

THE 2016 EXECUTION MANAGEMENT SYSTEM SURVEY

Recognising excellence in the delivery of execution management systems

Featuring

- **Market review**
- **Provider profiles**

Based on 300 buy-side evaluations

When we grow up

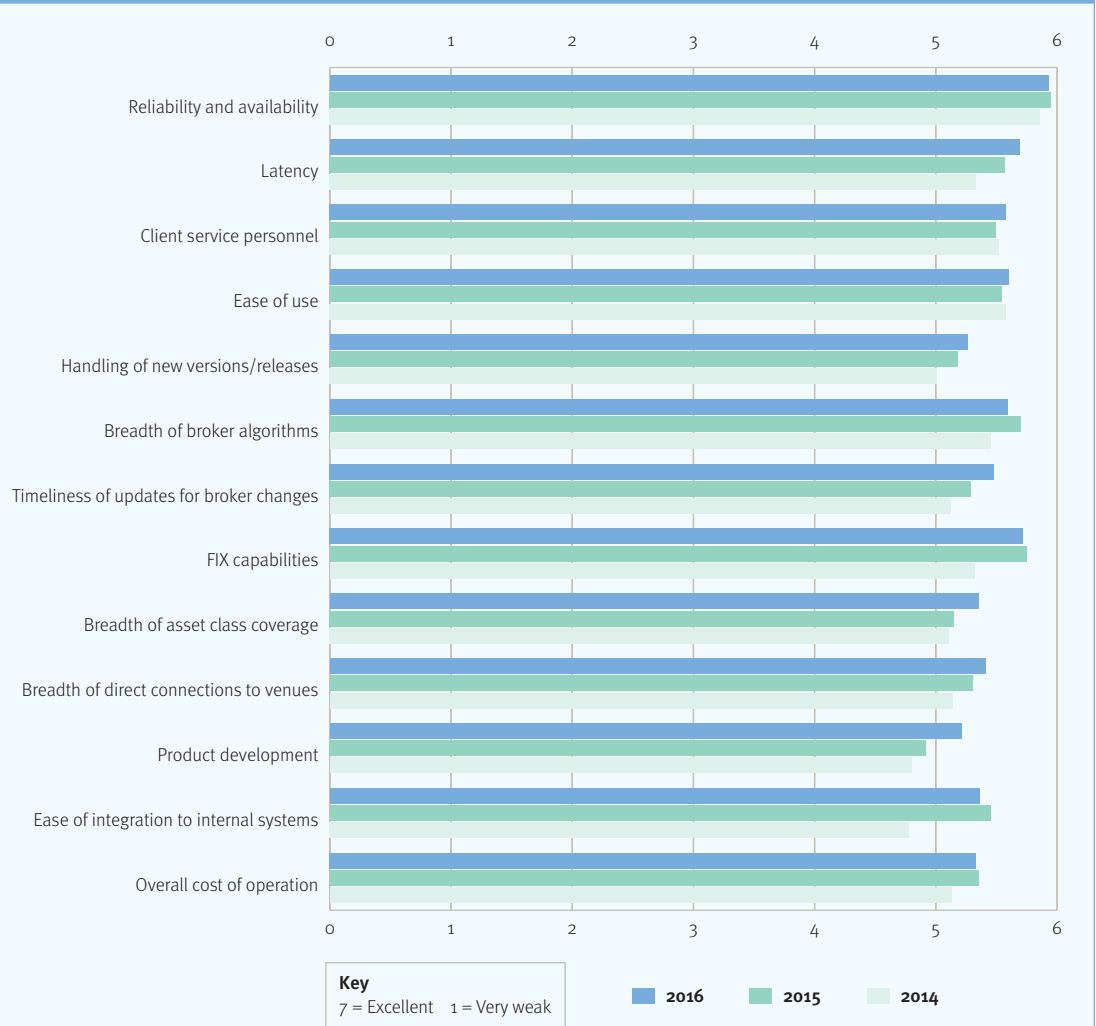
With more consolidation inevitable, what will Execution Management Systems do next?

Execution Management Systems (EMSs) have a short history broadly coincident with algorithmic trading. Giving clients access to algorithms was first seen by brokers as a way to reduce their own costs and make it harder for clients, especially hedge funds using a prime broker, to move elsewhere. So the first EMS capabilities were single broker equity systems such as REDI (Goldman Sachs) and Passport (Morgan Stanley). But of course clients did not really want to be tied down and not all prime brokers had a big enough business to support developing their own proprietary systems. The natural consequence was the creation of multi-broker capabilities, which in some

cases were also broker neutral. At the same time Order Management Systems, which were already supporting investment managers and investment process, saw the creation of links to brokers as their way to extend their product into the trading environment. The net effect was a proliferation of alternatives, and some reservation about whether the EMS really had a long term future. The financial crisis finally pretty much killed off the single broker option, for all but the smallest hedge funds. But it also made clear that the EMS was integral to the development of a properly professional trading desk; just as algorithms became accepted as a key trading tool that every professional

