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Sweden's IPM Taps DataArt to Build Pre-Trade Risk An

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Swedish hedge fund IPM Informed Portfolio Management AB has outsourced key pre-trade risk management system to New York-based DataArt as part of a long-term relationship with the development shop.

IPM's decision to farm out development of the risk platform to DataArt – one of the developers currently undertaking for the firm – also appears to underscore a growing willingness particularly among alternative investment firms to outsource IT development.

Earlier this year, for example, SphereInvest turned to London-based Formic to develop, deploy and manage its trading and risk management platform as part of a Box offering ([Risk-Technology.net, February 2011](#)).

Like IPM, many financial institutions are looking outside of their own staffs for the development and deployment of new risk, compliance and other systems designed to address incoming regulatory requirements. By outsourcing IT development across a range of functions, these firms are seeking to ensure their own IT infrastructures are robust enough to quickly respond to regulatory change while keeping costs in check.

DataArt has completed development of the portfolio risk management and execution system at IPM, which has some £8 billion under management mostly for private equity, sovereign funds and other institutional clients. The firm provides currency risk management, and commodity and multi trading strategies.

According to Anders Lindell, Executive Vice President at IPM, the firm sought outside help to address scalability issues for its largely proprietary platform. “We wanted to modernise our in-house systems to ensure a smooth transition up.” “We had a choice: rebuild ourselves or use professional help on a project like this.”

IPM engaged DataArt after finding the company through an internal multi-vendor screening process. Although, being based in Stockholm was a key reference circle,” says DataArt EVP Alexei Miller, DataArt’s office in St. Petersburg proved to be a plus, providing relatively close proximity to a major data centre.