



## Case study

# Overcoming expansion bottlenecks

Stifel Europe takes control of its middle and back office with the FIS Post Trade Processing Platform (formerly Torstone)

To support its rapidly growing business, Frankfurt and London headquartered Stifel Europe faced a critical challenge. Its existing outsourced clearing solution, while foundational for its early operations, had become a bottleneck, limiting scalability and efficiency as the company expanded. . By bringing its middle- and back-office operations in-house and modernizing its technology with the cloud-based FIS® Post Trade Processing Platform (formerly Torstone), the broker-

dealer could unlock scalability and efficiencies in its at-trade and post-trade operations to deliver a more effective service to clients. The transition to a single solution for cross-asset processing also reduced its reliance on a wide range of disparate systems, eliminating cost while increasing automation and trade processing standardization to make its money work harder.





## The situation

Stifel wanted to enhance the adaptability of its middle and back office to support the firm's growth and keep pace with industry changes. Its existing relationship with a major outsourced clearing service provider had been right for the business when it was smaller. But Stifel had grown its headcount by over 500% within seven years, reflecting a broader offering to clients and much larger trading operation across assets. Following its rapid organic and inorganic growth, the firm needed to rethink how its multiple systems could be consolidated, rationalized and enhanced.

Regulatory change in Europe has been a constant in the past decade, impacting nearly every aspect of trading and post-trade, from best execution to settlement. With divergent regimes potentially emerging in Europe and the U.K., a consolidated overview of trading activity was clearly needed to better manage risk and ever more important post-trade processes.

Using an outsourced operational solution had limitations. Stifel's business growth made it imperative to deliver outperformance across the board, from front to back office, which required greater control, flexibility and functionality. Yet whenever performance changes were needed, Stifel's priorities were added to a queue of tasks already submitted by other clients. When multiple clients of the outsourcer requested changes at the same time, there was a bottleneck of activity, considerably slowing the adoption of much-needed improvements. And when Stifel sought bespoke enhancements to improve its performance, those became costly and harder to achieve.

## The solution

Stifel engaged FIS to provide the middle- and back-office technology it needed to underpin its businesses, beginning with fixed income and convertibles.

To minimize manual work, the firm adopted FIS' new middle-office solution, which automates allocation and confirmation processing in real time across asset classes, allowing the team to focus on higher value tasks – improving efficiency without adding headcount. This in turn supported increased trading of over-the-counter or illiquid assets without ramping up cost, unlocking the next generation of securities processing technology and putting money to work more effectively.

Stifel will also use the FIS Post Trade Processing Platform to consolidate the firm's various European business lines and make them accessible via a single user interface. This will enable Stifel to more easily assess its risk positions and deliver better, smarter access to the right trade execution methods for clients.

## The hiccup

The plan to implement the FIS platform in early 2020 was nearly derailed by the COVID-19 pandemic. However, using a cloud-based platform deployed remotely meant the high volume of trading activity, combined with the logistical limitations that remote working imposed upon the Stifel team could be mitigated.

FIS' team was able to engage with the client from the start and throughout the crisis, allowing it to use cloud availability, remote working and video conferencing to pick up the process effectively, which would have been impossible for an on-premise solution.

Even though the total duration of the project had to be extended, Stifel went live smoothly in 2021. Given that a typical middle- or back-office technology migration for vanilla securities in a small firm can take between six and nine months, and that this project entailed changing the core of a larger dealer's technology operations, it was an impressive feat.

## The benefits

The FIS platform has enabled Stifel to double transactional volume in a year and continue the same growth trajectory on a multi-year basis without capacity concerns. It has enhanced control over its technical footprint, data and third-party vendors. The cloud-based, software-as-a-service (SaaS) model will reduce both complexity and cost, while giving the broker better control over change management, including its vendor relationships.

Where previously Stifel's middle- and back-office technology and processing were configured around specific asset classes – with each having an interface to the middle and back office – the FIS next-gen platform allows it to pick and choose best-of-breed systems to plug in from the front office.

The result is a resilient yet flexible technology infrastructure delivering real-time processing capabilities to help Stifel better serve its customers, slash overheads and stay ahead of market change, and make their money work harder.

**“The driver was our ability to be the master of our own destiny, rather than be in somebody else's hands, and everything stems from that. That is the eureka moment, and to be able to say, ‘Look, we can do what we want in our own time.’”**

– COO, STIFEL EUROPE

UNLOCK TRANSFORMATION



FIS helps you put money to work more effectively with innovative post-trade processing solutions. Our **technology** powers the global economy across the money lifecycle.



**Money  
at rest**

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.



**Money  
in motion**

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.



**Money  
at work**

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.