Illustration: iStockphoto

FIGURE 1: OVERALL SCORES

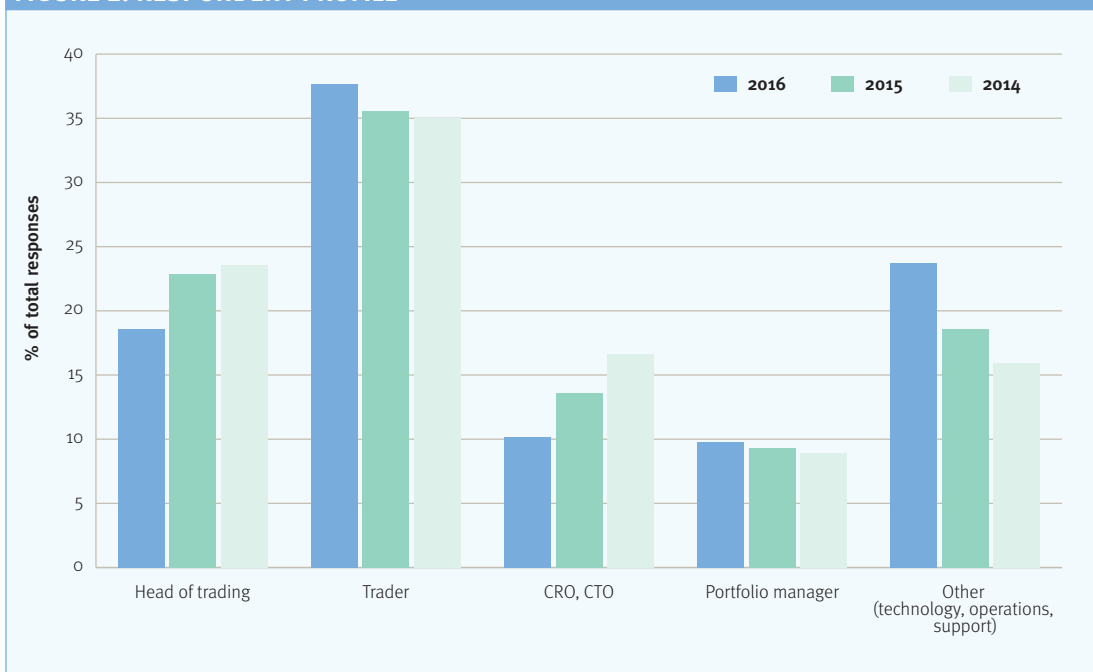


Source of all charts: The TRADE Execution Management Systems Survey

The largest group of respondents this year have assets under management (AuM) of more than \$50 billion. They accounted for 30% of all individuals.

Market review

FIGURE 2: RESPONDENT PROFILE



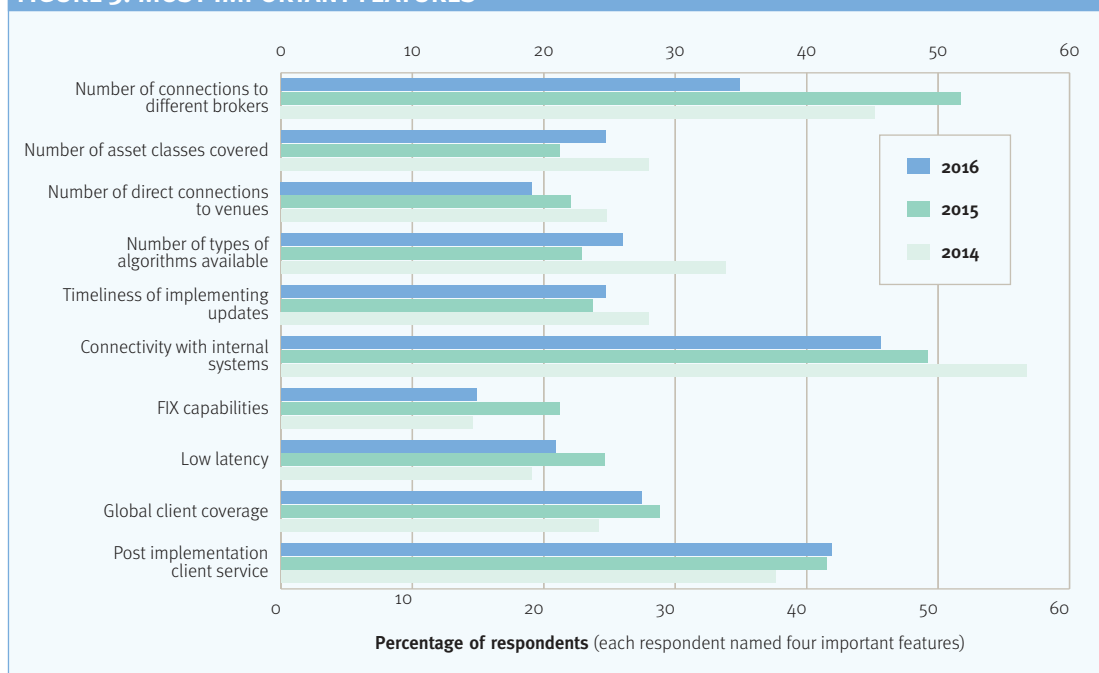
Roughly one in eight respondents indicated that they are looking to change their EMS provider(s) in the coming year...

trader could benefit from across many, though not all, transactions.

The important resulting trend has been the steady adoption of EMS capabilities by large firms used to trading with many brokers across multiple asset classes in global markets. That has been the growth area in the last few years and firms that have adapted best to the needs of these clients are the ones that have prospered most. The

2016 Survey bears witness to that movement, both in terms of who responded and what they said about service provision and future requirements. The largest group of respondents this year have assets under management (AuM) of more than \$50 billion. They accounted for 30% of all individuals. Very small clients (AuM < \$500 million) were the next most common and this clearly illustrates the divide that the

largest providers are trying to bridge. Roughly one in eight respondents indicated that they are looking to change their EMS provider(s) in the coming year. Interestingly this group uses on average nearly three different EMS capabilities. Of the group more than half represent firms with more than \$50 billion in AuM. Meanwhile very few small users of a single system appear interested in

FIGURE 3: MOST IMPORTANT FEATURES


... Meanwhile very few small users of a single system appear interested in changing providers in the near future.

changing providers in the near future.

