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Closing the gap from BCP to BAU

Interview with Jed Gardner

From public cloud to AI Ops, advanced technology is reshaping contingency planning and the future of work for hedge fund managers

Cloud computing has revolutionised the way hedge funds operate, and in many respects, has blurred the lines between office-based and remote working. A decade ago, the concept of remote working was more complicated, from a technology perspective, as it relied upon hedge funds to enact their Business Continuity Plans (BCPs) by setting up remote VPN access, phone lines and file sharing capabilities. Today, however, this has become business as usual thanks to the cloud, as managers leverage the likes of Office 365.

"The traditional VPN used for BCP and the lack of automation that comes with that by not using the public cloud creates avoidable work for IT teams," says Jed Gardner, Senior Vice President, IT, at Linedata. "It slows things down and creates operational risks, while the IT team is buried under a workload of password resets, etc; all of the things that relate to old world IT management."

Over the last five years, the most successful BCP plans have centred around the use of public cloud and process automation.

In Gardner's view, what the public cloud, and specifically Office 365, can offer in terms of turning BCP into Business as Usual (BAU) is phenomenal: "Moving all of your users' core functions into the public cloud – email, file storage, and the like – and taking your office perimeter into the cloud, allowing everyone to work wherever they want...that is now a possibility and something that should be considered by all businesses as security concerns with public cloud diminish.

"Take conditional access, which is a feature of Office 365. If someone is trying to connect from their local coffee shop, you can restrict their access for security reasons, or limit which files or data they can open or use. My hope is that as businesses adapt to remote working during this Covid-19 pandemic, hedge fund managers who have yet to adopt public cloud will see its benefits, and its necessity, from a BCP perspective, and place it at the heart of their technology strategy."

Indeed, having a good public cloud set-up means that hedge fund CTOs no longer need to think about what part of a BCP plan to enact.

Gardner says Linedata is now at a point where it can provide a full BAU working environment no matter where someone is, just with some additional security considerations.

Security is obviously paramount to this, as illustrated by the conditional access reference made above. What is also important is that hedge funds invest in backup hardware (power cables, extra laptops, monitors, etc), so that their teams remain productive, irrespective of location.

"I think public cloud will be the saviour of the BCP plan for global hedge fund managers," opines Gardner. "There are enough features in the public cloud that it can be secure and interactive and you can enable users to work from home in the same way they would in the office."

Cybersecurity as a solution
Outsourcing cybersecurity is fast becoming a standard approach, especially among smaller and emerging managers who tended, in the past, to scrimp on technology as much as possible. That is now changing and Linedata now offers a Cybersecurity-as-a-Service product.

"The SEC has said that every new hedge fund launch will get audited for cybersecurity within 12 months. This has focused the discussion among hedge fund managers. We developed our C-a-a-S product because we were as concerned as the rest of the industry over how blasé some of managers were being about cybersecurity," explains Gardner.

The C-a-a-S solution provides 24/7 monitoring of the public cloud, servers, desktops, laptops, mobile phone; everything. Linedata also operates a Security Operations Center (SOC) filled with security experts receiving alerts and responding to them to prevent breaches.

From DevOps to AI Ops
Automation will help focus the discussion on what areas of one's infrastructure could be developed with new technologies, rather than just using technology to overcome risks. In particular, new technology innovations such as AI Ops will be key to closing the gap from BCP to BAU.

To clarify, DevOps refers to the role of development teams that work on the automation of feature releases in software. If you're using Netflix, for example, and a new search feature appears, that has been developed by someone at Netflix; it's gone through an automated test and automated release process. No one has been involved apart from that individual developer. Automating this process means that software developers and IT teams can build, test and release software faster and more reliably.

AI Ops is the next iteration of this. In short, it is about converting infrastructure into code in order to speed up the deployment of infrastructure to support the software being deployed. That way, software developers and IT teams are able to move at the same speed and improve automation in the operating environment. And by reducing the time to market for software enhancements, users get to more quickly enjoy the benefits.

"While larger funds might already be rolling out DevOps and AI Ops, smaller hedge funds will probably be using outsourced IT providers to deliver their technology needs. That doesn't mean they can't benefit from these new technologies," Gardner says. "It is really important for CTOs to analyse their vendor selection carefully; if you're using someone else's technology you want to make sure their own teams are using DevOps and AI Ops."

Game-changing technology
In Gardner's view, the potential of DevOps and AI Ops is huge. "I believe this is a once in a generation technology change. When you extrapolate out what you can achieve with AI and machine learning, we've only just gotten started. Once the skills gap closes and IT administrators learn how to take infrastructure into code, AI Ops will take off."

This will, however, take time and effort for IT administrators to learn to code to fill that skills gap. Asked how Linedata is using AI Ops, Gardner refers to the automation of VPN connectivity and password updates for its clients.

"We can define where our users connect from using conditional access in Office 365. We can also use the unique identifier of laptops or the IP address of a user and tell whether they are in the office or not. As soon as someone connects in the office, there's no authentication needed. But when connecting from home using a VPN, for example, it will ask you for your password and multi-factor authentication, automatically working out where you are and whether that connection can be trusted or not.

"In addition, IT administrators can now automatically update all of their user passwords every month with a single click of a button. These are just two examples of how AI Ops can provide our clients with a secure BCP mentality."

In the next three to five years, it is possible BCP questions will no longer feature in a DDQ.

"That's my hope because as a technologist, it means we're using technology for the right things; less thinking about emergency situations and breaches and more about using technology on an ongoing basis to solve these problems," concludes Gardner. ∎

Jed Gardner
Senior Vice President, Linedata Technology Services

Jed Gardner heads Linedata Technology Services. The Linedata Technology Services portfolio includes Cloud, Cybersecurity and Managed Services that address the specific requirements of hedge funds, private equity and asset managers. Jed's passion is architecting leading edge technical solutions for the investment community, and bringing innovative technology and service offerings to the IT services market in both private cloud and public cloud infrastructure. His 16-year career in IT infrastructure and cloud technologies focused on technical compliance in financial and legal services, leading to 8 years of guiding global service teams and IT outsourcing businesses. Jed holds both the ILM Organisational Leadership qualification and the ITIL Service Operation qualification.

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