

# VERSION CONTROL

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# IT Firm that Hedge Funds Trust

industry insight



**Bart McDonough,**  
CEO of full-blown IT services firm called Agio Technology, gave some thoughts to the questions of hedge fund data protection and new compliance reality in the age of mobile devices and shrinking budgets.

Agio (like Bellagio) Technology provides high-end technology infrastructure and application management services to the world's premier hedge funds. We support an array of complex and mission critical technologies that allow our clients to focus on their core business. By servicing the most operationally complex hedge funds in the world, we have developed deep experiences and well-formed processes that make Agio the managed IT services firm premier hedge funds trust.

Our goal is to be the best managed IT services firm supporting the world's leading hedge funds. We do not take this statement lightly. In order to be the best, we continually employ rigorous standards around customer service, hiring, training, and continued learning and growth. This ensures that each and every Agio employee is prepared to handle the dynamic needs of the hedge fund environment.

Agio's Executive Management holds pedigree from SAC Capital Management, UBS, and Hewlett Packard. The group embodies 50+ years collective experience in the hedge fund market. Founded in January 2010, Agio has operational headquarters in NYC, operational headquarters in Norman, Oklahoma with satellite offices in London and Hong Kong. The ever-growing staff is currently 59 employees, the majority of whom are skilled and experienced engineers. Agio's services cover systems and traders across Asia, Europe, and North America. The annual turnover is \$6.5 million.

## *What does Agio do?*

Agio provides managed IT services for the complex and dynamic environment of hedge funds. Outsourced IT Service Management for the Hedge Fund community. Services support on premise or hosted infrastructure and include technology disciplines encompassing Infrastructure Services, Service Desk, Application Services and Consulting Services.

## *What services does Agio provide?*

Agio provides a complimentary portfolio of services that enable our clients to focus on their strategic IT investment while we bring scalability, efficiency and cost savings to their IT operation. Each Agio service is created around a custom SOW that is designed to help our clients meet their ever increasing IT needs on shrinking budgets.

We provide 24X7X365 support from our bench of 40+ engineers located in Norman, Ok and Hong Kong. This utilizes a follow the sun methodology ensuring you never have to wake up our support team. In a world of complexity we have simplified our pricing model to ensure our clients' monthly IT support costs with Agio are directly connected to the growth or contraction of their business. By ensuring this alignment we are truly in partnership with our client.

## *What is Agio's pricing methodology?*

Agio services are priced on a monthly basis with clients agreeing to a 1-3 year support contract. Each service is SOW driven as each client's requirements are specific to them. Our services have no startup costs, no time and materials billing.



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**What market changes do you see in the air of hedge fund administration?**

I'd like to mention influence of mobile device management on the industry of hedge funds - the disruptive technology of an iPad and how that's changing everything in particular securing data. HF data is increasingly outside of their walls now. Some mobile some cloud some email. Not security in traditional firewall type stuff but digital management!

Compliance requirements per recent regulation will continue to challenge the COO or CCO of many firms as auditors, investors and regulators layer heavier demands for transparency and accountability onto the hedge fund community.

**How would you describe current regulatory climate? Is it severe or not?**

We need to see how all this is going to play out. We didn't know the impact of the results of Enron until a few years after. The Dodd-Frank Act set up guidelines by which the lawmakers can make rules. The actual rules have not yet been created so we really don't know how this is going to play out.

**Please draw the picture of Agio's future?**

To find clients who fit with what we do well. Mature and evolve our internal people and process services. Forward and strategic growth on client acquisition and rocking the core.

**Latest News from Agio Technology:**

After only one year in business, Agio Technology has landed on Nine Lives Media Inc.'s fourth-annual MSPmentor 100 list, a distinguished list and research report identifying the world's top 100 managed service providers (MSPs). This year's MSPmentor 100 report includes MSPs from North America, Europe, the Middle East, Africa and Australia. Agio was ranked number one to the Top 100 Most Recurring Revenue Dollars Added (net gain over 2009) in the US, and 4th worldwide.

Agio Technology marks its first full year of operation. Agio experienced a rapid expansion of its business, driven by the extensive hedge fund pedigree of its management team and the increasing trend in the hedge fund industry to outsource non-core technology functions. Since it opened its doors on January 15, 2010, Agio has achieved an impressive track record of growth.

Agio Technology announced the results of its two-month iPad Challenge, an in-environment use test of the iPad by active hedge fund managers who evaluated the impact of Apple's iPad on their jobs. Ninety percent said that working with an iPad increased their overall mobile usage, with 10 percent saying they now use mobile devices "all day long". Ninety percent said the iPad made them more efficient at completing their tasks with seventy percent saying they would recommend their firm's provide iPads along with other mobile devices. Find more interesting facts [here](#).

**Events on the Edge**

**COOConnect**

May 19, 2011 | Mayfair Hotel, London

Forum: 5.45 pm to 7.00 pm.