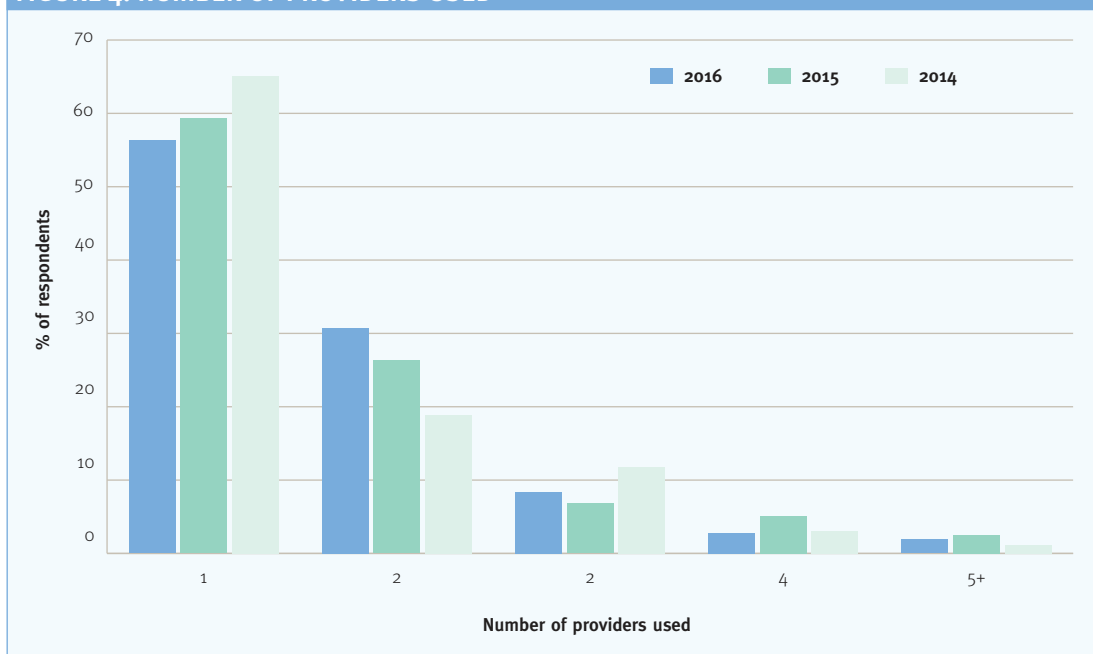
That the general level of satisfaction deters most from considering any change is evident in the scores. Figure 1 shows a comparison of scores in recent years covering the thirteen areas under review. In eight areas scores are higher than a year ago, while in five they are lower. Differences from one year to the next are not large and the position has generally

shown an improvement since 2014, when a couple of categories saw scores average less than 5.0 (Good). The two weakest areas of scoring have been Product Development and Handling of New Versions/Releases. Both these areas are impacted to some extent by the growth of business generally and its increasing complexity. Many of the perceived product developments are quite specific to particular

clients and asset classes. So for example, fund trading, pairs trading and options pricing are all identified by one or more clients as desirable developments. However none are widespread enough in terms of mentions, to suggest that the latent demand for them is necessarily critical to a particular provider's success. Other requirements focus on integration into internal systems, whether related to risk, compliance or

Market review

FIGURE 4: NUMBER OF PROVIDERS USED

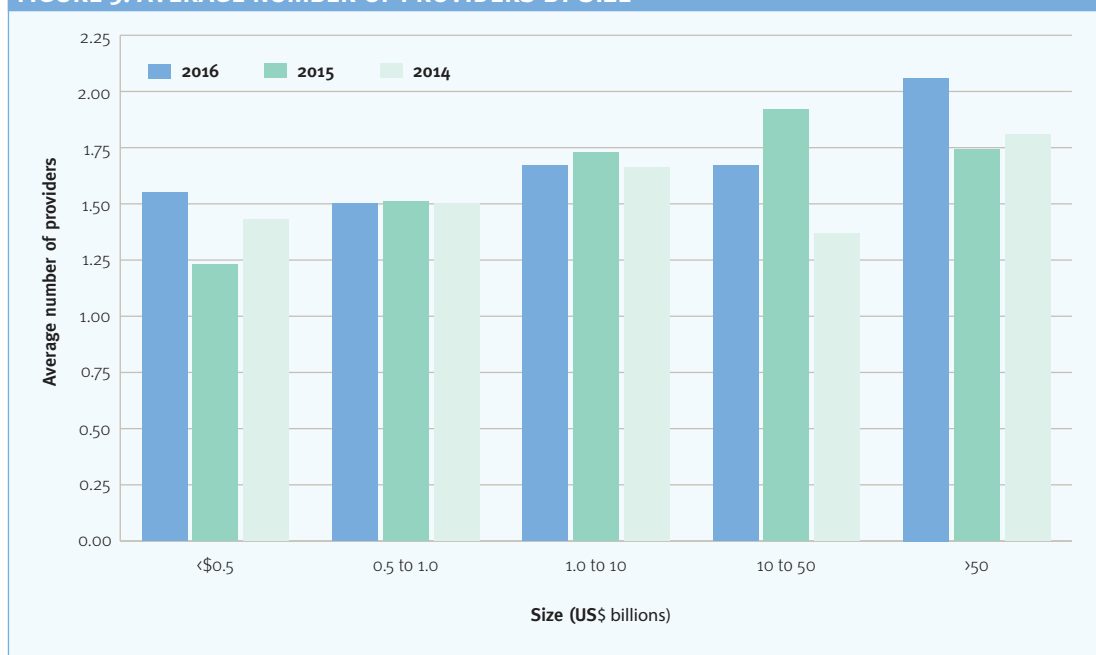


It is clear that the days of implementing a system and leaving it to the trader and broker to sort out how to use it are long gone.

portfolio management. Meanwhile the sheer number of clients and accounts makes the upgrade process progressively more complex. This is a simple problem of growth and perhaps reflects a contrast with earlier periods, when updating was a more straightforward exercise and therefore could be completed more frequently and with less potential disruption. The best scores were seen in Reliability and FIX

Capabilities. Insofar as trading systems are integral to the very act of trading, and EMS success has been built entirely around FIX standards, these scores should not be a surprise. While one respondent did suggest that additional back-up might be needed by some providers, no-one mentioned any aspect of FIX capabilities of any providers that required enhancement or improvement.

