerable reduction from the more than 160 physical servers operating pre-virtualization. This has reduced the firm’s power costs by over 60 percent.

KGI Hong Kong has now started to explore desktop virtualization; it has deployed thin clients running VMware View™ desktops in its conference rooms to allow executives to deliver presentations without requiring onsite IT support.

