Inside Market Data | 25

1985 - 2010

Hall of Fame

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LETTER FROM THE EDITOR

25 Years of Innovation

Many people reading this will not have spent 25 years working in the market data industry—or reading *Inside Market Data* for so long, which began publishing a quarter-century ago as *Micro Ticker Report*. But one doesn't need to have been directly involved in the industry since the mid-1980s to appreciate that there exists a core group of people who—through their ability to create new products, inspire action in others, or take it upon themselves to effect change—have contributed to making the industry what it is today.

So, to mark *Inside Market Data*'s 25th anniversary, we honor the builders, the leaders and the organizers who made a profound difference to our industry over the past 25 years.

These are the individuals whose names have become the stuff of legend, who command the respect of those who worked with them, and whose legacies have had a lasting effect on the industry. Some did what they did because they recognized an opportunity to make money by doing what no one had done before, or by doing it better than the incumbents. Others made their mark by selflessly contributing their time and effort to a greater good—not just for themselves but for their peers across the industry. This is the spirit that has led to the creation of giants such as Bloomberg and Telerate, and user groups such as Ipug, FISD and the Financial Information Forum, and has brought transparency to the markets by increasing the availability of everything from bond prices to broker research, news, analytics and—more recently—low-latency exchange data. In short, they are responsible for everything that we consider fundamental ingredients of a modern market data strategy.

This is by no means a definitive list of those who have impacted the industry over the past 25 years. There were many others who have made outstanding contributions—and continue to do so—and also deserve a place in history, not to mention the many more who may have been omitted this time, but whose finest hours are yet to come. But this isn't the end: We plan to add members to our Inside Market Data Hall of Fame to recognize the worthy recipients of tomorrow.

But until then, please join us in congratulating the first 25 inductees into our inaugural Hall of Fame. We hope they continue to show the same drive and innovation that has brought them this far, and that their stories inspire others to follow in their footsteps. ■

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A look back at the people who have shaped the market data industry over the last 25 years.

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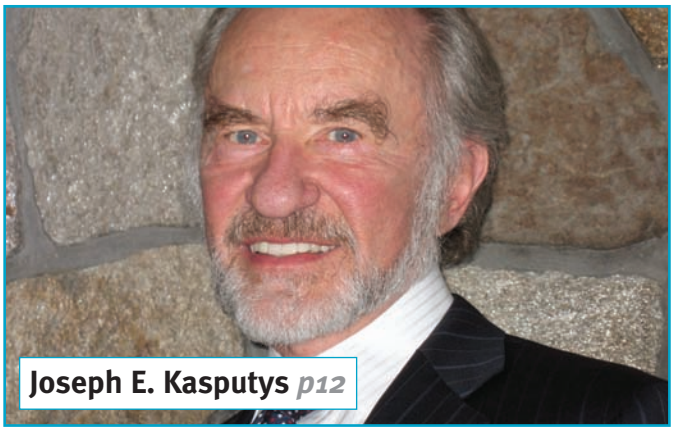
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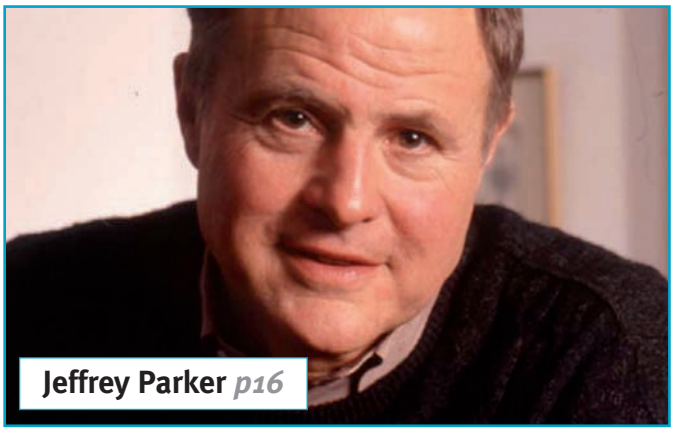
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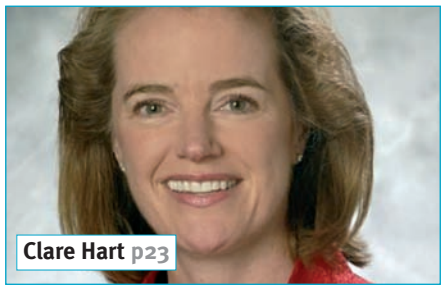
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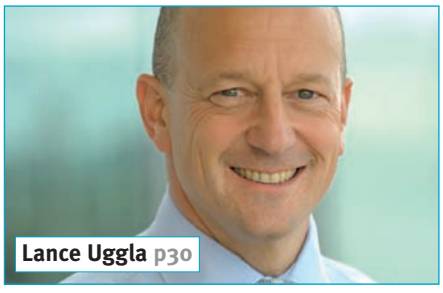
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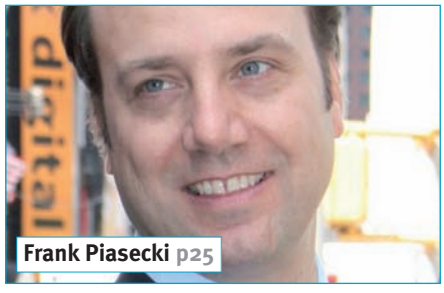
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25 years as reported by Inside Market Data

1985 ~~Telerate~~ buys technical analysis and graphics provider **Compu Trac**, which it labels **Teletrac**. **ADP**, the second largest terminal provider, buys one of the oldest terminal providers, **Bunker Ramo**, to take on **Quotron**. **Knight-Ridder's Moneycenter** service strikes a joint venture with **Mills & Allen International**, owners of interdealer broker **Garban**, to take on **Telerate** in fixed income.

1980s Quotron terminal

1986 After months of negotiations, **Quotron** finally accepts a $19 per share buyout from **Citicorp**. **International Marketnet (IMnet)**, a joint venture between **IBM** and consultancy **Monchik-Weber**, releases an aggressively priced, PC-based standalone workstation called the "System 100." After a failure on **Big Bang** day (Oct. 27) the **London Stock Exchange's** aging **Topic** data service slowly returns to normal.

1987 After the failure of **IMnet**, **ADP** bags its biggest contract—20,000 terminals at **Merrill Lynch**—propelling it past **Quotron** to the top spot in the US. **Black Monday**, (Oct. 19) hits data vendors hard, as systems bend under the strain of unprecedented transaction volumes, causing quote delays of more than 90 seconds, leading to **SEC** investigations the following year.

1988 **Reuters** gains a foothold in US equities markets with two big deals: **Prudential-Bache Securities** and **Morgan Stanley**. **Telerate** launched its PC- based, full-color, pseudo-Windows composite page satellite product called **Matrix**, designed from scratch by its **Compu Trac** unit. **McGraw-Hill** merges **Platts** and **S&P Trading Systems** into its Commodity Services Group, then sells S&P Trading Systems to **Telekurs** in 1989.

1989 **Thomson Financial Networks** is born from the acquisitions of **Autex Systems** and **Technical Data**, becoming **Thomson Financial** until its merger with **Reuters**. **ADP** buys the technology from real-time market data software firm **Multex** to jump-start its OS/2 and Microsoft Windows development. To challenge data vendors, a group of five Wall Street banks begin developing their own telecoms infrastructure, and a group of four pool securities prices.

1990 Firing a shot across the bow of **Dow Jones**, **Bloomberg** hires *Wall Street Journal* staff reporter **Matthew Winkler** to head its budding news operation. The **Public Securities Association** brings several vendors together to form a joint venture—which later became **GovPX**—to disseminate price information on the opaque US Treasury markets. **Dun & Bradstreet** hives off **Interactive Data Corp**. and **Datastream International** to **Primark**.

1991 **Bloomberg** begins to take a bite out of incumbent vendors, and mulls unbundling its news service and adding equities to its mainly fixed-income terminal. **Knight-Ridder's** flagship **MoneyCenter** PC-based quote and analytics service starts to eat into **Telerate's** market share, winning **Bankers Trust T. Rowe Price** with aggressive pricing.

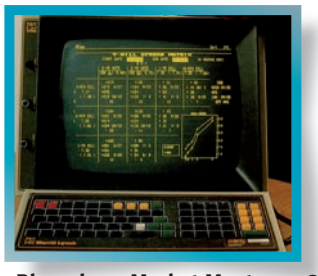
1992 **Thomson Financial's ILX Systems** provides market data services to **Dean Witter's** 10,000 retail brokers, beating incumbent vendors **ADP** and **Quotron**, which cuts staff and offices to stay alive. **Citicorp** buys **Quotron's** Global Treasury Services unit, forming **Crossmar** to collect and sell market data, including real-time Treasuries data from **Garban** and FX data from contributing banks. **Bloomberg** buys a radio station and begins filming business video content.

1993 **Reuters** pays $125 million for **Teknekron Software**, its biggest competitor in digital data delivery systems in North America, gaining an estimated 12,000 positions. **Multex Systems** is reborn as a full-text research distribution and search engine, backed by venture capital, with **Kidder Peabody & Co**. and **PaineWebber** providing equity research. A **terrorist attack** on the **World Trade Center** gives data vendors a chance to do good deeds: **Quotron** and **Reuters** turn over space to distressed customers, while **ADP** and **Bloomberg** ship out portable devices.

1994 **Citicorp** exits the data business, selling some of **Crossmar** to **ADP** and paying **Reuters** $80 million to take the remainder of **Quotron**. After deliberating for months, the **Managed Futures Association** and the **Futures Industry Association** jointly propose rules for electronic data transmission and a catalog of standard ticker symbols. A major reorganization of **Knight-Ridder's** management and compensation structures leads to mass departures and rumors of a possible sale.

1995 **Standard & Poor's Platts** makes its coveted oil prices—previously only accessible via Standard & Poor's **Comstock**—available over **Bloomberg**, **Dow Jones Telerate**, **Reuters** and **Knight-Ridder**. **Bloomberg** announces **Open Bloomberg**, allowing users to display its data and services on PCs rather than Bloomberg terminals. Investment firm **Welsh Carson Anderson & Stowe** buys **Bridge Information Systems**.

1996 Fresh from buying **Bridge**, **Welsh Carson** pays $275 million for **Knight-Ridder Financial**, which had profits of $3.3 million on 1995 revenues of $193.4 million. Staggering losses at **Dow Jones Markets** (Telerate) leads to management changes and a planned $650 million investment, though this is scaled back only months later amid rumors of a possible sale. **Reuters** introduces its 3000 series of products including **Securities 3000** for equities, **Treasury 3000** for fixed income and **Money 3000** for money markets.


Bloomberg Market Master, 1985

1997 **Bridge's** new managing director for Europe, **John Jessop**, ousts several executives and relocates the company's sales and marketing staffs. Data vendors begin to embrace the **Internet** in a big way, with **Reuters**, **Bridge**, **Bloomberg** and **Dow Jones Markets** all planning to adopt it as a distribution mechanism. **Primark** integrates **Datastream** and **ICV**, then buys global economic data and forecast provider **WEFA Holdings**.