The lack of concern around FIX is reinforced by the fact that this area ranked as the least important when clients were asked to name their key priorities in considering use of any particular EMS. Figure 3 shows how a number of different aspects of service were considered in terms of priority. The single most important component, mentioned in their top four by almost half of respondents was Connectivity to

FIGURE 5: AVERAGE NUMBER OF PROVIDERS BY SIZE


Client Service is an important feature of most institutional financial services and EMS provision was never likely to be any different.

Internal Systems. In fact as more clients have completed this integration it has become less important, but even now remains top of the pile in terms of client focus. Client Service is the second most important feature in 2016, again probably reflecting the nature of the respondents. It is clear that the days of implementing a system and leaving it to the trader and broker to sort out how to use it are long gone.

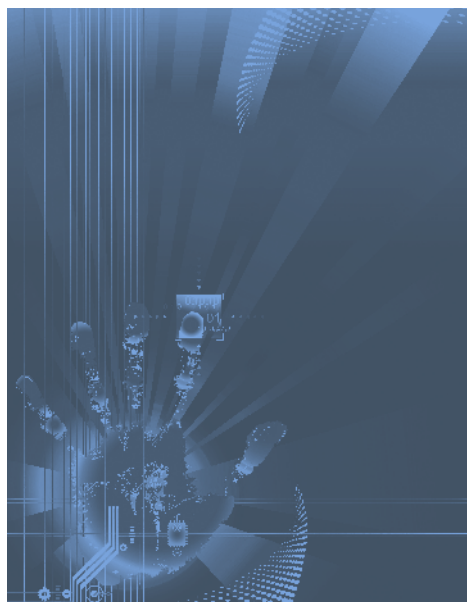
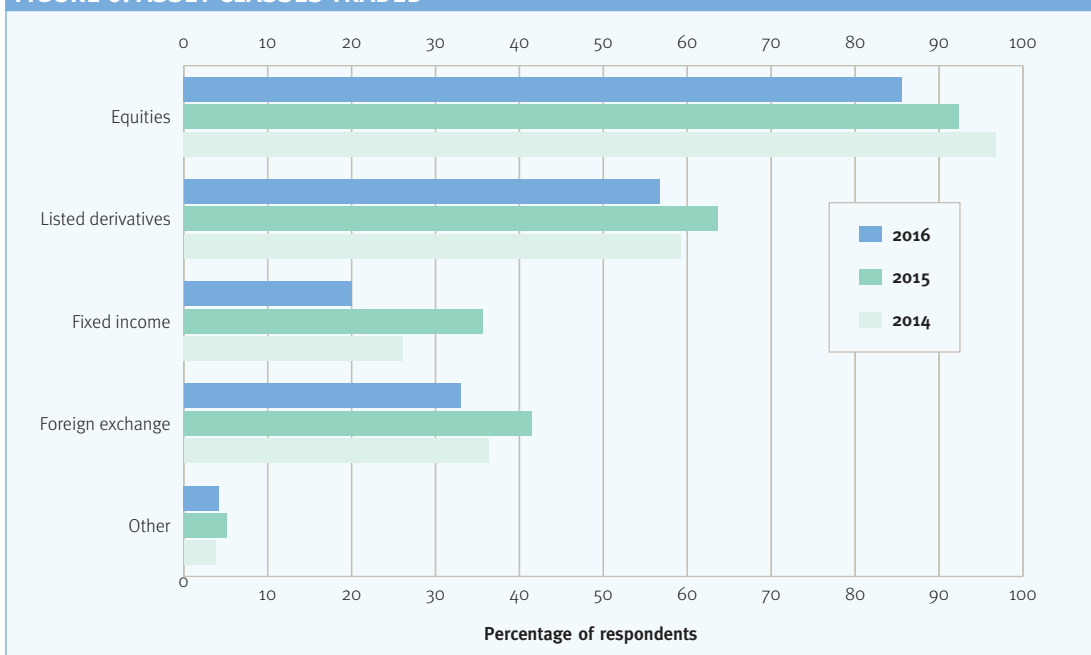
Client Service is an important feature of most institutional financial services and EMS provision was never likely to be any different. The greatest decline in importance was registered in the Breadth of Broker Connections category. From being mentioned by more than half of respondents in 2015, it fell to less than one-third this year. It would seem that clients have decided which brokers they intend to

connect to, for the purposes of electronic trading. Most major EMS providers in turn have relationships in place. As a result a competition to be more effective at adding new brokers into multi-broker systems is now over, levels of satisfaction for all parties have increased and the priority has diminished.

