

# Running a workshop on enhancing Options

## About the Challenge

Sales management teams at many banks face the same challenge - how to encourage generalist sales with strong client relationships up the product sophistication curve without having to rely heavily on specialist product structuring teams.

## Problem

Traditionally, sales have been divided into generalist sales and structuring desks, who sit as an interim step between options pricing and the end client. Structurers have extensive derivatives experience, and often sophisticated tools to price complex options strategies. Yet all too often, the majority of requests they receive are for standardised products that are well within the capabilities of FX salespeople to price themselves, if only they had tools which enabled them to do so in a quick, uncomplicated way. Caplin's client, a top tier Regional bank, was determined to boost the productivity and skill set of its FX Sales team, and thus boost revenues, client satisfaction and Sales engagement.

## Solution

Caplin believes that, with our applications and product innovation we're well positioned to assist with the challenge to help our client advance its technology. We were tasked with developing a purpose built system to replace current manual option pricing processes.

The objective was to reduce reliance on manual derivative pricing that is being carried out by our client's Sales Traders; not only does the current process increase the risk of human error but most importantly diverts Sales Trader's time and focus from the more sophisticated, complex Options structures. To achieve this, Caplin aims to create a proprietary FX derivative pricing package, with a best in class user interface allowing Sales Users to seamlessly generate live pricing and execute a variety of Options structures without in depth Options knowledge and experience.

## Approach

Prior to the project starting, Caplin's professional services team led an onsite Implementation Analysis (IA) workshop with the focus to fully understand all functional and non-functional requirements. Each workshop was segmented to facilitate effective, open discussions with the correct stakeholders and this allowed the team to achieve a number of important things:

- **Detailed requirements:** Caplin conducted user interviews, speaking with Sales and Options traders to understand current processes and pain points. By having this client insight the team were able to flesh out requirements and have a complete view of how the UI can improve the day-to-day processes, generate more flow via FX Sales and remove the bottlenecks the business was facing.
- **Initial designs:** after understanding the requirements, Caplin leveraged this insight to develop mock-up designs. Having the Caplin UX designer participating in these workshops allowed designs to be sketched and played back to the stakeholders in real time, providing visualisation for the client and quick, continuous feedback loops.
- **Relationship building:** these joint sessions allow the teams to work together, understand each other's processes and build a collaborative working relationship.
- **Estimation:** provided an accurate basis to predict cost, timeline and plan

## Result

The outcome of the workshops was a success and Caplin was able to take the information gathered and provide three key deliverables;

- A comprehensive list of requirements and the associated development estimates;
- approved and final user interface designs; and
- a formal client Cost Proposal - containing agreed scope, a high level timeline and the total project cost

The above helps ensure that the project starts on a solid foundation whilst allowing all stakeholders to have full transparency and understanding of the project ahead.

## Future plans

More banks have expressed an interest in working with Caplin to provide their Sales teams with an intuitive, well designed user interface, integrated into their in house pricing tools and booking systems to enable Sales to price and execute with clients on a wide range of standardised FX options structures. Designed with the help of options specialists and generalist FX sales, the Caplin solution provides a valuable addition to workflow tools available to Sales, and fills a useful niche in the market.