1998 The **Financial Information Forum** launches a Capacity Planning Model and releases baseline traffic projections for **Nasdaq**, the **Consolidated Tape Association** and **Options Price Reporting Authority**. **Bridge** finalizes its acquisition of **Telerate** from **Dow Jones**, and buys **ADP's** data business. Former **Dow Jones Markets** senior vice president Jon Robson starts **MoneyLine Network Inc**. with backing from **InterCapital Brokers**, through the acquisition of **MoneyLine Corp**.

1999 **Y2K**, decimalization and "the **Internet**" dominate the headlines as the **SIA** plans for testing the effects of **decimalization** on the securities industry. With its move from a trading floor to an electronic trading system, the **London International Financial Futures and Options Exchange** starts work on a new datafeed to deliver its market data—as does **Deutsche Börse's Eurex**. **Bridge** teams up with **Futuresource Information Systems** to create a new company, called **Futuresource/Bridge** (though the deal would end in 2004 when **Interactive Data** buys **Futuresource**), and spins off network provider **Savvis Communications**, which files for an IPO.

2000 **Reuters'** share price collapses, leading the vendor to replace 10-year CEO **Peter Job** the following year with its first American CEO, **Tom Glocer**. **Thomson** completes its **$842 million** acquisition of **Primark** (and assumes $235 million of Primark's debt)—part of a spending spree intended to make **Thomson** competitive with **Reuters** and **Bloomberg**. The **Securities and Exchange Commission** issues a disclosure rule called **Regulation FD** (Fair Disclosure), which bars corporate executives, and others from selectively providing material non-public information, and requires disclosures to be publicly disseminated.

2001 **Bridge** files for bankruptcy and is split into pieces, with **Moneyline** paying $10 million for the assets of **Telerate** worldwide and **Bridge's** assets in Europe and Asia-Pacific. **Bloomberg** founder **Michael Bloomberg** confirms what many suspect: he will run for mayor of **New York City**. In the aftermath of the **Sept. 11** attacks on the **World Trade Center** (in which ***Inside Market Data*'s** parent **Risk Waters Group** loses 16 staff), market data providers and consumers unite where possible to keep data flowing as US markets reopen.

2002 **Reuters** launches its **Reuters Messaging** service, hoping to lure users from **Bloomberg Messaging**. **FT Interactive Data** merges its North American and European data delivery businesses and floats **Interactive Data Corp**. on the **New York Stock Exchange**, as part of a strategy to increase its visibility in the market. The **SEC** conditionally approves the operation of **Nasdaq's** new display and trading system, **SuperMontage**.

2003 **Interactive Data** buys **ComStock** from **Standard & Poor's** for $115 million, and **HyperFeed Technologies'** consolidated datafeed clients, adding 250 clients to its roster. **Reuters** begins migrating customers to its **Reuters Distribution Network** to handle the expected growth in US equities and equity derivatives data. **Bloomberg** becomes the exclusive provider of data from spot FX broker **EBS**, and the two agree to develop new market data products.

2004 Thomson Financial goes on another spree, buying investor relations events broadcaster **Raw Communications**, Australian video and audio streaming provider **StreamX**, and fixed income trading portal **Tradeweb**. **Reuters** opens a facility in **Bangalore** that will eventually perform over half of its global data operations, supplement its news coverage and support business services. Industry bodies **the Association of National Numbering Agencies** and UK user group **Ipug** rally against **Standard & Poor's CUSIP Service Bureau's** policy of charging for licensing of ISIN databases.

2005 **The Options Price Reporting Authority** revises its traffic projections, as the growth of **algorithmic trading** exacerbates already steep rises in market data rates and demand for **low latency**. The industry begins to address the practical implications of **Regulation National Market System**, the **SEC's** new structure for the US equity markets. **BT** buys the **Radianz** financial network from **Reuters** for about $200 million.

2006 End-users and vendors focus on **compliance** and solutions to exploit new opportunities presented by the European Union's **Markets in Financial Instruments Directive**. **Reuters** ends support for the **Telerate** products it acquired in 2005, ending a 35-year legacy. New York mayor **Michael Bloomberg** denies that his eponymous data vendor is for sale, quashing speculation about its future.

2007 **Thomson Corp.'s** takeover of **Reuters** creates a combined vendor larger than rival **Bloomberg**, adding legal, educational and scientific information divisions to Reuters' financial markets business. **News Corp.** pays $5.6 billion for **Dow Jones** to acquire the long-coveted *Wall Street Journal*. **Deutsche Börse** readies a new low-latency datafeed for vendors and non-member trading firms using a similar format to the **FIX Protocol** and **FAST** (FIX Adapted for Streaming) compression.

2008 **Rating agencies** come under scrutiny from regulators following the **sub-prime** mortgage disaster. The ensuing broader **financial crisis**—along with the collapse of **Bear Stearns** and **Lehman Brothers**—forces firms to delay investments in market data in some areas, and find ways to do more with less. **NYSE Euronext** introduces a **new billing scheme** for data, to make access to its data products **more affordable**, and to clearly differentiate between end-user firms and vendor redistributors.

2009 **Thomson Reuters** unveils the beta version of a new **multimedia platform**, dubbed **Reuters Insider** that ties together news, information and video content. Industry participants, concerned by the **duopoly** of **Thomson Reuters** and **Bloomberg**, look to **FactSet Research Systems**, **Interactive Data** and **SIX Telekurs** to provide a third competitor. New venues created as a result of the **MiFID** regulation lead to increased volumes of market data. After an outage at the **London Stock Exchange**, several European **multilateral trading facilities** and **dark pools** form a working group to provide a consolidated, pan-European data service.

2010 **Pearson** sells **Interactive Data** to private equity firms **Silver Lake** and **Warburg Pincus** for $3.4 billion. **Bloomberg** and **Thomson Reuters** both revamp their products: **Bloomberg** unveils **Launchpad 2010**, its Windows-style interface, while **Thomson Reuters** rolls out **Elektron**, a new global data communications infrastructure, and **Eikon**, a desktop display designed to replace **3000 Xtra** and **Thomson One**.

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'The Rulebreaker'

Then: *Founder and CEO, Bloomberg LP*
Now: *Mayor of New York City*

Michael Bloomberg

Rules are meant to be broken—at least if you are New York City's mayor Michael Bloomberg. He broke the rules when he changed the law so that he could run—successfully—for a third term as mayor. And he threw away the rulebook when he built the first Bloomberg market data terminal in 1981. His product, and its coveted Bloomberg keyboard, still dominates the desktops of fixed income traders worldwide.

While the market data industry is proud to have one of its own as such a prominent figure in politics, his impact on our industry is what lingers. Bloomberg brought a fresh look to the data terminal business, giving users real-time and historical data functionality paired with analytics and—eventually—news, for the first time.

According to his biography, *Bloomberg by Bloomberg*, his idea was to give people "the ability to select what each individually thought the most useful parts," and then provide ready-made analytics. These allowed non-mathematicians to run analysis on their chosen bonds or stocks. *Genius!* as Bloomberg himself might say. His idea, and his terminal, went on to throw the ailing Dow Jones Telerate under a bus, and surpass longer-established providers such as Reuters.

> "Bloomberg brought a fresh look to the data terminal business, giving users real-time and historical data functionality paired with analytics and news, for the first time.

Bloomberg's idea for a different kind of system grew from his experience at Salomon Brothers. Armed with a degree from Johns Hopkins University and an MBA from Harvard Business School, he went to Wall Street to find work. He had started his career at Salomon Brothers in 1966, doing relatively menial jobs, considering his education. It is not clear whether it was his arrogance or his intelligence that got him noticed but, on Wall Street, either works. He was promoted to the equities desk, where he sold blocks of shares and rose to partner status by 1979, but his temper and internal squabbles got him demoted sideways to run the information services department. This was to be the seed kernel for Bloomberg LP.

Luckily for Bloomberg, his partner status meant that when Salomon was taken over by Phibro Corporation in 1981 he would receive a hefty payoff. As Bloomberg tells it, "After 15 years, I decided it was time to move on. Or rather, they decided it was time for me to move on, and fired me." He walked away with $10 million in severance which funded his information business, Innovative Market Systems.

Initially, the business was "three people and a coffee machine, and a one-room office with views of an alley," Bloomberg recalls—a far cry from the vendor's current ultra-modern offices on Lexington Avenue. But by 1982, Bloomberg had his first customer—Merrill Lynch, which installed 22 of IMS's Market Master terminals and invested $30 million in the company to boot—and changed the company name to Bloomberg LP.

By 1987, Bloomberg had installed 5,000 terminals and was taking on Telerate at its own game. Bloomberg had quietly started to offer inter-dealer broker prices for US government securities, Telerate's market data niche. John Jessop, then chief operating officer at Telerate, later said in his book, *Tales from the South Pier*, "Michael Bloomberg was dangerous not just because he was smart, but because he was smart and focused, a zealot who was prepared to pursue his objectives with a single-mindedness that sometimes shocked his friends as much as it would later frighten his enemies."

Bloomberg LP began its assault on Reuters' niche equities markets in 1989, while continuing to beef up its fixed income content with municipal bond prices, research and analysis. Bloomberg was "quietly" becoming a threat to the then "big three" vendors—Quotron Systems, Telerate and Reuters.

In 1990, the so-called big three—Citicorp subsidiary Quotron, Dow Jones & Co.'s newly-acquired Telerate and Reuters—were recovering from a terrible previous year. The recession had taken a big bite out of revenues, and they were finally coming to grips with the consequences of commoditization, unbundling and technological obsolescence, as reported by *IMD*. The same article warned that they had better keep an eye on "smaller, more agile competitors such as Bloomberg LP."

Truer words were never written. For in 1990, Bloomberg delivered the death blow to Dow Jones Telerate and put a permanent crack in Reuters' foundation when it started its own news service. Bloomberg hired *Wall Street Journal* staffer Matthew Winkler, who had helped Dow Jones create its Capital Markets Report, to kick it off. Dow Jones retaliated by pulling its news off Bloomberg, and Reuters responded by starting a fixed income news service. Bloomberg went on to unbundle its news, added radio and TV, and now rivals Dow Jones and Reuters as one of the most prolific global financial news providers.

But Bloomberg didn't stop there, and over the next few years added coveted innovations such the Tradebook trading platform, and its *coup de grace*—Bloomberg Messaging. Bloomberg was already the only dedicated terminal with email capabilities, and enabling instant messaging gave traders one more reason not to cancel, no matter what the economy did. As of 2009, the company had more than 250,000 terminals worldwide, though as mayor of more than eight million people, Bloomberg himself is perhaps serving his highest and most important constituent base ever. ■

'The Father of Interactive Data'

Then: *CEO, Interactive Data*
Now: *Chairman, Ipreo*

Stuart Clark

Stuart Clark's 40-year career is unusual in the market data business, in that it was with just one company. Clark joined Extel in London in 1968 and there he stayed—throughout its many guises and transformations, including FT Information and Interactive Data Corp.—until his retirement in 2009.

