

“My whole network connects to an application core protected by Check Point Software Technologies. Without it my business model doesn’t work.”

Ryan Barnds
Chief Technology Officer
Hedgetec Integration Incorporated



CUSTOMER NAME

Hedgetec Integration Incorporated

INDUSTRY

Financial

CHECK POINT PRODUCTS

- Connectra™
- UTM-1™ Edge™
- UTM-1™

CUSTOMER NEEDS MET

- Enabled the creation of an effective financial services offering
- Delivered secure access to remote customers
- Leveraged the best of IPsec and SSL VPN solutions
- Centralized security management

Hedgetec Does Not Play the Market when Securing Customer Web Connectivity

ABOUT HEDGETEC INTEGRATION INCORPORATED

Hedgetec Integration Incorporated is an integration company that runs technology in an application service provider (ASP) model specifically for the hedge fund market. It hosts Outlook Exchange environments, Security Exchange Commission (SEC) compliance solutions, business continuity and disaster recovery—everything from soup to nuts. The company delivers technology—from phone systems to direct ring downs to trading applications—through a backend core infrastructure. Hedgetec provides its customers with custom IT services so hedge funds can focus on business instead of managing IT equipment.

THE HEDGETEC CHALLENGE

As a fast-growing ASP with 35 hedge fund customers managing billions of dollars, Hedgetec faces the critical need to provide online connectivity to its customers 24/7 at all costs. But with only three to five people in an office, it is not cost effective for an individual hedge fund office to have all the equipment necessary to meet its technology requirements.

“We’re dealing with small groups of people but with lots of money under management,” says Ryan Barnds, chief technology officer, Hedgetec. “Five guys in an office—in the hedge fund world that could equate to \$1.5 billion. With the number of users and the money under management, everything has to be high availability. Hedge fund managers don’t want to maintain databases and IT equipment. But they absolutely must have information at their fingertips all the time. This is why an ASP model works so well for them, they get rapid access to information without the complexity of running their own IT staff.”

But with only seven IT people to service these hedge fund customers located in and around Manhattan, Hedgetec found it inconceivable that it could provide onsite support to all these small offices on a daily basis. This is just not possible with its strategy of providing all the necessary services from a centralized location.

“Our business requires that we can run the IT systems for 35 different companies from a central data center, and our business is growing every day,” Barnds says. “If you have to run around to 35 offices just to maintain their network, that’s just inefficient.”

THE CHECK POINT SOLUTION

Hedgetec centralizes all the services it provides from a data center protected by a hardened perimeter based on UTM-1™. But how does it distribute those services out to its customer base, especially with the need to keep software and hardware costs down and the need to roll out service quickly and efficiently? That’s where UTM-1™ Edge™ and Connectra™ come in.

Hedgetec delivers a complete, bundled solution based on UTM-1 Edge that includes a local file-share server, email server, and others. UTM-1 Edge connects the remote sites to the central application core via IPSec VPNs. Hedgetec also automatically backs up customer data across its IPSec VPNs to the core for disaster recovery. When clients are on the road or working from home, they access their applications via SSL VPN by accessing Connectra using a Web browser. Through Connectra, they can access both shared files back in their remote offices, as well as the financial applications hosted by Hedgetec.

THE BENEFITS OF CHECK POINT SECURITY

As the former chief technology officer of Tiger Management—then the world’s largest hedge fund—Barnds is very familiar with Check Point technology. For a network security gateway, it’s only logical to go with Check Point, he says. “Check Point is the leader in the network security market and has the most scalable solution. The decision-making behind going with Check Point is that it’s been in the market longest, and its solutions are not only the most secure, but the easiest to manage.”

Unified security architecture

One value of the Check Point solution is the unified security architecture afforded by the NGX platform, according to Barnds. “The Check Point solution is unique in that I can unify perimeter and Web security into a single architecture, and I can manage the security infrastructure centrally and view it as a single entity,” he says. “At the same time, Check Point solutions protect me everywhere—my core infrastructure, the remote client sites, and even SSL VPN access over the Web. This simplifies my business while ensuring my network is secure.”

Strong perimeter

Hedgetec defends its application core based on the strongest perimeter firewall technology in the industry—that of Check Point. With UTM-1 at the core, Hedgetec’s security integrates firewall, VPN, intrusion prevention, and other features in one solution. UTM-1 Edge devices extend the same enterprise-level perimeter security to client locations. Every client office is as secure as if it were in the same building as the Hedgetec data center.

Always-available client-site, IPSec VPNs

UTM-1 Edge devices at client sites set up in minutes and provide guaranteed connectivity to Hedgetec-hosted applications. The high availability of its IPSec VPNs is not just a convenience for Hedgetec’s clients—it’s mission-critical.

Secure Web access for users on the go

Using a Connectra Web security gateway enables easy access for users on the road or at home, while assuring Hedgetec that only secure endpoints are allowed to connect. Connectra enforces network security policy for SSL VPN connections to Hedgetec resources.

THE FUTURE OF HEDGETEC

The secretive hedge fund industry faces SEC regulation for the first time and brings with it a need to embrace secure document retention policies. Based on the experience of full-service stock market brokerages, Barnds expects that there will be many obstacles to overcome between now and then.

“We enable our companies to be messaging compliant with the new regulations for hedge funds” Barnds says. “Hedge funds were outside of the regulatory realm of having to have a compliant messaging system. When Martha Stewart emailed her brokerage, it was legally bound to be messaging compliant. So when she edited her email, they found out because they had an untamperable copy at the brokerage. That event has forced change upon hedge funds.

Part of the messaging compliance issue Hedgetec is dealing with is that it will need to maintain a clearly documentable security policy for each of its hedge fund clients. And that’s not just marking a check box and saying the organization has a firewall, according to Barnds. The mere existence of a firewall isn’t compliance. But a clearly defined security policy showing the organization is pursuing due diligence in security will prove compliance, he says.

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