



Sprott Asset Management

Business Impact Summary



Business

Founded in August 2000, Sprott Asset Management Inc. is a wholly owned subsidiary of Sprott Inc. and is a fund company dedicated to achieving superior returns for its investors over time. The company has a history of offering investment management services to corporations, institutions and high net worth individuals for more than 27 years under the umbrella of Sprott Securities Inc. prior to its permanent separation into an independent asset management company. Currently, SAM manages various long/short equity strategies, mutual funds and managed accounts.

With input from the company's investment professionals, the decision making process at SAM encompasses a rigorous set of standards. The company's team of portfolio managers and researchers, consider themselves "investment opportunists", committed to seeking out the "best ideas" for their investors. Taking a consistent, disciplined approach to investing, based on sound fundamental analysis and independent research, the investment team at SAM carefully explores, analyzes and selects what they consider to be a portfolio of the "best ideas" that equity markets have to offer.

Challenge

In the financial services industry, system down-time is taboo. IT Director, Dan Elder, is under constant pressure to ensure the company's elite team of investment professionals experience continuous access to critical data and applications, with the ability to share investment recommendations with investors and colleagues from around the world, at the same time adhering to key compliancy regulations.



The Sprott team of portfolio managers, analysts and traders rely on a complex network of web subscriptions and quote systems to remain current on investment trends. For example, email is critical to communicating time-sensitive investment information, both within the firm and to clients.

“Email is our life line, said IT Director, Dan Elder. “We are looking at millions of dollars per minute, if our email were to go down.”

By 2005, steady growth had begun to tax the company’s technology infrastructure. “We had really outgrown our systems,” said Elder. “They had been patched together and were not scalable. We were experiencing issues with our phone system, as well as network downtime, and sometimes emails just went missing.”

Elder elected to completely revamp Sprott Asset Management’s IT infrastructure. Phone, email, and networking resources were upgraded to reflect the company’s growing demand for continuous access to data and applications.

Recovery of data remained a concern, however. Initially, the company relied on tape back-ups, but these proved problematic. “One of the issues with tape back-up is simply time to restore,” said Elder. “Also, data is only as current as the most recent back-up, and there are limited options for reliably moving data off-site so that it’s properly protected.”

Collocation was an alternative worth exploring, according to Elder. “I began to consider hosting our applications at a data centre, and providing and managing the computer hardware to go with it.

Although the technology seemed sound, the solution involved complicated clustering and a lot of expense. “On the hosting side, I worried about losing control over our applications, and experiencing degradation in functionality. Hosting often means a lot of restrictions, and little information about where data is actually backed-up.”

Server virtualization addressed some of Elder’s concerns about cost and complexity. “I had found a data centre I liked, and was considering using CA’s XOsoft data replication product to mirror our applications off-site, but I had not worked with virtualization before and wasn’t really comfortable.

Solution

As Elder was working through the machinations of building his own solution, he learned of Geminare Inc., a company which offered a SaaS-based Continuous Availability platform.

“We researched the components of the Geminare platform and realized we were on to something,” said Elder. “The combination of CA’s XOsoft product with Geminare’s SaaS Business Continuity Platform meant a host-based system for assuring our critical technology infrastructure - including all Windows based file and application servers - were available without interruption, even in the case of a critical system failure.”

Result

The Geminare service allowed us to outsource all the headaches around replication, said Elder. “We could just set it and forget it. Plus I was spared the ordeal of managing two different sites, with all the associated costs. Instead, Geminare offered me enterprise-grade business continuity at a reasonable price.”

Deployment was fast and easy. “We brought up four servers - the main controller, active directory, file and Exchange servers in just a few days. When we engaged in a test failover of the active directory, everything worked seamlessly. Our users had no clue we had failed over. It was business as usual.”

Elder has plans to add two more servers in the near future, and is already experiencing a tremendous return on investment. “When I factor in the cost of software licensing, hardware purchases, extra bandwidth and power requirements associated with the collocation scenario, it’s clear the Geminare SaaS service paid for itself in the first year, said Elder. “Better still, this environment is built for scalability. I’ve built a network I believe will carry us to the next level of growth, and Geminare can keep up with us.”