When Clark left college in 1968, the job world was his oyster. The UK was experiencing a period of full employment, and there were plenty of jobs to choose from. Like most people in the market data industry, "It was not a considered decision to go into market data," Clark says.

He was interested in technology, so he answered an advertisement in one of London's evening papers and landed at Extel Computing, a new company concentrating on UK securities data. He started as an analyst, extracting useful information from company accounts, which he would then code onto forms for punch tape operators to use in creating tape for customers.

The data included end-of-day prices, corporate actions and dividends, and was mainly for back-office use, but Clark was already aiming higher. "I always thought that we were in an unfashionable niche, with back-office data. Reuters and Quotron were much more exciting with their focus on front-office trading. No one was bothered about the back-office," he says.

> "The best thing that ever happened was when United Newspapers sold us to the Financial Times and Pearson in 1993. They had an emphasis on financial markets and gave us strong support."

The delivery platform was known then as FOCUS (Financially Orientated Computer Updating Service), though Extel changed the name to Exshare after selling the FOCUS brand to another company. Despite being a new venture with "no revenue to speak of," Extel continued to grow steadily over the years.

In the early 1970s, Extel needed additional pricing information to expand into continental Europe, and approached Reuters. The two struck a revenue-sharing deal, and by the late '70s, Extel was celebrating its first million pounds in profit.

By then Clark was looking after what was known as Extel Financial—the original FOCUS division plus corporate data processing and investment accounting products. The US was just beginning to take an interest in global financial markets, and Extel was one of the few vendors that could provide data from UK and other markets, driving a series of partnership deals with US companies to distribute Extel's data in North America.

The industry was continually changing, stretching into emerging equity and fixed income markets, creating a constant challenge to cover the data that clients needed. Then the Reuters deal ended in the late '70s, shutting off the pricing data that had enabled its key expansion. "That was a huge challenge for us," Clark says. "We had to go out and replicate all of the pricing data that we had been getting from Reuters. We sourced direct from exchanges, from local vendors, and we got there—just about—by the time Reuters' 18-month notice period was up."

United Newspapers bought Extel in 1987, but the two never really gelled, according to Clark. "The best thing that ever happened was when United Newspapers sold us to the *Financial Times* and Pearson in 1993. They had an emphasis on financial markets and gave us strong support," he says.

In 1995, Clark proposed buying Interactive Data Corp and combining it with Extel, and when the deal was approved, Pearson and the FT thought he would be better able to run the combined company from the US, so Clark upped sticks to Lexington, MA, before relocating the company to its current home in Bedford, MA a year later.

Once settled, Clark embarked on a period of acquisition for IDC/Extel, first buying Muller Data—one of Extel's main competitors—from Thomson Corporation. Pearson spun off IDC in 2000, retaining a 60 percent shareholding, and IDC then merged with Data Broadcasting Corporation, a desktop display application provider. IDC became a publicly listed corporation, and Clark found himself CEO of a publicly-listed company.

By 2008, IDC had grown into a company with more than $750 million in revenues, and finally, Clark decided that after 40 years he wanted to do something different. He retired in July 2009, and now enjoys roles on the boards of UK AIM-listed portfolio analytics vendor StatPro and market intelligence provider Ipreo, where he is currently chairman. He also advised private equity company Kohlberg Kravis & Roberts on its (ultimately unsuccessful) bid for IDC, which Silver Lake and Warburg Pincus snapped up from Pearson for $3.4 billion in cash in May 2010.

Though his career is arguably more diverse now than during the past 40 years, Clark says he was happy to develop his career within the same company, as his jobs were constantly evolving. "I went from analysis to technology to being a business manager. The industry was growing, the US was globalizing, emerging markets were up and coming. The industry has changed a lot, but it is still the same industry," he says. ■

'The Player'

Then: *President and founder, Telerate Systems*
Now: *Owner, Black Watch Polo Team*

Neil Hirsch

Neil Hirsch is a market data industry legend: a college dropout who spotted an opportunity in the marketplace and turned it into one of the most talked-about data vendors in the business. Telerate grew from an idea to a two-person shop, and ultimately to a multinational information vendor that made its sales-people rich and Neil Hirsch even richer.

"I was an average kid; I was an average student. But when I was 21, I realized I had always wanted to make something of myself. I doubted I could be a terrific lawyer or a doctor, but I realized I could make a lot of money," Hirsch told *Time* magazine in 1984.

After dropping out of college, Hirsch was working as a clerk in a Merrill Lynch brokerage office in the late 1960s when he noticed an anomaly that would launch his company. There was plenty of electronic information available about stock markets, but almost none for other asset classes. He borrowed some money and started Telerate Systems in 1969 offering prices for commercial paper.

He was almost out of money in the early 1970s when he was approached by Cantor Fitzgerald. Cantor was one of the largest interdealer brokers in US Treasuries market, and thus had access to the prices that other dealers were offering. Its owner, Bernie Cantor, had an idea that if his bond prices were displayed on an electronic terminal, it would give his firm a competitive edge. He chose Telerate, and Cantor Fitzgerald took a 25 percent stake in the company.

When Cantor's Treasury prices started to flash across Telerate's green screens, the primary dealers revolted. Transparency is the enemy of wide spreads and profit margins, and the dealers were appalled, with some allegedly even going so far as to boycott Cantor.

But the cat was out of the bag, and Telerate started selling like hot cakes. By 1977, the company's earnings had shot up to $1 million. Jeff Parker, the founder of Technical Data and First Call, got his first real break from Hirsch, who allowed Parker to put Tech Data's content on Telerate as one of its first optional services in 1980. Telerate was still pretty small at that stage, Parker says, recalling how Hirsch's "right-hand lady" Esther Zimet would answer the phone pretending to be the receptionist, then would put the callers through to herself, acting as the accounts department or sales.

But Telerate didn't stay small for long: its growth accelerated rapidly from that point, as financial markets expanded and went global. *Time* magazine said that in 1984, Telerate had "some 11,000 subscribers in the US and overseas," paying an average of $700 per month. When Telerate went public in April of that year, Hirsch was said to have held shares worth $67.5 million.

Hirsch had arrived, and moved into a $900,000 apartment on Manhattan's East Side, commuting to his 104th-floor office at the World Trade Center in a Mercedes limousine, *Time* reported.

> "The high life that Hirsch sought and found was part of the foundation for Telerate's formidable—and hedonistic—corporate culture. Hirsch was notorious for combining a little business with a lot of pleasure, and his employees mimicked this at every possible opportunity.

The high life that Hirsch sought and found was part of the foundation for Telerate's formidable—and hedonistic—corporate culture. Hirsch was notorious for combining a little business with a lot of pleasure, and his employees mimicked this at every possible opportunity. Money was tumbling in, expense accounts were lavish, and heavy drinking was all but required.

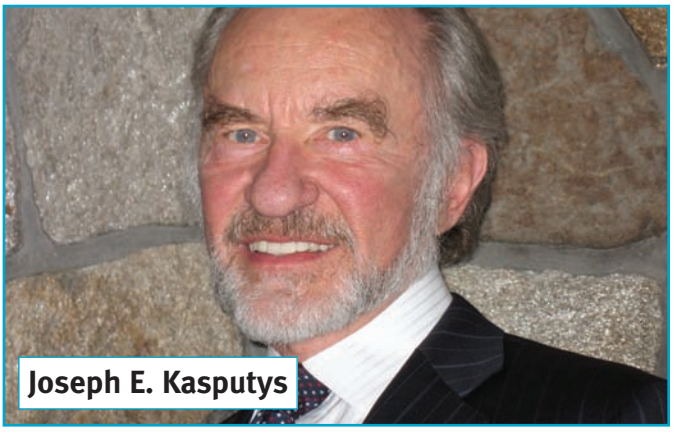
Hirsch often boasted that Telerate had a license to print money. Tom Jordan, CEO of consultancy Jordan & Jordan, says Hirsch used to brag about how great the business was. "He would tell everyone that he made a 47 percent profit margin. That kind of talk attracts competition," Jordan says.

Hirsch focused on various ventures and projects while his executives sold screens, but Bloomberg and Reuters were beginning to take a toll on Telerate's trajectory. When Dow Jones completed its piecemeal acquisition of Telerate for a grand total of $1.6 billion in 1989, it marked the beginning of the end for the data vendor, and Hirsch left after serving out a two-year contract. Today, Hirsch continues to live the high life as founder of a polo club and owner of the Black Watch polo team.

But without Hirsch at the helm, Telerate's star dwindled further. Dow Jones sold what was left of Telerate to Bridge Information Systems in 1998 for $510 million, which divided its assets after Bridge's collapse in 2001, with Moneyline taking over the core Telerate business, and battling on as Moneyline Telerate with funding from Bank One's private equity arm until 2005, when Reuters snapped up the remnants for $145 million. In Telerate veteran John Jessop's book, *Tales from the South Pier*, Hirsch said, "The company was shafted, but life goes on. We had ourselves a great time while it lasted—and nothing lasts forever." ■

'The Analyst'

Then: *CEO, Primark*
Now: *Founder and chairman, IHS Global Insight*


Joseph E. Kasputys

Joe Kasputys is an unlikely sort of person to be found in the market data industry, having begun his working life as a government wonk. Armed with a Masters degree from Harvard, Kasputys was working with computers in the US Navy and "wound up" at the Pentagon, working for Robert McNamara, Secretary of Defense during the Vietnam war.

McNamara had a huge appetite for information, Kasputys says. "This is when I started to apply computers to information management. I was in charge of using the latest computer technology to bring information to the decision makers," he says.

After his stint at the Pentagon, Kasputys went back to Harvard for his PhD, and in 1972 returned again to government, this time working at the commerce department of the Maritime Administration, where he built a model of the US energy system, to figure out how much coal, oil, gas and power would be required, and identify where the shortfalls were, so they could be met by oil or gas imports. He then applied that information to decisions about what kinds of ships should be built, from crude oil tankers and liquefied natural gas ships to drilling rigs. The 1973 energy crisis saw Kasputys chosen as deputy director of a White House energy task force, and his plans for a government energy division ended up becoming the US Department of Energy under President Jimmy Carter.

> "To compete, Primark needed one more thing—real-time market data. In the late 1990s, Kasputys bought ICV, a UK equity quote service, and then US real-time options quote service A-T Financial. He added some Asian data, and voila: a real-time global equities feed. Primark had arrived.

