

# EQUINIX CUSTOMER CASE STORY - ITARLE



Algorithmic trading provider chooses Equinix to underpin its cloud strategy

## Executive overview

As the business grew, itarle wanted to move from wholly-owned storage to a hybrid model – part hosted, part private cloud, part owned. By colocating in Equinix’s Hong Kong data center HK1 and its London Slough Campus, itarle is provided with storage scalability, secure access to Amazon Web Services (AWS) and the most direct access to financial clients.

## The customer

itarle AG is an algorithmic trading service provider for banks and brokerages across global exchanges. Its typical customers are regional tier one sell side institutions. Over the past ten years, algorithmic trading has grown to become an essential tool of the trading floor. itarle solutions allow customers to optimize execution prices and reduce execution costs in complex, fragmented and heavily regulated markets. To effectively serve this market, itarle needs a scalable, cost effective and highly connected storage ecosystem.

## Business challenge

With its sustained and rapid growth, itarle recognized its need to address its data storage infrastructure. Managing all the data in-house was a time burdening distraction from the core algorithmic business.

“A hybrid model, using a blend of private cloud and our own racks hosted offsite, was something I had in mind ten years ago,” said itarle Founder and CEO Paul Lynch. “But there was a sense among corporates that the solution hadn’t been fully tested.”

“I think the breakthrough of services such as Dropbox and Netflix have helped prove the suitability of this type of model. Having sensitive corporate data held on Amazon Web Services has become acceptable. Even the financial sector accepts that deploying a B2B service through AWS is palatable.”

Lynch wanted the scalability and cost effectiveness of AWS, but with the fastest, smoothest access to the world’s leading finance customers and exchanges. “We wanted to work with a single, global data center provider, rather than having to find solutions in every market, and it makes sense to work with the one with a critical mass of financial customers,” he said.

## Approach and solution

“Equinix was the natural choice because it is very much the center of gravity for data providers, exchanges and brokers,” said Lynch.

At a stroke Equinix ensures interconnection to global financial markets, with facilities adjacent to 16 of the world’s most important international finance centers (IFC). It means that by colocating in the Equinix London Slough Campus, itarle sits within an ecosystem that includes brokerages, exchanges and high-frequency trading platforms. “It is the best bang for our buck,” said Lynch.

## Business results

- Reduced time to connect with customers from weeks to a day
- Secure access to AWS via Equinix delivered savings of over CHF250,000
- Direct access to leading brokerages, exchanges and financial customers at 16 of the world’s leading IFCs
- On-demand, direct access to multiple clouds from multiple networks
- Delivers the scalability to absorb spikes in demand and onboard new customers



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Paul Lynch, Founder & CEO, itarle

Equinix also delivers the secure access to AWS through Equinix Cloud Exchange™. This enables seamless, on-demand, direct access to multiple clouds from multiple networks in more than a dozen locations around the world.

“Today,” said Lynch, “we have everything connected within Equinix. The essential analytics - the log files that explain what has happened, the web servers and a TCA service called Vision, now sit in AWS and the latency critical part of the processing now sits in Equinix.”

### Value realized

The chief benefit, said Lynch, is return on investment. “Compared to our in-house set up it is much simpler and quicker to connect with the customers, exchanges and data vendors we need to connect to within the Equinix data center,” he said. “It used to take us weeks to connect with our customers, exchanges and data vendors but now it only takes a day because Equinix just plugs us in direct. This cross connection has boosted ROI. Paul estimates that the combined power of Equinix and AWS is generating savings in the region of CHF250,000, with further savings to follow.”

“The simplest way to look at it, if we chose to buy our own servers and sat them in Equinix or sat them in-house, we would have required infrastructure, project management and system admin costs. All of these are very much AWS features – it makes it very easy for us to scale very quickly.”

He says it is critical that the business has the necessary capacity on tap, should demand among existing customers suddenly spike, and that AWS pricing makes it attractive to oversubscribe. Scalability also helps to manage increasing market data volumes and the related best execution metrics.

“For instance, we’re looking at switching on a new customer, their best execution analytics and transaction cost analysis are going to be sat on AWS, and it is very easy for us to allocate segregated disk space there, demarcate them from other clients, and provide them with their own private access to essential reporting analysis. For us, we’re not doing what I call the roadie work: we’re not having to turn up with servers in Equinix, lugging equipment around and plugging wires in everywhere,” explained Lynch.

Lynch sees this hybrid approach to storage as a long term model: “It will become as utilized as bandwidth. People use the Internet every day, and there are various levels of bandwidth and fees. The market is being driven by customers wanting the ease of access these cloud environments allow for.”

“For me, Equinix has taken a very mature view of the market. Equinix has stepped away from wanting to host massive storage servers for people and have gone down the route of getting the key people in there and letting them cross connect, whether it is Amazon, Google or Microsoft cloud. I think so long as there is a demarcation point between what data centers are for, whether its real-time or cloud environment, they can co-exist.”

### About itarle

itarle is an algorithmic trading service provider for banks and brokers across global exchanges. It combines extensive quantitative trading and analytical experience to produce algorithms, smart order routing and transaction costs analysis with market leading functionality and performance.

itarle services improve execution prices, reduce execution costs and provide analytical accountability on matters such as best execution. Its services are exclusively sell side and delivered as a technology service. This means there is no conflict of interest and the integrity of clients’ trades is maintained with minimal information leakage.

[www.itarle.com](http://www.itarle.com)

### About Equinix

Equinix, Inc. (Nasdaq: EQIX) connects the world’s leading businesses to their customers, employees and partners inside the most interconnected data centers. In 40 markets across five continents, Equinix is where companies come together to realize new opportunities and accelerate their business, IT and cloud strategies. In a digital economy where enterprise business models are increasingly interdependent, interconnection is essential to success. Equinix operates the only global interconnection platform, sparking new opportunities that are only possible when companies come together.

Learn more at [Equinix.com](http://Equinix.com)

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