One of the more consistent themes mentioned by clients in terms of improvements was in the creation of

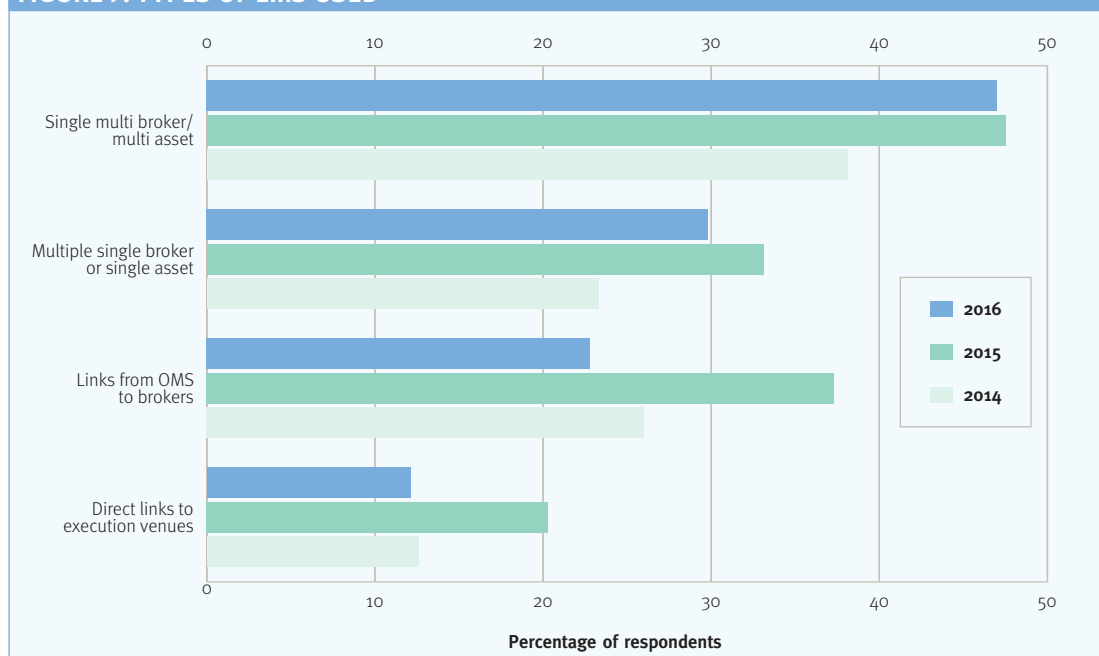
Market review

FIGURE 6: ASSET CLASSES TRADED



as one respondent put it, “a genuinely global all asset class capability.” While many providers offer more than one asset class, and some have added more, it is clear that the kind of fully comprehensive capability that could be used by the largest, highly diversified asset managers is still not yet available. This probably explains the fact that the average number of EMS capabilities has increased slightly in 2016. While the number of respondents using a very large number of systems (i.e. 4 or more) has declined,

those using two or three have grown. In the meantime while more than half of users still only use a single system, as Figure 4 shows their number is falling. This appears to reflect a use of different systems for different asset classes, rather than using multiple systems to trade a single asset class. Similarly larger clients, as shown in Figure 5 do appear to use more systems on average than smaller ones. The difference however is perhaps not as pronounced as might be anticipated. Greater focus is also

FIGURE 7: TYPES OF EMS USED


The EMS business has come a long way in its fifteen years or so of existence; from broker marketing tool to integral component of every firm's trading.

confirmed by Figure 6 which shows the types of instruments being traded using the EMS capabilities. In all categories the score is lower than a year ago. This suggests that there is a concentration by respondents on using systems that work, and if their existing providers do not deliver, then either work with another specialist who does, or go back to the old ways of trading. Whether

that reflects realism and maturity or a cynical response to an industry tendency to oversell is not clear from the data.

The EMS business has come a long way in its fifteen years or so of existence; from broker marketing tool to integral component of every firm's trading. Broad ranging EMS capabilities, integrated into other systems appear to be winning the battle against

specialist (single asset class, single broker etc.) capabilities, which are easier and faster to deploy but harder to integrate and maintain. Sophisticated clients are more complex to sell and implement and more demanding post-sale, but 'stickier' once won. That is a long way from where the industry began but still has scope for expansion and change in the future. ■

The 2016 Execution Management System Survey

PROVIDER PROFILES

METHODOLOGY

Survey respondents were asked to provide a rating for each Execution Management System (EMS) provider on a numerical scale from 1.0 (very weak) to 7.0 (excellent), covering 13 functional criteria. In general 5.0 represents the 'default' score of respondents. In total more than 200 individuals responded; more than 300 evaluations were submitted; and more than 20 providers were evaluated. The evaluations were used to compile the eight Provider Profiles covering the major providers based on responses received. Each

evaluation was weighted according to three characteristics of the respondent; the value of assets under management; the scale of business being conducted electronically; and the number of different providers being used. In this way the evaluations of the largest and broadest users of Execution Management Systems were weighted at up to twice the weight of the smallest and least experienced respondent.

In arriving at any overall calculations, the scores received in

respect of each of the 13 functional capabilities were further weighted according to the importance attached to them by respondents to the Survey. The aim is to ensure that in assessing service provision the greatest impact results from the scores received from the most sophisticated users in the areas they regard as most important. Finally it should be noted that responses provided by affiliated entities are ignored and a few other responses, where the respondent was not able to be properly verified, were also excluded. ■

Bloomberg

Bloomberg continues to be a major factor in the development and delivery of EMS capabilities globally. Response numbers increased considerably from 2015, but even so Bloomberg lost the top position in terms of responses received, ranking second. More importantly scores were markedly lower than a year ago. The overall average declined by 0.36 points and on individual questions such as integration with internal systems, scores fell by more than

0.50 points. One core strength of Bloomberg's capability was traditionally the quality of its Client Service and the expertise of its personnel. In 2016 scores in this area not only declined considerably but the average was below the default 5.0 (Good) level that generally constitutes acceptable performance.