Kasputys got involved in market data for the first time in 1977 when the administration changed, and Data Resources, Inc. (DRI) co-founder Otto Eckstein, a German-born economist at Harvard University, asked Kasputys to come on board as his right-hand man. Eckstein wanted to find a better way of distributing economic information than travelling to see clients for briefings, and asked Kasputys to look into using computers. Kasputys, experienced in time-sharing computers from his earlier jobs, helped DRI to become the first company to provide securities prices in a time-series format in the early 1970s.

"This enabled people to relate economic information to the behavior of securities prices," Kasputys says, adding that this remains one of his proudest achievements, and that the need for this kind of information is greater today than ever. "Global events such as changes in oil prices or the euro affect how securities behave worldwide," he says.

In 1979, McGraw-Hill bought DRI, and Kasputys stayed with it for a few more years, but says "the temptation to do my own thing was too great." In 1987 he left DRI and joined Primark—then a "gas utility that was widely diversified." He stripped out the gas utility, took it public and gave the shares to Primark's shareholders. He then dismantled the remaining businesses—a savings & loan, a hotel equipment supply division, even an airfreight company with a fleet of 60 planes—and began to rebuild it as a market data company. "I knew I wanted to invest in the market data business," he says.

Primark then embarked on a remarkable period of acquisition, beginning with systems engineering company Analytics Sciences Corp., then snagging Dun & Bradstreet subsidiary Datastream, followed by the purchase of three companies from VNU, and the contents of Extel from Pearson in 1999. He integrated the disparate products under the Primark banner as best he could, but he still needed more. However, what he really wanted remained out of reach. "I needed economic information, but I couldn't buy DRI. McGraw-Hill refused. So I bought WEFA (Wharton Economic Forecasting Associates) instead," he says.

Then he noticed that his sell-side customers were keen to consolidate their data vendors. To compete, Primark needed one more thing—real-time market data. In the late 1990s, he bought ICV, a UK equity quote service, and then US real-time options quote service A-T Financial. He added some Asian data, and voila: a real-time global equities feed. Primark had arrived.

Primark went about its business until Thomson Financial—on a similarly remarkable acquisitions path—bought the company in 2000. Kasputys stayed on for a while as chairman, but was getting itchy feet again.

Since Thomson wasn't sure what to do with WEFA, Kasputys said he would buy it, but only if he could buy DRI. "I told DRI the same thing, and closed on both of them on the same day in May 2001," he says, after 10 years of calls to McGraw-Hill asking them to sell it to him.

Kasputys has now come full circle. He is back with his first love, DRI, which he integrated with WEFA to form Global Insight, an economic and financial analysis and consulting company, which was sold to IHS in 2008, though Kasputys serves as chairman. Some of his best customers are the very government departments that he worked with at the start of his career—and, of course, the financial services companies that he courted during his Primark years. ■

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'The Innovator'

Then: *Founder, president and CEO, ILX*
Now: *Executive managing director, BGCantor Market Data*

Bernard Weinstein

If you like your data display color-coded, integrated and interactive, thank Bernie Weinstein, whose ILX products gave market data a hint of sex appeal.

Although his undergraduate degree in philosophy was not auspicious, he went on to receive an MBA in finance from NYU Stern. An odd combination, perhaps—going "from the sacred to the profane," as he says—but it may have provided the combination of conceptual thinking skills that would allow him to spot and respond to opportunities in the financial markets.

Though known for his work at data vendors, Weinstein started on the other side of the market data fence as a programmer at stockbroker EF Hutton. When he was promoted to chief information officer, he got his first glimpse of being a consumer of market data, and was not impressed by the vendors at the time—ADP and Quotron.

"Neither fully exploited the PC technology that was then readily available. They both provided dumb, monochrome terminals. They were not open systems and did not support industry standard software for spreadsheets, word processing and other applications that users wanted," says Weinstein, who was also frustrated at the lack of overlap between equities and fixed income.

> When Weinstein approached Cantor Fitzgerald chairman and CEO Howard Lutnick to gauge his interest in investing in new ventures, Lutnick instead suggested that Weinstein join the broker as a partner.

Recognizing a gap in the marketplace, Weinstein set about starting a market data company that would better exploit technology. With seed money from information giant Thomson Corporation, Weinstein started ILX in 1988 and developed the first terminal with sex appeal.

"Within a year, we developed a workstation that we dubbed internally the 'ILX Dream Machine,'" Weinstein says. It was an open system that allowed users to integrate standard industry software and applications, and leveraged the capabilities of the time—personal computers and servers. These were the days before Microsoft Windows, and ILX came up with window-like sections of the screen called "viewports."

ILX invented color-coded upticks and downticks in monitors—green for up and red for down—along with charting and analytics. Other innovations included an electronic symbol book (other vendors were printing them out in paper books quarterly or yearly), and online entitlements.

"It's hard to believe now, but many of these features were simply not available on other systems. My only regret is that we didn't patent them," Weinstein says.

Nevertheless, ILX faced multiple challenges: The competition was bigger and better capitalized, and Weinstein founded the business six months after the stock market crash of 1987. "It was hardly the most opportune time to start a market data business. In the aftermath of the crash, firms were contracting—not expanding—their population of brokers," he says.

This left fewer potential end-users for ILX in its pursuit of growth, which it could only achieve by taking market share away from competitors, who "were more established and better capitalized, and had large incumbent customer bases," he says. Therefore, ILX had to offer a better product at a better price, and by 2002 had grown from a start-up to having more than 160,000 users.

Weinstein sold ILX to Thomson in 1996, where he stayed for six years before getting itchy feet. He wanted the thrill of being an entrepreneur again. When Weinstein approached Cantor Fitzgerald chairman and CEO Howard Lutnick to gauge his interest in investing in new ventures, Lutnick instead suggested that Weinstein join the broker as a partner.

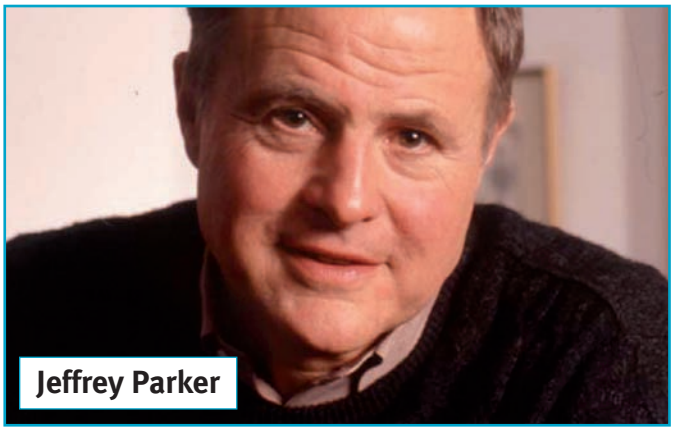
Weinstein was intrigued. Cantor Fitzgerald had some fine trading technology in eSpeed which could be leveraged by his new venture. He agreed and joined Cantor as "intrapreneur" and launched Kleos Managed Services, a co-location facility that leverages eSpeed. Weinstein has also taken responsibility for overseeing Cantor's market data business, which was distributed exclusively by Telerate until the two parted ways in 2001, but now needed "an entirely different business model with multi-channel distribution both directly and through multiple vendors and a variety of new products and services," he says.

Telerate has, of course, since disappeared, along with many other vendors, which Weinstein says is one of the biggest changes to impact the industry over the past 25 years, with the main vendors shrinking from a "duopoly of duopolies" in 1987—Quotron and ADP for equities, and Telerate and Bloomberg for fixed income—to two monopolies today, with Bloomberg and Thomson Reuters dominating the fixed income and equities data markets, respectively.

Ultimately, Weinstein argues, this consolidation is not healthy for the industry as a whole. "Not only do customers, as a result, have fewer choices, but also the vendors have far less incentive to innovate," he says. "And if one reflects back over the past 25 years, it is innovation that has been the key driver of the market data business." ■

'The Serial Founder'

Then: *Founder and CEO, FirstCall; co-founder and CEO, CCBN*
Now: *Chairman, First Coverage; chairman and venture partner, GrandBanks Capital*


Jeffrey Parker

Jeff Parker has one of those brains that never quits. He has spent a career taking seemingly obscure information and turning it into useful and commercially viable material. He left Cornell University with a degree in engineering (later returning to compete an MBA), but his career path led him in a different direction.

"I was good in math and science, so engineering was my preferred major. However, I always wanted to be in finance, so when I got out of college—after a stint in the service—I went to Smith Barney to work on the corporate bond desk," Parker says.

At the time, Smith Barney was not known for bonds trading, and its bond desk was so small that the salesmen sat next to the traders. Parker would watch them flip through their three-ring notebooks, looking up their notes on what their customers wanted to do.

"I thought that the way that bonds were being sold was very inefficient. Since there were only about 25 active corporate bonds at the time, there could only be 600 relationships between them." So he decided to put the traders' bid and ask prices for the bonds into a computer every night and crunch the numbers to see what was tradable.

> "When Goldman Sachs started sending out some of its research electronically, Parker thought he should do the same: "That was the beginning of FirstCall," he says.

"They thought I was whacko," Parker says, recalling the reaction of Smith Barney's computer department to his demand for a report of all the doable swaps in the market at the start of every day. But he got his way, and within 18 months went from junior salesman to the salesman with the second-highest commission in the company—second only to an equities trader. That was when Parker realized that "someone who controls and organizes data has a big leg-up on the rest of the market," he says.

At another firm, where he ran the corporate bond desk, he turned his hand to creating an information system on a time-shared computer. "I started a database of all the bonds and all the relationships between them. The traders would quote every active bond in their sectors each day and I would have them entered into the database," Parker says.

Over time, this created a time series of prices and price relationships. Armed with that information, Parker could statistically show his institutional clients how bonds correlated to sectors of the market over time. He gave the data away for free in return for risk-free trades, and became one of the top dealers.

In the late 1970s, Parker moved to Fidelity Investments to manage the fixed income portion of the asset management giant's pension accounts at One Boston Place in Boston. "Being at One Boston Place was like being in Siberia—it was like working in a library. All of Fidelity's real activity was at 82 Devonshire. If I had been there, I may never have left," he says.

Luckily for the market data industry, he did indeed leave, and in 1980 founded Technical Data, a provider of financial analytics for institutional investors, which became a household name in the financial markets after a conversation with Telerate founder Neil Hirsch, where Hirsch offered him a deal to put Technical Data's content on Telerate as an optional service. Under the deal, Telerate would give Parker 100 percent of revenue from the first 300 clients, and 75 percent thereafter, and would handle the billing and sales. It was to be the beginning of many lucrative deals for Parker.

At the same time, Parker was working on another business that was to become an industry benchmark. He had originally intended to build a database of all public corporate information, but this proved difficult, so he turned his focus to Wall Street research instead. He took research reports from brokers, created a database, and sold the reports into different markets, and charged $10 per page for the privilege. When Goldman Sachs started sending out some of its research electronically, Parker thought he should do the same: "That was the beginning of FirstCall," he says.

