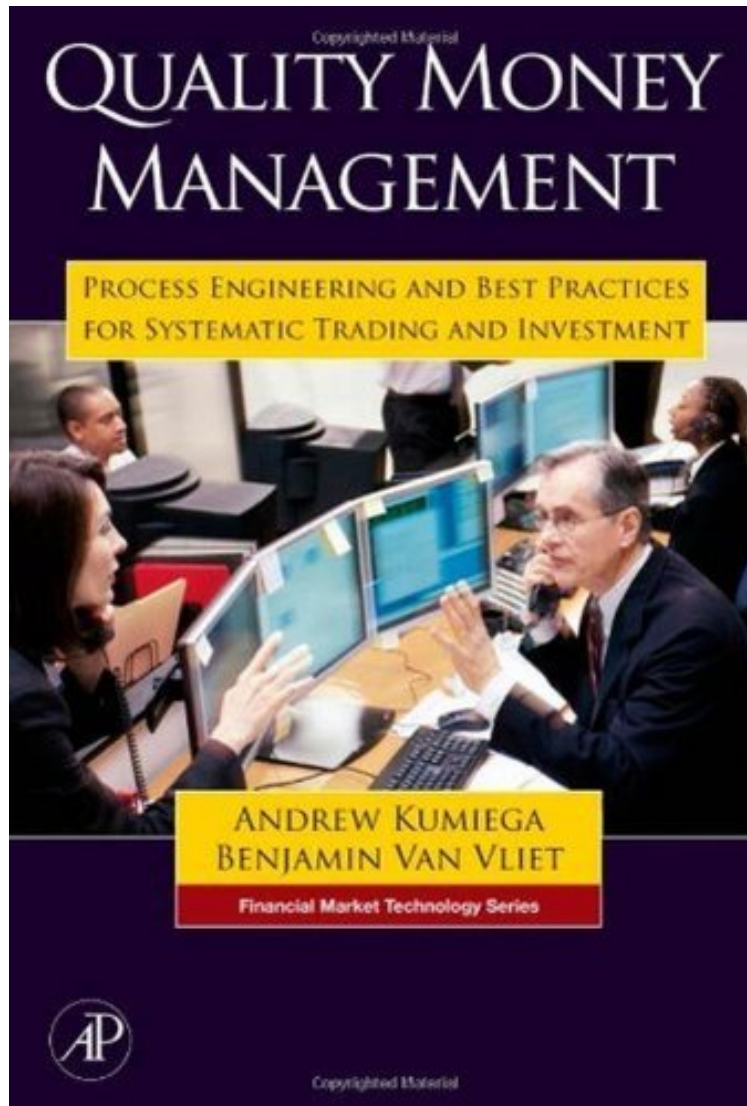


(Free download) Quality Money Management: Process Engineering and Best Practices for Systematic Trading and Investment (Financial Market Technology)

# Quality Money Management: Process Engineering and Best Practices for Systematic Trading and Investment (Financial Market Technology)

*Andrew Kumiega, Benjamin Van Vliet*  
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**Andrew Kumiega, Benjamin Van Vliet : Quality Money Management: Process Engineering and Best Practices for Systematic Trading and Investment (Financial Market Technology)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Quality Money Management: Process Engineering and Best Practices for Systematic Trading and Investment (Financial Market Technology):

4 of 4 people found the following review helpful. 300 (bullet-point lists)By Dimitri ShvorobI feel bad about docking a point from a book that is original, thoroughly planned, meticulous and engagingly written. My reservations are about its practical value. The authors envisage a guide for students entering the field of investment management. Those about to set up and run their own investment companies, or at least head up a team at one, will discover a valuable aid. The rest might be disappointed. In my experience, people specialize, newbies start in junior, supervised roles and learn on the job. Much of the book's content will be useless for non-managers (non-CEOs, even); the rest are things that I would expect to come with common sense (all the consultingspeak) and modest amount of experience. Does a hedge-fund principal need to consult "Quality Money Management" on how to write the prospectus? Does a research-team leader need to be explained the importance of clean data or the concept of backtesting? Does a researcher need to be reminded to use a consistent notation in his/her write-ups? If any of those is looking for a book, wouldn't a specialized reference be a better investment? One-of-a-kind, thoughtful, methodical, educational - but not exactly bread-and-butter useful.

4 of 4 people found the following review helpful. Excellent framework for systematic trading process. By Bachelier Quality Money Management (QMM) is an excellent book, providing a framework for business systems processes in asset management firms. QMM offers method and structure aiming for "best practices" for investment management firms. This is an excellent work for those rolling out a new strategy, fund offering, or business line. The focus is on systematic trading, but many of these processes are adaptable for custody chain or decision making for more discretionary investment methods, however the emphasis is on complex market microstructure and the developing, testing and managing portfolios of a new trading system. Emphasis is additionally on financial software and human interface with software, so this is an excellent resource for those who support or develop application for traders. The cycle of "continuous improvement" is as old as Edward W. Deming's pioneering work in the 1950s, however it is refreshing to see it applied to making systematic trading smooth. This is an excellent book for improving a framework in place, or for starting from scratch.

