

case study:

ethernet private line and network operations centre

London Stock Exchange Trusts Verizon Business for Security and Reliability

About the London Stock Exchange

With an established reputation as one of the most reliable and innovative stock exchanges in the world, the London Stock Exchange (the Exchange) has led the way in creating a strong, well-regulated stock market that today lies at the heart of the world financial community. In its 300-year history, the Exchange has expanded the range of services and trading information it provides to its customers, launching the new AIM market for growing companies, creating an international equity derivatives business and investing in technology to collate and disseminate market information.

Introduction

The fast supply of reliable information has helped build the reputation for transparency and liquidity that today is the hallmark of the Exchange. The Exchange is the leading source of low-latency price and market data in the European time zone, and in order to build on this success, it must offer an exceptional level of service to its customer base of European banks, brokerages and trading houses. Ensuring that trading can continue to function without interruption is the Exchange's main priority —while also keeping up its pace of innovation.

Situation

In today's highly computerised trading environments, service delivery is completely dependent on the Exchange's communications network. "Our network provides vital connectivity to our markets and information services and is a key enabler for all parties," says David Lester, Chief Information Officer, London Stock Exchange. The Exchange knows that consistent low-latency data delivery to the entire customer base is critical. Delay or interruption in the transmission of market information is unacceptable because it disrupts trading.

"Verizon Business gives us dedicated resources and expertise that enable us to provide a secure, resilient, communications service for customers who want a dedicated connection to our trading and information systems."

DAVID LESTER, CHIEF INFORMATION OFFICER, LONDON STOCK EXCHANGE.

Additionally, to support future service development, the Exchange requires a scalable network that can deliver higher bandwidth information services and is capable of growing alongside its market and customer base, without compromising reliability.

Selection

When selecting its network provider, the Exchange therefore had to find a partner with the resources and expertise to maintain a highly reliable service. But in order to hold its focus on developing innovative new customer services, the Exchange also required that the supplier could offer constant monitoring and management of the network, to help maintain availability.

London Stock Exchange London, UK

business challenges

- Fast, secure and reliable data transmission
- Scalability to support introduction of new services

network solution

- Ethernet Private Line
- Dedicated Network Operations Centre

business value

- **Connect.** 280 customer sites in Europe are connected to the Private Line Ethernet network.
- **Perform.** Monitoring helps ensure that the network provides reliable delivery of information services.
- **Compete.** New, ground-breaking service development and delivery helps enable the London Stock Exchange to maintain its market leadership

“We wanted a responsive network provider that could support the critical connectivity needs of our network and give us the dedicated resources we need to manage and maintain continuous network availability,” explains Lester. “Verizon Business gave us everything we needed to help ensure the provision of a premium information service to our customers.”

Verizon Business Solution

The Exchange decided to make the move to Verizon Business’s fully managed Ethernet Private Line service in 2002. Provisioned over Verizon Business’s next-generation SONET infrastructure, the service enables the Exchange to offer customers secure point-to-point connections to its trading and information systems. The ease of Ethernet connectivity speeds up the provisioning of new customers.

Operating at speeds from 10 Mbps to full-rate Gigabit connectivity, Ethernet Private Line provides the carrier-grade transport rates that sustain the Exchange’s transmission of real-time trading data and transactions. Highly scalable, the network combines the dedicated bandwidth and flexibility of Ethernet with the security and availability of Synchronous Digital Hierarchy (SDH) technology. Because SDH is circuit-orientated, information services transmitted on the network between individual customers and the Exchange remain physically isolated. This provides high levels of performance and security, which are especially important in the financial services markets. Many of the 280 European customer sites connected to the Exchange network have an identical secondary circuit for added resilience.

Verizon Business manages the daily operations of the network and its connections. A Verizon Business Network Operations Centre (NOC) is located at the Exchange’s primary data centre in London. As well as providing help desk support to the Exchange’s customers, the NOC monitors network availability and performance 24x7 and provides consultancy for planned network enhancements that keep pace with the Exchange’s own service development.

Results

Making the move to Ethernet Private Line has enabled the Exchange to offer secure, reliable, low-latency access for European customers. “Verizon Business has demonstrated real ability,” confirms Lester. “Its innovation and technical ability have been first class.” With this robust network in place, the Exchange can watch its data volumes grow with confidence. In January 2007, the network enabled a total of £150 billion transactions to be conducted—a new record for the Exchange.

Entrusting Verizon Business with the management of other third-party suppliers and the support of its customers has released the Exchange to focus on the creation of new products, such as the range of innovative information services that are part of the Exchange’s new trading system—TradElect—launched in June 2007.

“Our primary focus is operating the market and extending our position as a leader in technology and market services,” concludes Lester. “We leave the running of the network to Verizon Business, confident it has the capability to deliver.”

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