Parker put together six brokers, and gave each an 8 percent ownership stake in the business in return for paying the expenses, creating a monopoly of sorts where everyone had to come to distribute their research to FirstCall's growing client base. "Think of me as the membership chairman of a club," Parker says. "You don't ask the chairman how much he will pay you to join the club, you ask how much it will cost you to join—and FirstCall became an exclusive club which charged a fee to join."

He sold both FirstCall and Technical Data to Thomson Corporation in 1986, and became Chairman and CEO of Thomson Financial until the early 1990s. He later co-founded CCBN, creator of the StreetEvents database of investor relations information, which—after suing Thomson for allegedly copying CCBN's product—he also sold to Thomson in 2004.

Parker's latest brainchild is First Coverage, a venture capital-backed aggregator of trade ideas to the buy side, though he is also a director of Mainstream Data, which provides software for distributing digital media, and Firmex, a provider of secure, virtual "data rooms." Truly, his brain just does not quit. ■

'The Dealmaker'

Then: *CEO, Telekurs*
Now: *Founder and Managing partner, Marlin & Associates*

Ken Marlin

Ken Marlin has a natural aptitude and desire to buy and sell companies, which is how he got involved in the market data industry. After gathering a clutch of degrees from colleges on the West Coast and New York, and after a decade in the US Marine Corps, Marlin began his career at Dun & Bradstreet.

His job as senior vice president at D&B involved non-US mergers and acquisitions. His first deal was to buy investment research firm Datastream in 1984. At the time, D&B was one of the most acquisitive companies in the financial information and technology industry, along with Thomson Corporation, and often found itself in competition with Thomson, Marlin says.

D&B already owned ratings agency Moody's, and after acquiring Interactive Data Corp. in 1989, it formed a new division—comprising Datastream, IDC and Moody's—to focus on financial services, with Marlin in charge. Given free rein to build the business, Marlin the dealmaker began putting together his wish-list of market data and analytics vendors, and was in the middle of negotiating a host of other potential acquisitions when D&B decided to reverse course, and in 1990, started to sell or spin off parts of the company to shareholders. But Marlin preferred being an acquirer to an acquiree. "Selling was less fun than buying," he says.

> "Most advisors know nothing about their subject matter—they have no domain expertise. I saw an opportunity for an unfair competitive advantage."

First, he put together a team to try to buy Interactive Data from D&B, though it didn't pan out. Around the same time, he got a job offer from Swiss bank consortium-owned financial information provider Telekurs, to expand its presence in the US. Marlin took the job, becoming president and CEO of Telekurs in North America. Telekurs owned the S&P Trading System, which it had bought from Standard & Poor's in 1989. It had a ticker plant, a trading engine and analytical tools, and proved very popular with program traders—to the extent that Marlin's team was able to double its revenue, he says.

But Telekurs' backers were more focused on the back office and related products, rather than the front office. "There were constant fights over priorities with the Swiss," who had a mandate to service the back offices of Swiss banks and a desire to use Swiss-built products, Marlin says, whereas the US office had a mandate to make profits from a customer base made up mostly of what were then considered high-frequency traders. "We had to build our own products to service those traders. The Swiss didn't like that," he says.

Marlin's solution was to put together a group of private equity backers and buy the S&P Trading System from Telekurs, along with a license for Telekurs data in the US. They called the company Telesphere.

"We had a very fast, very reliable real-time market data feed, data distribution software and options analytics that met the needs of high-frequency traders. We competed directly with Reuters," says Marlin.

Bridge, ADP, Telerate and Thomson Corporation all noticed. They were all trying—and largely failing—to build similar feeds. "We started to get phone calls from all of them, asking if we had any interest in selling. When we did decide to sell, Bridge not only offered the most money, they also had the most interesting technology."

At Bridge, Marlin was responsible for all of the company's feeds—from Bridge's own to those from Telesphere and Knight Ridder—but left the vendor when his two-year contract expired, after realizing that company politics would likely prevent him from ever becoming CEO. He took a mergers and acquisition job at private equity fund Veronis Suhler Stevenson, and Bridge filed for Chapter 11 bankruptcy protection less than two years later.

At VSS, times were very good until the middle of 2000. Then, first came the dot-com crash, then a recession, and then 9-11. This confluence of events made it harder to make money from M&A deals, but Marlin thought he had spotted an opportunity, and at the end of 2001 left VSS with three of his colleagues to set up his own advisory firm, Marlin & Associates—or, appropriately, "M&A" for short.

"I always liked the advisory side of mergers and acquisitions, but most advisors know nothing about their subject matter—they have no domain expertise. I saw an opportunity for an unfair competitive advantage," Marlin says. His firm focuses in advising companies on M&A activity, but leverages his background in the market data and technology industries to create a practice specializing in firms that provide technology, digital information and healthcare-related technology and services.

In fact, many of M&A's deals relate directly to companies in the market data space. For example, the firm advised on the Depository Trust & Clearing Corp.'s acquisition of reference data vendor Avox from Deutsche Börse, Morningstar's acquisitions of Logical Information Machines, Tenfore Systems and Hemscott, Thomson Reuters' purchases of Vhayu and Hugin, the sale of Xcitek's market data division to Interactive Data, and the sale of Swiss technology vendor Brainpower to Bloomberg.

Since 2001, those initial three staff have grown to more than a dozen. And while the consolidation he enables has shrunk the data vendor pool, Marlin remains the big fish at its center, bringing others together. ■

'The Grandee'

Then: *CEO, Telerate*
Now: *Owner, Logicscope*

John Jessop

John Jessop is larger than life—often found with a cigar clenched in his teeth and a pint in his hand—with a career, and stories, to match. But beneath the gruff exterior lies a historian and a writer whose 2008 book, *Tales of the South Pier*, chronicles market data from Morse Code and Paul Julius Reuter's carrier pigeons to Bloomberg terminals and the internet, reflecting his 50 years in the business.

In 1959, after dropping out of school at 17, Jessop took a job as copy boy in the newsroom of Comtelburo, Reuters' commercial news division. After four years, he was promoted to futures reporter, launching a journalistic career that would cover global markets.

In 1967, Reuters asked Jessop to spend six months in New York to help it expand in the US. He stayed for 16 years—11 in various roles at Reuters as it grew, bought companies and developed products. Then along came Telerate.

"Nothing could be more insanely redolent of Telerate than the manner of my joining it," Jessop recalls. His first meeting with founder Neil Hirsch led to a hangover, an ambiguous job offer, and Jessop's first glimpse of his next wife, and in 1978, Jessop joined the upstart company with 20-odd employees and a culture that other vendors could never duplicate.

By the mid-80s, Telerate was hot. Terminals were flying off the shelves, and Telerate had just bought CompuTrac—a real-time charting service that it re-branded Teletrac, which would embed Telerate on trading floors. But while Telerate had a grip on the US market, global trading was rising, and Reuters dominated the rest of the world. Telerate had to go global, and Jessop could only find one person qualified to run the expanded business: himself.

He returned to London in 1983, and Telerate moved to new digs on Fetter Lane, attracting people who worked hard and played hard, their expense accounts swelling local bars and restaurants. Despite the distractions, Jessop grew Telerate into a powerful rival to Reuters. Many smaller, regional rivals fell to Telerate or were bought by it, but Telerate's 1990 merger with Dow Jones proved messy and too political for Jessop, and he quit soon after.

After a spell at Citicorp's CrossMar datafeed division, Jessop took the helm at Bridge Information Systems in 1997, and bought Dow Jones Markets—as Telerate was then known—in 1998. By then, Telerate was a shadow of its former self, and the union was the beginning of the end for both companies.

Since those halcyon days, Jessop took a board position with market data technology company Logicscope. His book is a must-read for anyone in this industry. ■

Sharon Rowlands

'The Integrator'

Then: *President and CEO, Thomson Financial*
Now: *CEO, Penton Media*

Anyone who's been through a merger knows the challenges of integrating disparate companies and product lines. But while president and CEO of Thomson Financial, Sharon Rowlands took some 45 disparate products and entities and meshed them into a cohesive whole—Thomson One—that won the vendor a $1 billion coup to build a wealth management platform for Merrill Lynch.

Rowlands recalls that period as one of the most challenging of her career. "Driving cultural changes in companies is always very, very tough. At Thomson, it was a significant challenge. I had to keep telling people to stop worrying about their own little product and start worrying about the big picture," she says.

But teaching people how to work better has always been in Rowlands' blood: She was originally a teacher, and wound up in market data by accident, when—in search of better pay—she interviewed for a sales job at Extel, provider of Extel Cards, the first corporate tearsheets. As the company grew, so did her role, until she was running the business globally. Extel was sold to United Newspapers, where Rowlands joined the board and was tasked with turning the Extel Cards division into an electronic information business.

When Financial Times Information bought Extel in 1993, Rowlands was transferred to run its North America operations, where she oversaw FTI's purchase of Interactive Data from Dun & Bradstreet, before returning to London in 1997 to take a job at Thomson Corp. after 12 years at Extel and FTI.

Thomson, she says, had "some incredible franchises, but they were all standalone," and she set about changing the company from being product-focused to being focused more on client needs. Thomson liked the results, and in 2000 moved Rowlands back to the US to run the business globally and change the way it went to market.

The vendor had indentified that there was a gap in the market for a strong third player to compete with Reuters and Bloomberg, and proceeded to snap up deals among the investment management community. But Rowlands had bigger plans, and in 2003, the vendor sealed a deal to supply more than 25,000 desktops to Merrill Lynch's investment advisor business, cementing Thomson's "big three" status.

The vendor kept growing, culminating in parent Thomson Corp.'s purchase of Reuters in 2008. Rowlands left following the merger, and joined business-to-business publisher Penton Media, where—after staving off bankruptcy at the start of 2010—she is now leading a mostly-print media company into the digital world—just as she did years ago at Extel. ■

'The Bondsman'

Then: *Chairman, GovPX*
Now: *Director, Artesian Capital Management*

Larry Leuzzi

When Larry Leuzzi became chairman of US Treasury price feed GovPX in 1993, he thought he was signing up for a temporary job. But he ended up steering the company for 16 years, and through its ultimate purchase by interdealer broker Icap.

Back then, things weren't that different from today: Regulators wanted more transparency, and were leaning on the banks and brokers to provide price discovery for the government securities marketplace. Some prices were available from Telerate—which had prices from Cantor Fitzgerald—and other vendors that had consolidated prices from market participants. But these were not enough for the regulators.

The bond market had grown significantly in the 1980s, and trades were conducted over the counter—mainly by phone—and there was little homogeneity and no central conduit for prices. The answer—in the form of GovPX—was to come from the market participants themselves, in what Leuzzi calls "a private response to a public problem."

The Public Securities Association (subsequently called the Bond Market Association and now part of SIFMA) set up GovPX in 1991, with a view to expand public access to US Treasury prices. It was a for-profit consortium owned by 40 primary dealers and five interdealer brokers, providing real-time quotes and price information for all US Treasury bills, notes and bonds, sourced from PSA's member firms.

