

## TRADE CONFIRMATION

# Thomson ESG Comes Around

*Company vies for vendor-of-choice status with unveiling of 'intelligent' processing system as competition surfaces in straight-through processing battle with DTC.*

BY CRAIG MCGUIRE

It may have taken a bit longer than expected, but Thomson ESG has finally pulled back the curtain on its new Intelligent Trade Management (ITM) platform. The trade processing technology provider hopes to extend its reach internationally with the new platform — while at the same time keeping a watchful eye trained on rival Depository Trust Company (DTC).

Two years in development, ITM is basically a trade-processing engine that enables clients to replace today's sequential exchange of trade information among buy- and sell-side trade counterparties with an "intelligent" match of trade-related data. Eager to shed cumbersome, outdated technology, Thomson ESG's new client/server-based platform runs on Microsoft NT on the client side and Sun Microsystems' Solaris

confirmation has swelled into a lucrative product line for Thomson ESG.

"Thomson's trying to position itself as the vendor of choice, both in the domestic and cross-border markets for not only electronic trade confirmation, but also trade matching and reporting," says Dushyant Shahrawat, a consultant who tracks the electronic trade confirmation market for technology research firm, The Tower Group. "I see the move to a new

platform — and the introduction of MarketMatch — as sort of answering the clients' needs to provide more services for the same dollar."

MarketMatch is the broker/dealer matching system formerly known as Sequel Match that Thomson ESG inherited when it

purchased the Sequel Services from the London Stock Exchange in 1996. Late last year, Thomson ESG simultaneously converted some 150 primarily sell-side firms in 19 countries from the Tandem mainframe-based Sequel Match and Sequel Report to the

enhanced and renamed MarketMatch and Thomson Report.

Shahrawat explains that Thomson, for some time now, has been trying to establish itself as more than just a trade confirmation provider, offering more of a complete product set. "First there was Oasys, providing acceptance and allocation messages in the domestic industry, and then Oasys Global for the cross-border market," says Shahrawat. "From that they bought Sequel, thereby increasing the marketshare in the European market, now they have taken their next step."

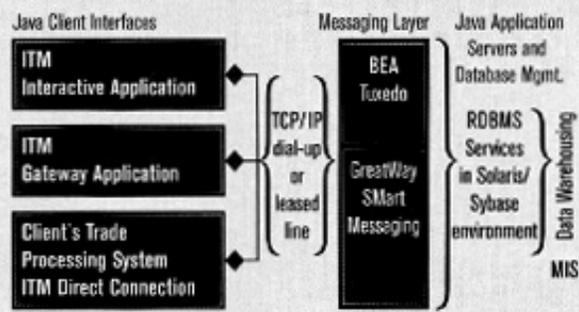
This quarter, Thomson ESG begins migrating the rest of its products and clients onto ITM, starting with roughly 1,500 users of the Unix-based ALERT global settlement instructions database.

Once the enhanced version of ALERT is in full production, Thomson ESG will begin converting all of its remaining services onto the new platform. These include Thomson ESG's U.S. and international electronic trade allocation and acceptance services. These conversions will involve the 200 investment managers and 500 brokers currently using OASYS, and the 200 investment managers and 900 brokers on OASYS Global. Thomson ESG executive managing director, Lee Cutrone, says the vendor's entire product suite should be converted within the next two years.

From its relatively humble beginnings offering innovative automated trade confirmation, Thomson ESG has outfitted itself with the technology to meet the growing pressures of a marketplace demanding straight-through processing functionality, or as close to it as they can get.

Thomson ESG's release of ITM, though, is overdue: "Thomson ESG's products, Alert, Oasys and Oasys Global, have been around. And while new versions have come out, they've been relatively unchanged for five or six years," says Shahrawat. "Many of their clients, and they have a lot of buy-side clients,

## Thomson ESG ITM™ Architecture



operating system and Sybase's relational database management system on the back end. Incorporating Internet-based technology into ITM, applications are written in Java.

What started less than a decade ago as a simple concept to automate trade