Based on scores the majority of clients remain satisfied and identify few areas for improvement. However the results suggest that there is now a

surprisingly large cohort of clients who want to see improvement. Perhaps the most troubling statistic is that 14% of Bloomberg clients indicated an intention to change EMS providers over the course of the coming year. That is a significantly higher figure than applies to the Survey as a whole (8.4%). A number of clients voiced concerns about reliability, especially during the update cycle. This was reflected in the score of only 4.97 for Handling of New Versions/Releases. In terms of functionality the most commonly requested feature was better capability for pairs trading. Clients are also looking for more from Bloomberg in terms of pre and post-trade compliance capabilities and reporting and analytics.

Obviously with a large globally diversified client base, Bloomberg must expect to be held to a very high standard and have to deal with a very large number of upgrade requests. Traditionally it has done well to balance the needs of different client groups and has devoted an appropriate level of resources to product development and customer service. However, when five of thirteen aspects of service score below 5.0 then it is clear that not everything is working as smoothly as some clients would like. ■

BLOOMBERG — DATA

Reliability and availability	5.60
Latency	5.37
Client service personnel	4.91
Ease-of-use	5.07
Handling of new versions/releases	4.97
Breadth of broker algorithms	5.26
Timeliness of updates for broker changes	5.15
Fix capabilities	5.28
Breadth of asset class coverage	5.31
Breadth of direct connections to venues	5.12
Product development	4.72
Ease of integration to internal systems	4.55
Overall cost of operation	4.96

Provider profiles

Eze Software Group

Eze Software Group has focused on sales of its full range of capabilities, which while including EMS also incorporate other components such as OMS, portfolio analytics and compliance capabilities. The last twelve months have seen generally good business growth, but not with any specific EMS focus in terms of new business. In common with other providers Eze Software saw a good progress in terms of numbers of respondents providing feedback. The majority of

these trade globally and are based primarily in the U.K. and U.S., though clients based in Hong Kong and Singapore were also part of the client mix. Overall Eze Software ranked equal sixth in terms of number of responses and sixth taking into account the weight attached to different clients. In 2015 it ranked equal seventh. This is a good performance but the distance between Eze and some of the leaders in the Survey suggests that there remains considerable scope for further growth.

In terms of performance the year was to some extent disappointing. The average score over all categories was down by 0.04 points. This modest decline in the context of a larger response group would normally be quiet acceptable. However the overall results disguise some areas of significant improvement but also some important declines. In the latter case the fall off in Overall Cost of Operation is particularly disappointing when trying to offer a holistic product suite. Comments concerning Ease-of-Use suggest that a number of providers, including Eze may have work to do in terms of GUI. As a result the decline in score here may not be as competitively significant as it superficially appears. Eze Software did score particularly well in the area of Product Development which is encouraging given the efforts being made. In addition given the growing importance of compliance among clients, Eze integration of that capability should be a strength going forward. Overall the results are perfectly acceptable but not distinguished and Eze Software may be under pressure on costs from some of its larger clients going forward. ■

EZE SOFTWARE GROUP — DATA

Reliability and availability	5.73
Latency	5.17
Client service personnel	5.20
Ease-of-use	4.80
Handling of new versions/releases	4.72
Breadth of broker algorithms	5.60
Timeliness of updates for broker changes	5.02
Fix capabilities	5.75
Breadth of asset class coverage	5.28
Breadth of direct connections to venues	5.33
Product development	5.36
Ease of integration to internal systems	5.45
Overall cost of operation	4.84

Fidessa

Fidessa continues to post good financial results, growing revenues and earnings and generally expanding its client base. Its ability to develop products for both buy-side and sell-side market participants gives it a somewhat unusual perspective on market developments as does the fact that it is based in the U.K. However while perspective is useful, the scale of the coverage that Fidessa is seeking to achieve represents a major

challenge in terms of product development as well as day-to-day service delivery. As Fidessa itself notes it has a number of very large asset managers as clients, and in this area, as others, they are both sophisticated in their analysis and continuously looking for additional capabilities. They also have the ability to directly compare and contrast in ways that smaller funds do not.

While number of responses grew in line with the Survey, the

results must be seen as disappointing. Even allowing for the nature of its respondents, the average score of less than the default 5.0 (Good) score is simply not at a competitive level. Others with similar client profiles scored more strongly. It also declined by some 0.68 points compared with 2015. Scores in some key areas fared even worse. Perhaps most important was the fact that scores for Overall Cost of Operation were below 4.0 (Satisfactory) and clearly there is some cause for concern among clients in terms of pricing. Overall eight of thirteen aspects of service produced results of worse than 5.0 (Good). One client was concerned to see more multi-asset class capabilities, rather than purely equities and derivatives while another saw a need for faster updating of broker algorithms. One respondent listed no fewer than six individual items they wanted to see implemented. Overall 40% of respondents for Fidessa are considering changes in their EMS. This is well above the overall Survey level. In many cases of course Fidessa is not the only EMS provider for a client. Even so, based on scores its position would appear vulnerable in any competitive shake-out. ■

FIDESSA — DATA

Reliability and availability	5.40
Latency	5.43
Client service personnel	5.34
Ease-of-use	5.49
Handling of new versions/releases	4.55
Breadth of broker algorithms	4.84
Timeliness of updates for broker changes	4.64
Fix capabilities	5.62
Breadth of asset class coverage	4.33
Breadth of direct connections to venues	4.83
Product development	4.46
Ease of integration to internal systems	4.68
Overall cost of operation	3.93

Provider profiles

Instinet

Despite the firm itself focusing on global multi-asset class capabilities of Newport, 100% of responses to the Survey for the firm came from equity trading firms. Around 20% of responses were from hedge funds with the remainder from firms who are either exclusively or significantly long-only. Around half the clients are very large with assets under management of more than \$50 billion, but there were also a good proportion of smaller more

specialised firms. Responses came primarily from clients based in North America and throughout Europe. However both Australia and Singapore featured in the client list. Overall Instinet accounted for around 12% of responses both weighted and in absolute terms. This compares with less than 10% in the 2015 Survey.