At the time, Leuzzi was a managing director at SG Warburg & Co.—one of the primary dealers involved in GovPX's formation, and initially served as the vendor's part-time chairman. But in 1995, then-president Peter Carney resigned, and Leuzzi took over as chief executive officer on a full-time basis. The for-profit company wanted to focus on expanding its footprint and profits, and for that it needed full-time management.

Under Leuzzi's guidance, GovPX added trading volumes in US Treasuries to its basic feed in 1996, along with new services such as daily commentary, relationship indicators between volume and price, and a database of trading volume data. Over the years, it became the leading bond market pricing service, adding swaps, repos and agencies along the way. In 1999, GovPX launched its service in Hong Kong, and in 2002 began delivering its data products over the Internet.

Leuzzi presided over GovPX even after it was bought out by interdealer broker Icap in 2008. He left the vendor in 2009, and is currently mulling a private venture that involves bond trading, in a move that will bring him full circle. ■

'The Organizer'

Then: *Founder, Ipug*
Now: *Program Manager, Credit Suisse*

Sally Hinds

Golden ideas are often born out of frustration, and UK market data collective the Information Providers User Group was one such idea.

In this case, the idea came from Sally Hinds, who in the late 1980s was running Credit Suisse First Boston's market data team, and also chairing a user group for clients of data platform and workstation vendor Data Logic.

"Market data issues came up all the time, and some non-Data Logic users wanted to join," Hinds says. So in 1989, she started a different group—Ipug.

Back then, market data vendors were struggling to determine which clients were taking what feeds. Billing was haphazard, and financial services firms were rightly confused. Hinds says this frustration towards vendors was the driving force behind founding Ipug.

"The invoices from vendors were such rubbish. We'd shove them in the cupboard and refuse to pay. We had no control over what we used or what we paid for," Hinds says.

Ipug was set up to help the users to sort out the vendors. It is a non-profit organization run by its members, and continues to be the principal organization in the UK representing users of market data (and it throws legendary Christmas parties!). All of this is a far cry from Hind's early career, who started out in the oil business before deciding to move into something slightly more stable in the early 1980s, when she joined Telerate—still on the rise—as a marketing assistant. "There were about 10 of us. We shared offices, with AP-Dow Jones, Quotron and MMS on one floor," she recalls.

The Big Bang—which changed the UK's regulatory structure and introduced electronic trading on the London Stock Exchange—was imminent, and when a colleague left to work for the LSE, Hinds went along as well to work in its customer services department. "I looked after customers from 'S' to 'Z'. Our remit was to sit there and wait until one of our customers called with a question. But I wanted to see people, so I went to visit them instead."

Over time, she ran the European customer services team of now-defunct Pont Data, joined Morgan Grenfell as market data manager, then moved to CSFB, where she founded Ipug. That lasted until she orchestrated the bank's move to Canary Wharf in 1993, though Hinds left afterwards, not wanting to work in London's docklands. But after stints at UBS, Reuters and consultancy Buttonwood Tree, she finally made the move out of the City to join HSBC, before ultimately rejoining Credit Suisse, where she is now part of a project services team, establishing a reference data governance program for the bank. ■

'The Chairman'

Then: *Vice president, ADP*
Now: *Co-founder and chairman, Financial Information Forum*

Leo McBlain

As chairman of the Financial Information Forum, it is Leo McBlain's job to help data consumers and providers deal with technology issues associated with market data—and McBlain has seen it all, from ticker tape to Y2K and Reg NMS.

McBlain's market data career started when General Telephone and Electric (GTE Information Systems) got involved in the data provider space with the purchase of Ultronic Systems, which consolidated tickers from exchanges, and built the central computers, communications networks and desk units to deliver the data. It was the beginning of one of the first real-time market data terminals, along with Bunker Ramo and Scantlin Electronics.

Although Ultronic was a small unit of GTE, it made money. "It was a lucrative business—this was valuable information, and it was organized for easy retrieval," McBlain says.

GTE approached McBlain to sell the system to markets beyond brokers, but it never really took off. "Eventually, GTE came to believe that it was a mature market and there was little growth left in it," he says, and the company sold Ultronic's front-office business to ADP Brokerage Services in 1983.

ADP, the industry's largest service bureau, was focused on the back office, giving it a very different perspective on the business, at a time when clients were looking for new applications that integrated front- and back-office information. And with the emergence of the PC, clients were eager to integrate their own applications with the workstation. "ADP said 'let them,' and we moved into an open-architecture environment in the early 1980s," says McBlain, who ended up spending 35 years there.

At ADP, McBlain got involved in industry initiatives, bringing different parties together to talk about regulation and the issues of the day. There were organizations already, such as the FISD to fight exchanges on fees and policies, and the Information Industry Association to defend software copyrights, but—though the two would later merge—their voices were not yet united.

This was the impetus for creating the Financial Information Forum. McBlain and Tom Jordan, chief executive of Jordan & Jordan, wanted to form a different organization where members didn't have to vote, so there was greater freedom to talk and take action. "We study regulatory proposals to develop optimal solutions and then we go to the SEC and other regulators with one voice," McBlain says.

And today, with so many new regulatory proposals, McBlain and the FIF are more active than they have ever been. ■

Tom Jordan

'The Advocate'

Then: *Co-founder, FISD and Financial Information Forum*
Now: *President and chief executive, Jordan & Jordan*

Tom Jordan loves a challenge. While managing director for the Americas at Knight-Ridder Financial, he took on the task of transforming a commodities news business in a Telerate-dominated fixed income world. As if that wasn't enough, at the same time he formed industry association FISD to take on the giants of the exchange business.

Jordan started down the market data path at IBM, where he was involved in a joint venture between IBM and consulting firm Monchik-Weber that produced one of the earliest PC-based market data workstations, IMnet, and was joined by Merrill Lynch, which became the main user of the workstation.

When IMnet folded (the technology was partially absorbed by ADP), Jordan moved on to become the MD of Knight-Ridder Financial Americas. This would be one of his biggest challenges. "We were building a financial information business from a commodities business base. Our objective was to expand into fixed income and go up against Telerate,"—all funded by the revenues from its commodities business, says Jordan, adding that the effort "always needed more money."

Meanwhile, Telerate founder Neil Hirsch attended a Futures Industry Association meeting in Florida, where he saw exchanges throwing extravagant parties, funded by fees that the exchanges collected from market data distributors, and complained about it to one of his executives, Dick Cowles, who got together with Jordan. The two—along with Carl Valenti from Dow Jones—went on to found and co-chair what is now the Software and Information Industry Association's FISD. "Dow Jones had the IIA membership, so we tied in with them. We put pressure on the exchanges," Jordan says.

This worked to a point, but they decided that instead of railing against exchanges, they should start a meaningful dialogue. The FISD today remains an active group that provides an open forum for its members—exchanges, data vendors and end-users to discuss the distribution, management and use of market data.

For good measure, Jordan co-founded another organization—the Financial Information Forum—in 1991 with Leo McBlain to help deal with the increasingly technical issues around market data. "The biggest changes in the business are the volumes of data and the speed at which they are coming," he says.

Jordan's eponymous consulting business, Jordan & Jordan, not only administers the FIF and FIX Protocol, but also provides management consulting and solutions for all of the market data and technology challenges he has grappled with himself, and more. ■

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'The Pioneer'

Then: *Executive vice president, Quotron Systems*
Now: *Business development for the Americas, global accounts, Thomson Reuters*

George Levine

Better known as "Mr. Quotron," George Levine is one of the original pioneers of the market data desktop business, from the early days when Scantlin Electronics struck gold, to when Citicorp and later Reuters staked their names above the Quotron mine.

Levine joined Scantlin Electronics in 1963, three years after Jack Scantlin founded the company to provide a means for retrieving data from exchanges. Scantlin's original idea was to store ticker data and allow clients to retrieve it on demand. There was one obstacle: the exchanges refused to give him the data. Scantlin's solution was to get the data himself.

"This was public data, and the exchanges wouldn't let us have it," Levine says. "So we set up a bank of people at 60 Broad Street to call the market makers and get the bids and offers, then they input the prices manually."

They called the product Quotron—which also became the unofficial nickname of Levine, who ran sales and marketing. "It was quite a challenge to bring technology to an entrenched industry that was controlled by the exchanges," he says. Yet it took off. In fact, the Quotron terminal was so ubiquitous that people used the name to refer generically to all market data terminals, so Scantlin changed its name to Quotron in the 1970s to protect the brand.

Meanwhile, the exchanges finally relented and Quotron had electronic bid, offer and last sale prices. "We brought the exchanges into the electronic age by shame and by force," Levine says.

At the time, "electronic" was a relative term, referring to magnetic and photographic tape for storage and retrieval. But in another pioneering move, Quotron advanced electronic delivery by storing ticker tape from "wallboards" and allowing remote access by video, using small Sony TV sets. The prices were bundled with news from Dow Jones, which owned 30.2 percent of Quotron.

In 1986, Citicorp decided to get into the data business, and bought Quotron for $680 million. But its technology withered under Citi's ownership, and the bank sold Quotron to Reuters in 1994.

But Quotron lives on at Thomson Reuters, Levine says—at least for a little while longer. It is the technology underpinning Reuters Plus, a US equities data service that is being phased out to be replaced by Thomson One. But after 10 years of trying to close down the business, the vendor may still find it hard to kill, Levine says. And even then—like the original pioneers—the legend of Quotron will live on. ■

Clare Hart

'The Visionary'

Then: *Chief executive, Factiva*
Now: *President and CEO, Infogroup*

Clare Hart used her dual passions of business and technology to contribute to a revolution in the news retrieval business—Factiva. But the biggest challenge, Hart says, was having the ideas before the technology was available to make them work.

She joined Dow Jones out of college as a computer programmer, based in Princeton, NJ. In 1990, Bill Dunn, executive vice president of Dow Jones Information Services, decided to take the news to people's desktops using a consolidated news feed, and the revolution began. Known as DowVision, and led by Hart, the feed was delivered via leased line and satellite to local area networks, bypassing traditional third-party vendors.

After a short hiatus in sales at the NewsEdge news service in Michigan, she was recruited back into Dow Jones, and in 1995 was asked to "come back to Princeton and build Dow Jones-branded products." She worked on building DowVision for the web, which was rebranded Dow Jones Interactive and was one of the first web-based applications in the news business.

She moved into marketing in 1997, and was instrumental in the deal with Reuters to create the Factiva joint venture two years later. Factiva combined it all—Dow Jones Interactive's US-centric news and data content, Reuters Business Briefing's international news and data, and many other sources.

By 1999, Hart was chief executive of Factiva, and remained so until 2006, when Dow Jones bought out Reuters' share of the business and called her back to the mother ship—this time to run the Enterprise Media Group, where she remained responsible for Factiva, and added Dow Jones Newswires and other areas to her remit, reporting to CEO Rich Zannino. In late 2008, Hart oversaw the re-launch of Factiva, Dow Jones Newswires, and the vendor's Financial Information Services businesses around customer segments. "Content is only as good as your delivery vehicle," she says.