1 of 1 people found the following review helpful. Concepts Extend Beyond Trading By Joe Quality Money Management is a very timely book meant to bring quality control processes to the trading process. It provides a detailed look at using well-known product development processes in the finance community. Variation is a big weakness of any system that could undercut a great trading strategy. After all, one cannot foresee all possibilities. The use of a systematic approach that addresses development phases requiring management involvement and extensive testing prior to deploying a new trading system is a unique aspect of this book. As a former six sigma black belt at a Fortune 500 company overseeing product development and quality control who utilized similar processes, it never ceases to amaze me how much money is lost in the transactional processes that govern financial institutions. One would do well to apply these principles in an adapted form at their financial institution for trading systems, risk management systems, and model development...a paradigm shift indeed. I would recommend this book to anyone who wants to improve their margins with a very cost effective solution.

The financial markets industry is at the same crossroads as the automotive industry in the late 1970s. Margins are collapsing and customization is rapidly increasing. The automotive industry turned to quality and its no coincidence that in the money management industry many of the spectacular failures have been due largely to problems in quality control. The financial industry is on the verge of a quality revolution. New and old firms alike are creating new investment vehicles and new strategies that are radically changing the nature of the industry. To compete, mutual funds, hedge fund industries, banks and proprietary trading firms are being forced to quickly research, test and implement trade selection and execution systems. And, just as in the early stages of factory automation, quality suffers and leads to defects. Many financial firms fall short of quality, lacking processes and methodologies for proper development and evaluation of trading and investment systems. Authors Kumiega and Van Vliet present a new step-by-step methodology for such development. Their methodology (called K|V) has been presented in numerous journal articles and at academic and industry conferences and is rapidly being accepted as the preferred business process for the institutional trading and hedge fund industries for development, presentation, and evaluation of trading and investment systems. The K|V model for trading system development combines new product development, project management and software development methodologies into one robust system. After four stages, the methodology requires repeating the entire waterfall for continuous improvement. The discussion quality and its applications to the front office is presented using lessons learned by the authors after using the methodology in the real world. As a result, it is flexible and modifiable to fit various projects in finance in different types of firms. Their methodology works equally well for short-term trading systems, longer-term portfolio management or mutual fund style investment strategies as well as more sophisticated ones employing derivative instruments in hedge funds. Additionally, readers will be able to quickly modify the standard K|V methodology to meet their unique needs and to quickly build other quantitatively driven applications for finance. At the beginning and the end of Quality Money Management the authors pose a key question: Are you willing to change and embrace quality for the 21st century or are willing to accept extinction? The real gem in this book is that the concepts give the reader a road map to avoid extinction. Presents a robust process engineering framework for developing and evaluating trading and investment systems Best practices along the step-by-step process will mitigate project risk, model risk, and ensure data quality Includes a quality model

for backtesting and managing market risk of working systems

“Benjamin Van Vliet and Andrew Kumiega give a complete and methodological approach to building trading and investment systems. They cover all you need to know to understand back-testing and prototyping of trading algorithms. Our team had their methodology in mind when they designed our analytical tool, Resolver One, to ensure quality, reliability and consistency when developing trading systems from ideas through prototype to production. A one-stop book for building systematic trading and investment systems.”--Jean Viry-Babel, Head of Sales, ResolverSystems, London, United Kingdom "I believe Kumiega and Van Vliet's blending of two disciplines - Quality and Finance - is the next step in the evolution of the financial industry. This approach will make financial processes more effective and efficient."--M. Zia Hassan, Fellow of the American Society for Quality, Dean Emeritus and Professor, Stuart School of Business, Chicago IL "Andrew Kumiega, a manager in charge of software testing at a Chicago-based trading firm and co- author of 'Quality Money Management,' a book that discusses the importance of standards for financial technology, says he is not surprised by the software glitch suffered by Knight because automated trading is still a young industry. It has yet to establish industry-wide standards and frequently suffers from the cross-purposes of three competing groups: traders who view their primary goal as trading success while upholding securities regulations, programmers who focus on coding and creating well designed software, and quantitative analysts who hone in on the mathematics that underpin many trading software efforts. 'If you look at these three groups, the tactics they employ for effective software testing are all completely different,' Kumiega said."--Institutional Investor

About the Author Ben Van Vliet is a Lecturer at the Illinois Institute of Technology (IIT), where he also serves as the Associate Director of the M.S. Financial Markets program. At IIT he teaches courses in quantitative finance, C++ and .NET programming, and automated trading system design and development. He is vice chairman of the Institute for Market Technology, where he chairs the advisory board for the Certified Trading System Developer (CTSD) program. He also serves as series editor of the Financial Markets Technology series for Elsevier/Academic Press and consults extensively in the financial markets industry. Mr. Van Vliet is also the author of "Modeling Financial Markets" with Robert Hendry (2003, McGraw Hill) and "Building Automated Trading Systems" (2007, Academic Press. Additionally, he has published several articles in the areas of finance and technology, and presented his research at several academic and professional conferences.