COOConnect launch party: 7.00 to 9.00 pm

The event will bring together hedge fund COOs, prime brokers and representatives of the three major central counterparties (CCPs) to talk about the practical operational challenges and the likely costs of the transition to centralized clearing of OTC derivatives in the United States and Europe. Celebrate the launch of the COOConnect hedge fund peer group network!

Contact details: Lucinda Kingswood  
lucinda.kingswood@fs-net.org or 07876458555  
www.fsktnevents.co.uk

**TradeTech Deutschland**

May 24-25, 2011 | Messe Frankfurt, Frankfurt, Germany.

This Deutsche speaking conference, which will be held in Germany, is designed for the German, Swiss and Austrian trading industry and will offer specific solutions to the future challenges of this community. With over 220 delegates expected to attend, representing the most senior figures of the Germany equity trading industry, this is an unbeatable networking and learning opportunity.

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You've decided to start a hedge fund. Good. One decision made. Or maybe you've been at it for a while and your IT program is as wild and wooly as the Australian Outback. Or maybe you simply made a New Year's Resolution that sounded something like "I will build a great IT strategy to take me through 2011 and beyond!" and then jumped off the deck like Superman. Regardless of your motive, you're here and looking for answers from an expert.

Good thing we have Nicole Nakashian on tap to provide her Top 10 Characteristics of a Successful IT Program just for you. With over 10 year's experience working with startup and established hedge funds, she might just know a thing or two you may find useful.

**STAY FOCUSED** | Pay close attention to what drives alpha and the things that matter most to your firm. Don't distract yourself with the "digital plumbing." Email, file servers, mobile devices, phones, and network connectivity are required and need to be stable but shouldn't demand your time unless your strategy exploits them (e.g., HVDMA, Quant, etc.). Treat your IT infrastructure like a utility and let someone else handle it.

**THINK AHEAD** | As you already know, there's a balance between spending too much and too little when you implement your technology. Lay the groundwork for scale and integration but don't over engineer. Have a vision for how technology will be used within your firm 3-5 years out and plan with that in mind.

**KNOW WHAT YOU NEED** | How do people at your firm get their jobs done? There's an app for that but be sure it has an ROI. Look at how much time is spent on operational tasks like reconciliation, data aggregation and reporting, internal compliance, etc., and implement systems to reduce manual effort and data-related errors.

**ASK THE EXPERTS** | Your prime broker probably has a business consulting services team. Use it. You can also pick the brains of your IT services firm and your peers to learn about new technologies. These three sources of information can keep you updated on relevant new technology and save you the effort of trying to keep on top of all of this yourself.

**BUY DON'T BUILD** | Over the past five years, there has been an explosion in new systems that can deliver the functionality most hedge funds need. If it's at least 80% of what you need consider buying and negotiating the additional development in the contract with the vendor. Only build when it's obvious that it's a differentiator and core to your strategy.

**GET COMFORTABLE WITH THE CLOUD** | Keep your local hardware and infrastructure to a minimum. Stay nimble and allow your firm to grow, change or add locations, contract, etc., by utilizing the scalability and flexibility of cloud computing.

**CHOOSE WISELY** | That desktop tech or developer who's really awesome may not have the right skills to drive the technology strategy for your firm. If you promote from within make sure s/he is getting the professional development required by our dynamic field, is developing a strong peer network, and is keeping up with industry trends.

**KNOW WHAT'S COMING** | Be prepared for regulatory changes or other trends and ensure your technology solutions have you covered. Connect with your peers to learn the nuances and how they're coping and take advantage of your prime broker's informational sessions.

**OUTSOURCE BUT DON'T FORGET** | Ensure you have strong partnerships with your vendors. Devote some time, let them learn how your firm ticks, and it will pay dividends. Take the time in the beginning of the year to book at least two check-in meetings for the upcoming year and stick to them.

**KNOW YOUR INVESTORS** | Like it or not, your investors have opinions and requirements. You should keep this in mind when evaluating vendors/systems and have your responses to their due diligence questions ahead of time. Investors' perception can be impacted by the systems/vendors you select and why you selected them. Be prepared to defend those choices.

Nicole Nakashian is the Managing Director of Client Services for Agio Technology. She has been leading technology teams within the finance industry for over 10 years. As an Executive Director within Prime Brokerage Sales at UBS Investment Bank, she managed the services provided to hundreds of hedge funds utilizing the hedge fund "hotel" and client support desk, and directly advised clients as part of the business consulting services group. She absorbed the culture and inner workings of hedge funds from her time at Andor Capital Management and BlackRock Financial Management. Nicole is well regarded for her commitment to her clients and for inspiring her teams to not only deliver stellar service but to personally connect with firms they support. Nicole received an MBA from Long Island University and a BA in Communication from SUNY Albany. Nicole holds Series 7 and 63 licenses and is a certified Project Management Professional. She is also on the Executive Board of LitWorld, a nonprofit dedicated to promoting literacy.