Meanwhile, News Corp.—which acquired Dow Jones in the summer of 2007—was making changes to the business. Zannino had departed as the deal closed, and was replaced by Les Hinton, and Hart parted ways with her long-time employer at the start of 2010.

Meanwhile, her ex-colleague and friend Zannino had joined private equity firm CCMP Capital Advisors as managing director, which acquired business information provider Infogroup in early 2010. Taking the position of chairman, Zannino decided Hart was the person to steer the company forward, and she was duly named CEO when the deal was finalized in July. ■

'The Powerhouse'

Then: *Chief executive, BT Radianz*

Rick Snape

Affectionately known as "Snape" or "Snappie," Rick Snape began his career as an oil price reporter at McGraw-Hill's Platts. In the early 1980s, Platts was so badly understaffed that when Snape went on his honeymoon, he had to cover the Bunkerwire price report while away.

Working all the hours for Platts was the precursor to his entry into the market data scene at Telerate in 1982, where he started the world's first real-time energy reporting service, created the first composite energy exchange page (Page 8815) and bullied the IT department into adding scrolling Dow Jones headlines at the bottom of the page.

And Snape wasn't shy about throwing his weight around to get things done. One of Snape's oldest friends and a colleague at Telerate, Victor Peeke, recalls going up to the management floor of Telerate's London offices, while a boardroom meeting was going on.

"I could hear one loud voice, very dominant, and the sound of a table being pounded. Sales had been forecast to be triple those of the previous month, and they had only doubled. Those were good times, then," Peeke says. "Anyway, when the meeting broke up and disbanded, there were a lot of people with long faces looking very shook up. I went up to Rick, the last one to leave, and said, 'You know, Rick, shouting and banging tables isn't really a good way to get the best out of your people.' His response was a big grin, and he said, 'I know, but it's great fun.'"

By this time, Snape was one of Telerate's senior team in London. From the moment he got his foot in the door, his career took off, and he was appointed deputy managing director of Europe, the Middle East and Africa, working for John Jessop, then vice president of product marketing, before becoming vice president of sales and marketing, where he directed all of Telerate's efforts in the US and Latin America. His sales acumen was legendary, but the timing of Telerate's own rise no doubt also contributed to his success.

Snape left Telerate in 1990 to become president of Bankers Trust FSIS, then went on to Bridge Information Systems in 1994 to work with his old friend Jessop again. After a one-year stopover running SunGard's market data services division, he joined BT Radianz—initially as head of strategic development, before becoming general manager and ultimately CEO. Sadly, this would prove to be his last role, and when Snape died of ALS—also known as Lou Gehrig's Disease—in 2007, the industry lost a real character and many lost a great friend. ■

Isaak Karaev and John Mahoney

'The Info Engines'

Then: *Founders, Multex*
Now: *Chairman and CEO; and CTO, InfoNgen*

In the early 1980s, two techies who worked together building a new network infrastructure at Goldman Sachs noticed that they were dealing with an awful lot of different sets of information. The techies were Isaac Karaev and John Mahoney, the co-founders of Multex Software, who spotted an opportunity in the marketplace to do something different.

Cue Multex—software that would integrate market data into a Microsoft Windows environment. The idea was before its time, and was so good that it caught the attention of ADP, which bought Multex in 1989. Mahoney and Karaev were brought on to convert ADP's FS-Partner workstation from its outdated Mondrian operating system to run on other OSs, including Microsoft Windows, the Microsoft–IBM-developed OS/2 and Unix.

After building a suite of products for ADP, the vendor spun off Multex in the early 1990s, giving Karaev and Mahoney a chance to explore research and news distribution. They signed up contributors to provide research reports, chose Adobe Acrobat for packaging the reports, and built the core infrastructure to handle it themselves, with dedicated lines going into the contributors, Mahoney says.

They attracted a handful of large brokers as contributors and marketed the new Multex Publisher to the buy side. "If you went to see any of the buy-side firms back then, you would see stacks of reports sitting on the floor. We wanted to help them with searchability," Mahoney says.

Multex really took off in 1995 when the Internet became a viable delivery platform for data. Multex re-tooled its infrastructure for Internet delivery, and found it could more aggressively evolve its product lines. "We could evolve as quickly as the marketplace did," taking the vendor from around 30 clients to around 250 in 18 months, he says.

Multex went public in 1999 and rolled out a series of product lines. One of these, Multex Investor, was aimed at helping brokers to gain retail clients, and had three million members at one point, catching the attention of Reuters, which bought the company in 2003 for £121 million ($195 million).

But Karaev and Mahoney weren't done yet. "We hung around for six months and thought, 'what next?'" Mahoney says. So the pair started an information discovery engine called InfoNgen that collates data from disparate sources within a firm—from research reports and streaming data to emails, the web and internal databases. The company launched an application for Apple iPad devices at the end of May, proving that Mahoney and Karaev can still innovate as fast as the market can evolve. ■

'The Facilitator'

Then: *Vice president, FISD*
Now: *Managing director, EDM Council*

Mike Atkin

Mike Atkin's job can be summed up as trying to effect change where no one wants to change anything. "Most people focus on their own activities and tend to not want change if things are working out for them. The real driver of any change is crisis," he says. Indeed, it was a crisis in the financial markets that set Atkin on the path to his current role.

Atkin was already enthralled with market data through his work at the Information Industry Association, where he organized trade shows and furnished them with content. Then along came the crisis—Black Friday, 1987. After the market crashed, the industry was left to unravel the causes, and decided the best way to do this was together.

As a result, the IIA created the Financial Information Services Division, and asked Atkin to run it. "The whole industry was sitting at the table, but there was little understanding of each other's positions. They needed a facilitator," Atkin says. So he stepped in and for nine years acted as that facilitator, as well as "scribe, analyst and mediator." He guided FISD through the process of standardizing market data contracts, administration procedures, billing, symbology and identifiers. He was there when the vendor-controlled market data environment evolved into a user-controlled one, and promoted cooperation between vendors and exchanges.

After he left FISD and—after a brief hiatus at research firm Outsell—went to run the nascent EDM (Enterprise Data Management) Council, Atkin still adhered to the edict that the motivation for change comes from big drivers that force the industry to address its issues.

For reference data, those crises were threefold: First, the Enron/Orange County/Long Term Capital Management debacles forced the industry to get serious about entity data. This would help financial firms to better get to grips with their exposure to failing companies. The second driving issue was global terrorism, which spawned Know Your Customer and anti-money laundering initiatives, and the third was the meltdown of 2008, which began with the collapse of Bear Stearns and Lehman Brothers.

"Firms realized that issues, issuers and obligations are interconnected, and are a global issue. This is a big driver of the next phase of data management," he says, adding that the best way forward for the industry lies in tags and unique identifiers that enable comparison of any input data. "The industry has been changed by mostly external sources. Identifiers are critical to manage and cut through the complexity," he says. ■

Frank Piasecki

'The Activ-ist'

Then: *Director, A-T Financial*
Now: *President and co-founder, Activ Financial Systems*

You don't get to be a big name in the market data industry without passion and commitment. But ironically, for Frank Piasecki, it was a lack of these two feelings towards another industry—his family's aerospace research and development firm—that led him to finance.

He graduated college with a BA in English literature, and initially went home to work for his father's firm. Then he tried the movie business, but deeming it "too much work for too little pay," he went to work with a college friend at a bank, working on payments for variable rate demand obligations. "It was a peculiar back-office problem with data quality and timeliness at the core of the solution," he says. Piasecki's first foray into market data was founding a company to address these issues.

His next stop was A-T Financial, which needed a New York sales rep. He ended up staying there 10 years, until the vendor sold to Primark in 1999, where he stayed as vice president of business development until it was bought by Thomson Financial in 2000. He and many others from A-T left the company at that point, and Piasecki already had some ideas.

When he first stumbled onto the real-time world, he saw that the industry was still young, and video switches and dedicated green screens were the predominant services in use. "It was an eyeball world," he says, and tools that kids now learn before college, such as PCs and Macs, had not yet made their impact among market professionals.

Piasecki and his former A-T colleagues had a good feel of the pulse of the trading arena, especially exchange-traded options, and saw major shortcomings between the existing systems and their predictions for the data industry. "We could see that message rates were going to increase, and that there would be a tsunami of data coming," he says.

By that time, a lot of data providers had failed or were struggling. "There were a lot of carcasses out there—Quotron, Knight-Ridder, Telerate, Bridge. Those models and the people making decisions didn't understand what they were facing and the steps necessary to prepare at the customer or strategic level."

Piasecki realized that vendors needed an agile and adaptive business model tied closely to technology. Together with colleagues from Primark, A-T Financial, and ICV, he founded Activ Financial, initially focusing on latency and system capacity primarily for options data, though the vendor has since added more content, asset class coverage and scalability, bringing it broader deals outside its low-latency base, transforming itself into a full-service vendor like those from which it emerged. ■

'The Marketeer'

Then: *Salesperson, S&P Compustat*
Now: *President, FTSE Americas*

Jerry Moskowitz

Over seven years, Jerry Moskowitz has taken the FTSE indexes from benchmarks used by passive portfolio managers to being the basis for mainstream financial instruments. But his life in the industry extends much further, and gave him a taste for the value and potential of index data.

Moskowitz's path to FTSE was varied but ultimately useful. He started his career as a portfolio manager, where he got a taste for how market data was used. But ultimately, he decided that he preferred being the person in contact with customers, rather than being one himself, so when he saw an ad for a sales position at S&P Compustat, he approached them. "I didn't have the sales experience they wanted, but I had an appreciation of the product, having used it at school," where he had earned an MBA in finance from Baruch College, he says. "They finally went for it, and there I realized that my strength was in sales and marketing."

And it was in a marketing role that he moved to ADP Network in 1977. "At ADP, I saw how an application could make the data come alive," he marvels.

He rejoined S&P in 1988, managing sales teams in the US and London, before joining database and analytics software vendor Randall Helms, which held the exclusive distribution rights to the MSCI index, and where he gained a stronger appreciation of how important indexes were to people as a benchmark.

After spells at Moody's Investor Services and Thomson Financial, FTSE lured Moskowitz in 2003 to run its presence in the US, and the pieces of his career fell into place.

Then, FTSE's US division accounted for 5 percent of overall group profits. Now it contributes more than 30 percent. "At the time, there were two people in the NY office. Now there are 30. I'd like to say it has grown due to my expertise, but I think my timing was a stroke of luck—about seven years ago, the business changed from indexes being purely for benchmarking to a product business where they are used to build ETFs," he says.

