



The End of “All” or “Nothing” — How North American Brokerage Firms Can Realize Greater Efficiencies with New Market Data Workstation Technology

Matt Spedden
Senior Director
Interactive Data Corporation

With the recent epidemic of macroeconomic uncertainty and market volatility – and still no clear end in sight – many North American brokerage firms are redoubling their efforts to wring as much cost as possible out of their technology spending related to market data workstations. The challenge for these firms is to reduce costs without sacrificing essential information and the tools critical to the success of their brokerage operations.

The conundrum faced by these firms is not new. But, for many years, these firms didn’t have the option of using technology and market data applications that could be streamlining their needs. They were often faced with two unappealing selections -- “all” or “nothing”.

Because “nothing” was simply not realistic, they were shackled by the choice of “all”, which led to spiraling costs for servers and other IT infrastructure. Also, in many cases, uncontrollable bandwidth clogged up their networks, and created the need for a small army of IT professionals to support software installations and upgrades across their organization. But, as the global business climate cooled and the market data vendor landscape shifted due to consolidation, many firms began to look beyond their existing provider to search for another option.

Interactive Data has a long track record of delivering information everyday for millions of global financial instruments and supplementing this information with sophisticated decision support tools. We have a comprehensive understanding of workflows, data consumption, and other critical operational functions, gained through thousands of client interactions over the past few decades.

Leveraging this experience, Interactive Data understands many of the issues faced by brokerage firms looking to control their spending. We can work with firms as they pinpoint their consumption patterns for real-time data and better align their business requirements with an appropriate cost and distribution model. This type of initiative can help firms determine the necessary amount of data for the critical applications across their organization.

To support this objective, Interactive Data introduced Market-QSM, a web-browser-based market data terminal. Market-Q provides access to a broad set of financial information from the world’s markets and sophisticated tools for advanced charting and other capabilities.

What helps to distinguish this offering from others in the marketplace is that it can be implemented as a fully hosted solution. This can eliminate additional technology infrastructure costs associated with servers, circuits, and routers, while offering complete Internet accessibility

at reduced bandwidth costs. Market-Q also offers flexible conflation settings, which can provide firms with the levels of data they determine to be appropriate while facilitating improvements in bandwidth use and network traffic.

As an example, in a universe of 100 active securities, bandwidth utilization equals 13 kilobytes per second (kbs) at 1 second conflation and 8 kbs at 3 seconds. This low utilization rate can translate into tangible savings for fixed telecommunication and networking expenses while still providing a robust end-user experience.

In addition to these significant technology infrastructure benefits, Market-Q's browser-based front end also offers a set of compelling benefits to brokerage firms. It is a lightweight application that is easy to deploy. Interactive Data recently deployed Market-Q to 4,000 financial advisors at a major North American brokerage firm in less than 30 days.

This workstation is also easy to use, with our estimates on average training time for new users being approximately 30 minutes, and can be accessed by users via a web browser. Lastly, because Market-Q is fully hosted, upgrades can be centrally managed and distributed. This can diminish the need for brokerage firms to use massive technical teams to install new software deployments and enhancements manually.

As with many organizations in these times, North American brokerage firms are striving to do more with less. The good news for these firms is that Interactive Data now offers them a choice – one that can help maximize efficiency in their technology infrastructure and simplify the end-user experience.

For additional information, please contact: info@interactivedata.com

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