Overall results must be considered very strong both directly and in the context of the demanding nature of the clients

responding. Instinet Newport achieved some of the highest scores in the Survey and its overall score was up 0.21 points compared with 2015. This was a greater increase than seen by many providers. In addition the firm saw an average score of better than 6.0 (Very Good) in all but three of the categories covered. The only area of relative weakness was seen as Breadth of Asset Class Coverage and it is clear that more work may need to be done in this area with clients, perhaps most obviously according to one respondent in FX. Clients also noted a desire for more real time pre-trade and post-trade analytics and more robust resiliency when primary connections are down. While some respondents would like to see more ability for customisation, the overall picture was summed up by one small client who noted that, “as far as I am concerned Newport does everything I need.” Overall then the 2016 Survey has a very positive message for the firm, reinforced by the fact that less than 3% of respondents are looking to change providers. As other clients look again at existing arrangements, Newport is well placed to secure new business. ■

INSTINET NEWPORT — DATA

Reliability and availability	6.73
Latency	6.30
Client service personnel	6.76
Ease-of-use	6.29
Handling of new versions/releases	6.12
Breadth of broker algorithms	6.33
Timeliness of updates for broker changes	6.28
Fix capabilities	6.35
Breadth of asset class coverage	5.39
Breadth of direct connections to venues	6.12
Product development	5.90
Ease of integration to internal systems	5.93
Overall cost of operation	6.18

ITG

In terms of response numbers, ITG Triton ranked fifth in this year's Survey, the same position as in 2015. However based on weight and size of clients, they ranked fourth. This was despite the fact that ITG Triton did not increase the number of responses by as much as the Survey in percentage terms. Respondents, in common with the position for many providers, were almost exclusively involved in equity trading and there were also very

few hedge funds in the respondent sample. The effect of these demographic considerations on scores was not large, though the sophisticated nature of many clients may have held back scores to some extent.

Given that the number of clients was relatively unchanged the volatility in individual scores was greater than might be expected. Overall there was a solid gain of 0.17 points, better than the Survey as a whole. Interestingly

despite a couple of clients requesting that ITG provide, "full global multi-asset class capabilities" scores for Breadth of Asset Class Coverage showed the biggest gain (up by 1.24 points) – though still only averaging a relatively modest 5.31. The best scores were posted in the areas of Reliability of the service and the Latency. In these areas, as in two others, ITG managed to achieve an average of better than 6.0 (Very Good). ITG fared less well in terms of Connections to Different Venues where scores were lower than a year ago and ended up at little over the default 5.0 (Good) score.

In terms of enhancements, clients suggested similar items to those seen by a number of other providers. Interestingly one area that is perhaps surprising was the number of clients wanting to see better integration of TCA and analytics capabilities more generally. This was traditionally a key strength of ITG but it may be that over time its capabilities have been matched by other providers. With solid scores in almost all areas and a loyal client base – very few respondents are considering change – ITG should be well placed to progress further over the coming year. ■

ITG TRITON — DATA

Reliability and availability	6.37
Latency	6.19
Client service personnel	5.84
Ease-of-use	5.81
Handling of new versions/releases	5.10
Breadth of broker algorithms	6.05
Timeliness of updates for broker changes	5.73
Fix capabilities	6.08
Breadth of asset class coverage	5.31
Breadth of direct connections to venues	5.04
Product development	5.30
Ease of integration to internal systems	5.86
Overall cost of operation	5.65

Provider profiles

Portware

In 2015 Portware received insufficient responses to obtain any formal inclusion in the results of the Survey. This year has seen a significant rise in the number of responses, though Portware still accounts for less than 4% of all weighted responses. There was a mix of hedge funds and long-only firms among respondents. Almost all responses were from U.S. based clients though the U.K. and Hong Kong also featured. Portware is different from many EMS vendors

in offering a more customisable solution to meet the needs of institutional asset managers. As such having larger firms as clients as well as more sophisticated ones, is to be expected. This different approach does however contribute to the nature of some of the scores achieved.

Overall the results were positive, though with no comparable data from a year ago, the relative position over time is impossible to assess. The overall

score was marginally ahead of the average across all Survey participants and at a level that suggests a generally very solid level of customer satisfaction. In two areas Portware scored at above 6.0 (Very Good). These were the Breadth of Connections to different brokers as well as the range of direct market access connections. Given its approach to the business it would be expected that Portware should score well in these areas. Similarly, since it is a technology rather than applications provider, the lower scores (just below the 5.0 (Good) default level) for Product Development are expected. It is not clear the extent to which Client Service is seen as important by Portware clients, perhaps less so than among more traditional providers. Even so the average score here was among the lower ratings for Portware, which is something it may want to investigate further, with one client noting it as an area where they would like to see an improvement. Otherwise the only minor concerns were a desire for more TCA and compliance capabilities, but that is common across the industry. Certainly a very solid debut in the published Survey. ■

PORTWARE — DATA

Reliability and availability	5.85
Latency	5.91
Client service personnel	5.42
Ease-of-use	5.84
Handling of new versions/releases	5.24
Breadth of broker algorithms	6.09
Timeliness of updates for broker changes	5.56
Fix capabilities	5.78
Breadth of asset class coverage	5.29
Breadth of direct connections to venues	6.02
Product development	4.98
Ease of integration to internal systems	5.71
Overall cost of operation	5.57

TORA

Tora is very heavily focused on hedge funds as clients and was founded in and remains centred on Asia in terms of the location of its clients. This gives the firm a very different demographic profile compared with other providers covered in the Survey. Fully three-quarters of its responses came from hedge funds with hardly any form purely long-only buy-side institutions. Similarly more than 80% of respondents have more than \$1 billion of assets under

management and all respondents are based in Asia, including China, Hong Kong, Japan and Singapore. This means that the nature of client demands may be different as well as their view of relative functional priorities. Last year Tora ranked second in terms of number of responses. This year it was fourth by that measure and fifth when size is taken into account. The change reflected the fact that while the number of responses for Tora increased it

did so only slightly, compared with much bigger increases seen by some other providers.