However, he professes to be bemused at the way market data has gone from an obscure industry to one of the utmost importance to the financial markets—though it has helped Moskowitz explain what he does for a living. "It used to be difficult to explain to people what I do. My mother thought I was a stockbroker! Now market data has gone from backwater to mainstream—maybe too mainstream," he says. "We call it market data, but it really is information that can be used strategically to get an edge over your competitors." ■

Christoph Lammersdorf

'The Exchange Student'

Then: *Managing director of information services, Deutsche Börse*
Now: *CEO, Börse Stuttgart*

You could say that, as managing director for information services at Deutche Börse, Christoph Lammersdorf bit the hand that had once fed him. Lammersdorf left Dow Jones in 1998 to join the exchange, where he set about building a feed that actively competed with his previous employer.

Lammersdorf had spent eight years prior to the exchange as vice president of contributor and supplier relationship management for Dow Jones Markets in the Europe, Middle East and Africa region, honing his contacts and soaking up knowledge of exchange and contributor feeds.

At Deutsche Börse, Lammersdorf enlisted Reuters and Telerate veterans Hubert Holmes and Greg Smith, owners of exchange software solutions vendor Cicada, who helped Lammersdorf build a new internet protocol-based feed, dubbed the Consolidated Exchange Feed, to deliver Deutsche Börse's entire range of market data—including equities, bonds and derivatives data generated from its Xetra and Eurex cash and derivatives electronic trading systems, as well as its indexes such as the DAX index—and third-party data direct to customers, rather than via vendors

After launching the feed in 2001, the exchange bought a 50 percent stake in Infobolsa, the information provider subsidiary of Spanish exchange Bolsa de Madrid, in an effort to tap the European terminal market. Lammersdorf's strategies worked. In 2003, Deutsche Börse doubled its revenue from information services over the previous year.

In an interview with *IMD* in 2003, Lammersdorf said, "One cannot neglect the vital importance of dissemination of information. Securities transactions strongly depend on information: No information, no trading! Thus, we made information one of our core competencies. We feel that we should not be completely dependent on others, though."

He left the exchange in 2004 to co-found reference data provider CounterpartyLink, a spin-off company from data management vendor Cicada—the same vendor that had helped to build the CEF feed for Deutsche Börse—that provides a database of reference entity information, which had increasingly become an issue in trade failures. CounterpartyLink was sold to a private equity firm in March 2008.

Lammersdorf has since succumbed to the call of the exchange once again, and was appointed chief executive of Börse Stuttgart in September 2008, where he heads the exchange group's management board and has also sunk his teeth into the role of CEO of its brokerage subsidiary Euwax. ■

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'The Opportunist'

Then: *Founder, Wombat Financial Software*
Now: *Retired*

Ron Verstappen

Ron Verstappen deserves kudos for two reasons if nothing else—for naming a company after a small, furry animal yet building it into an immensely successful business, then for selling that business for $200 million at the height of its success.

Verstappen learned about data and trading infrastructures the way many did in the 1980s and 1990s—by working at Reuters' technology subsidiaries Teknekron and Tibco. An Australian, Verstappen started at Teknekron in London in the early 1990s, and soon found himself in the vendor's Palo Alto, Calif. headquarters, where he spent five years at Tibco.

There, he learned how to build a successful technology business. He gained experience with middleware platforms that deliver and manage data for the trading floor, and in 1997, he started Wombat Consulting. After building a couple of feed handlers for clients, Verstappen saw the industry was changing—firms were looking for low-latency, direct market access. He recognized a golden opportunity, and hired dealmaker Danny Moore from Kx Systems to take it to market.

While Wombat was billed as "next-generation market infrastructure," it was also often called a Reuters-killer. Verstappen was said to hold a deep conviction that anything Reuters could do, he could do better—and some say he did it. His strategy was to gain penetration into the banks using the feed handlers, then once there Wombat could offer them middleware and other applications, including software for monitoring and analyzing their market data expenditure and entitlements from Harco Technology, which Wombat bought in 2007.

By then, Wombat had 150 employees and was bringing in revenues in excess of $150 million, one source says. That year, after many attempts to build its own infrastructure, Thomson Financial enlisted Wombat to provide a low-latency feed of its market data, while TD Securities expanded the number of Wombat direct feed handlers it used for its algorithmic trading models.

Algorithmic and high-speed trading was the catalyst for Wombat's success, and it quickly caught the attention of NYSE Euronext. The exchange was modernizing its electronic trading efforts, and bought Wombat for $200 million in 2008, to integrate its feed handler and data management technology with NYSE TransactTools' order-routing and communications network. Verstappen's dream exchange feed handler and data distribution infrastructure became part of the very thing it was built to manage, and Verstappen chose to enjoy retirement in his adopted home of Lake Tahoe. ■

'The Point Man'

Then: *Head of the information management group, Reuters*
Now: *Managing director, Mondo Visione Ltd.*

Herbie Skeete

With an education in nuclear engineering, Herbie Skeete could have designed submarines or power plants for a living. But the lure of the market data world was too much for him to ignore. "I always wanted to work for Reuters or the BBC as a journalist," Skeete says. And he did spend 25 years at Reuters, though not in the role he originally envisaged.

He joined Reuters as a computer programmer in 1978. There was a bank of computers on the second floor of 85 Fleet Street in London, where Skeete and his colleagues would spend many hours testing and programming by hand. "That meant knowing the instruction set inside out," he says. "We also had to key in the instructions via the front panel. That way we really learned how the systems worked from the hardware to the software. It was a wonderful way to learn."

He loved the informality of Reuters at the time, and the excitement of creating new ideas and products. "We used to say it was like working in the world's biggest toy shop. It was a way of life—we worked all hours. It was such a fun place to be, solving interesting problems with no boundaries. We had some brilliant, eccentric people whose mindset was to get things done."

Skeete was fascinated by the data that Reuters was gathering—"turning information into money," as he calls it—and off his own bat would visit exchanges to ask questions and learn more about the data delivery so he could better program the feeds. Then in the early 1980s, Skeete was asked to provide the specifications for a new project—IDN, Reuters' innovative new Integrated Data Network. Given a tight deadline, Skeete spent his weekend writing the spec in longhand on paper. But he must have done something right: IDN became Reuters' core data network, and remained so for the best part of three decades until earlier this year.

As he rose through the ranks at Reuters, Skeete's career always seemed to involve real-time market data, exchanges and contributors. The exchange role stuck, and Skeete became known as the point man at Reuters for exchange contact—as well as for his legendary exchange parties.

He began publishing his own annual Handbook of World Stock, Derivative and Commodity Exchanges while still at Reuters, and founded Mondo Visione, a provider of exchange information and events, which he has run full-time since leaving Reuters in 2005. He may have given Reuters more than a generation, but, Skeete says, "Exchanges have been my life." ■

'The Entrepreneur'

Then: *Head of Europe and Asia, TD Securities*
Now: *CEO, Markit*

Lance Uggla

In 2001, in a barn outside the UK town of St. Albans, Lance Uggla decided to test his entrepreneurial skills. In that barn, with six employees and a "big" internet connection, he founded what would become one of the world's foremost derivatives data providers.

Uggla likes to say he has had two careers: The first with two Canadian banks (CBIC and TD) where he became deeply involved in the credit markets, and the second with Markit. "I wanted to test my entrepreneurial skills versus working at a bank. I was always a banker with growth aspirations; expanding overseas, introducing new products," he says.

Uggla came up with a plan to offer electronic delivery of data and turn it into a dot-com company. But as soon as he left TD to set up what was to be called "Markit.com," the dot-com bubble burst. "I therefore needed to re-evaluate our strategy," he says.

So instead, he devised a business plan to collect, clean, process and distribute credit derivatives data via an independent daily pricing feed. Mark-it Partners, as it was initially called, was funded by Uggla and his former employer TD Securities, and when they had run through about $17 million, they added 12 more bank shareholders, who recognized the value of Markit's data. There was nothing similar available in the market at the time, but there was a growing need for such a service.

The Enron accounting scandal proved Markit's first boon, as accounting rules changed and firms needed more of Markit's data for marking their derivatives positions to market. The second boon was the credit crisis. Further regulatory changes will impact the way derivatives are traded, Uggla says, creating more demand for Markit's services.

This is already happening, he says. "If you know there is a hurricane coming tomorrow, you make preparations to avoid damage, stock up on food and board up the windows. The financial markets know that new derivatives regulations are coming, and they are preparing for the changes thoughtfully."

Over the years, Markit has grown from those six employees to 1,600 staff worldwide, partly through organic growth such as its Markit Boat trade reporting utility, and partly as the result of acquisitions such as Totem Market Valuations (and its Dividends and Derivatives Directory business), Netherlands-based MarketXS, the International Index Company and CDS IndexCo, and most recently, Wall Street on Demand. The vendor is about to move into a brand new building on Merrill Lynch's former site at Ropemaker Place in London, having left the old barn behind. ■

'The FAST Drivers'

Then: *CTO, HyperFeed Technologies; Founder, MicroHedge*
Now: *Principals, co-founders and directors, SpryWare*

Michael Kreutzjans and Daniel May

Michael Kreutzjans and Daniel May are technology partners with a twist. They have not only taken the high-frequency, low-latency data processing business model by storm with SpryWare, but were also part of the design team that developed the data compression protocol known as FAST (FIX Adapted for Streaming).

Kreutzjans is a data processing and delivery specialist, and was part of the original team at ticker plant vendor HyperFeed Technologies (originally called PC Quote). May is the proverbial rocket scientist, and the developer of MicroHedge, an option analytic and risk management system now owned by SunGard.

When the two got together in 2004 to build SpryWare, they spent the first year developing the software for the core solutions, writing most of the code themselves, and tackling the issue of how to squeeze low-latency, fast-moving data down to manageable levels. "No one had standardized on a market data format, unlike FIX for order routing. We wanted to help the end-users with data compression."

Hence the FAST connection: In 2005, FIX Protocol Ltd. (FPL) picked SpryWare and Swedish software house Pantor Engineering to build a standard for high-speed data. The result, FAST, allows data producers and consumers to substantially reduce the amount of bandwidth required to send and receive market data feeds, and quickly became the data distribution standard for many exchanges, especially in the options markets, where market data volumes are particularly high.

SpryWare launched its first product, the low-latency, high-throughput MIS (Market Information Server) ticker plant in 2006—just in the nick of time: HyperFeed closed in 2006, and its clients scrambled for alternatives.

May and Kreutzjans were in the right place at the right time. SpryWare has two models, May says, both aimed at reducing the amount of technology clients have to manage—one where a ticker plant resides at the client's site, and the other where high-frequency traders' black boxes are hosted at one of its three data-centers close to North American exchanges.

"The focus today is less on human-driven desks and more on automated, high-frequency algorithmic traders. From day one, we recognized that they required a smaller footprint to be deployed at the customer's site," May says.

After MIS, SpryWare launched Fastor, a historical data solution that provides an archive of top-of-book trade and quote data on major North American exchanges for the past three years. But when it comes to history, May and Kreutzjans will be remembered for making it big by making data small. ■

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