Overall scores were very strong. However, they were also down from the exceptional levels of 2015. One client noted that they would like to see, “clearer communication re development requirements and deliverables especially related to connectivity into our platform.” Others were looking for specific extensions of functionality, whether pairs trading, pre-trade compliance or FX. As clients become more aware of the capabilities that are available it is important that Tora maintains its ability to keep up with client demands. Even so it is doing well. In three areas scores were above 6.0 (Very Good). Only in Breadth of Asset Class Coverage did the score fall below 5.50 and this illustrates an impressive level of consistency. Hardly any clients are considering changing EMS which is again testimony to their satisfaction as well as their loyalty.

The 2015 results, which had an average of well above 6.0 should be seen as an exception, unlikely to be maintained. This year’s scores show that even after a noticeable decline, Tora remains well placed to continue to grow. ■

TORA — DATA

Reliability and availability	6.35
Latency	6.02
Client service personnel	6.37
Ease-of-use	5.82
Handling of new versions/releases	5.50
Breadth of broker algorithms	5.88
Timeliness of updates for broker changes	5.71
Fix capabilities	5.90
Breadth of asset class coverage	5.36
Breadth of direct connections to venues	5.74
Product development	5.69
Ease of integration to internal systems	5.58
Overall cost of operation	5.77

Provider profiles

TradingScreen

TradingScreen turned in a genuinely bravura performance in the 2016 Survey. In last year's Survey it received the fourth highest number of responses and its scores while fully satisfactory were not particularly distinguished. By contrast this year saw the firm receive more responses than any other provider, by some margin. A number of responses came from clients in China and India as well as the more established European, North American and

Asian markets. Global clients use the firm extensively to support trading of global multi-asset class securities. Around 40% of respondents were hedge funds, with the balance made up of a range of buy-side institutions including private banks and asset managers. Many clients were small (AuM less than \$1 billion), but TradingScreen also received responses from very large clients. This gave it a solid statistical mix against which to evaluate its scores.

The scores themselves saw much improved performance. The overall average was up by more than 0.28 points, with gains of more than 0.50 points seen in both the Timeliness of Updates for Broker Changes and Product Development. The firm's best score in 2015 was for Breadth of Asset Class Coverage, where it has long been considered a leader. This year scores were down but still well ahead of all its major competitors. It is also encouraging to note that despite one client wanting to see better Client Service, scores in this area were 0.72 points above those of a year ago. While some clients do have views as to additional products and services they would like to see, pre-trade compliance was the only one to generate more than the odd mention. In addition, while inevitably some clients are looking around, the number suggesting they may change providers was lower among TradingScreen clients than across the overall Survey.

In terms of internal organisation there is no doubt that the last year has been an interesting one for TradingScreen. It is testimony to the quality of their staff that despite distractions they have achieved such strong results. ■

TRADINGSCREEN — DATA

Reliability and availability	6.08
Latency	5.76
Client service personnel	5.85
Ease-of-use	5.93
Handling of new versions/releases	5.56
Breadth of broker algorithms	5.83
Timeliness of updates for broker changes	5.75
Fix capabilities	5.89
Breadth of asset class coverage	5.74
Breadth of direct connections to venues	5.64
Product development	5.54
Ease of integration to internal systems	5.73
Overall cost of operation	5.49

Other providers

In 2016 more than 22 providers received at least one response in the Survey. However it is clear that for those that have not already built a significant client base, it will be hard for them to do so from here. Aside from the eight providers profiled earlier, the remaining 14 accounted for only 10% of the total of all respondents. They represented a similar proportion by weight. Fully 25% of those

Of these only Passport managed an overall score better than the Survey average. Among other names many offer an EMS capability as part of a broader core product offering. Firms such as Charles River and IRESS saw response numbers well down on 2015 levels and achieved at best satisfactory scores. While there is no doubt that the EMS capabilities of some of the broader product

these providers. In fact the number of situations where scores failed to beat 5.0 (Good) outnumbered those where scores were higher than 6.0.

It is not clear what strategy these firms should pursue going forward. It is not obvious that the base of business is sufficient to support the necessary next level of investment. Nor is it obvious why or how an EMS capability is essential to the

Other firms include ULLINK, FlexTrade, and Linedata all of whom consistently feature, but only Linedata achieved any measure of success in terms of scores, and that across a narrowly defined client base.

using one or more of these providers is considering changing in the coming twelve months, suggesting there may be a reduction in client numbers rather than the much desired increase. Among the group are three systems operated by brokers, Passport (Morgan Stanley), Pinpoint (UBS) and Neovest (J.P. Morgan). In addition REDI, now independent but still closely associated in the minds of clients with Goldman Sachs also received responses.

firms have attracted a good following it is also clear that firms that began life as dedicated EMS providers continue to perform most strongly.

Other firms include ULLINK, FlexTrade, and Linedata all of whom consistently feature, but only Linedata achieved any measure of success in terms of scores, and that across a narrowly defined client base. Scores above 6.0 (Very Good) were extremely rare among all

other aspects of functionality being provided to customers. At the same time requiring clients to put in a completely new system to cover an integrated EMS will not be popular. It seems inevitable that consolidation will occur. It is simply a question of when and how. In the meantime a steady loss of clients seems the most likely outcome, with value being reduced with each lost customer. That is hardly an enticing prospect. ■