S SYMPHONY

SIX DEGREES OF SYMPHONY

We **need** to talk

with Jim Miller
Chief Customer Experience Officer - Symphony

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with Jim Miller

Chief Customer Experience
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Securities trading is now largely electronic but the phone is still a key tool. The advent of cloud telephony using computers and mobile devices will make those conversations easier, more productive and cheaper, says Jim Miller, Chief Customer Experience Officer, former COO of Cloud9, now part of Symphony. Interview by Michael Imeson.

The electronification of the financial markets has been relentless over the last three decades, with electronic trading systems and email taking over from physical trading floors, open outcry and telephone orders. However, voice communication is far from dead. In fact, it looks set to enjoy something of a revival if Symphony's purchase of the trader voice and electronic communication company Cloud9 Technologies is anything to go by.

With this acquisition, completed in June 2021, Symphony is taking the lead in front office communications with new services and solutions that combine cloud-based trader voice communications with natural language processing (NLP) and automation. Cloud9's features are being added to Symphony's existing chat, voice, video, file sharing and screen sharing capabilities. The combined offering will make it easier for traders to place and take verbal orders from anywhere, accelerate trade flows, improve transactional accuracy and simplify back-office processes.

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– Jim Miller, Symphony

"Cloud9 was launched six years ago to replace the traditional trader voice infrastructure – which has been around for over 40- years – with modern cloud-based technology," says Jim. "Today's traders typically have half-a-dozen monitors where they do their screen work, and to one side they have an elaborate large phone, called a trading turret, to communicate securely by voice. Turrets are old school, complicated to install, expensive and cumbersome to maintain."

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> – Jim Miller, Symphony

Why is Cloud9 important?

Turrets were cutting edge when first introduced. They contain multiple private land lines and at the press of a button, traders can talk to counterparties, liquidity providers, exchanges and other entities. They are faster and more reliable than ordinary phones, but the underlying technology has not changed in decades. They are no longer cutting edge due to technological advances and adoption of cloud-based offerings.

By contrast, Cloud9's voice platform runs on desktops, laptops and tablets. It can be used anywhere there is a mobile or internet connection, and the sound quality and security is superior to a standard telephone line.

"Cloud9's trader voice is as easy to use as your chat function and users can operate it anywhere to talk to anyone," says Jim. "It adds more connectivity, because what you talk about – a trade, an order interest, or whatever – is created in the cloud, and the recordings and automated NLP transcripts can be integrated into the trader workflow. Even if it only saves a minute per trade, it saves a lot of money in a day across the trading floor. It also reduces the incidence of trade breaks."

Cloud9's NPL transcription engine has been programmed to recognise specific terms used in the financial markets. "If you took one of our recordings and ran it through Google Translate, it would do a poor job," says Jim. "The reason is that traders have their own lexicon which that software would not recognise. Our model is tuned to the lexicon of the traders and embraces machine learning and constant improvement to get better."

The company's model is not perfect. That is why the trader needs to check every transcript, but every time a mistranscribed word is corrected it tunes the model so it will do a better job next time.

How does it work? How will Cloud9 be integrated with Symphony?

The role of Gerald Starr, Cloud9's former CEO, is evolving from running the company to advising on how to merge its technology with Symphony's. Jim has an important responsibility in the day-to-day of this integration, as well as to continue developing the product and its capabilities.

"Integration will happen in phases, as a lot of software does," says Jim and Symphony just did a live demonstration as part of its flagship conference Innovate 2021, held in New York City on November 2. "Phase 1 will integrate the platforms using the systems' APIs to let them communicate with each other seamlessly and quickly, but we will keep the two platforms separate.

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"We have some high-level views and are now asking clients what they think it should look like. How will it make your working life better by integrating Symphony and Cloud9?"

– Jim Miller, Symphony

For example, if I want to make a Cloud9 call but I'm in Symphony, I can hit a button in Symphony and it will route me to Cloud9.

"Phase 2 will involve a deeper integration around voice activity, such that a user on Symphony can talk to a user on Cloud9 from their native application. Symphony has voice call capabilities so we will integrate both.

"The third and final phase would be a full integration. We are looking at the end of 2022, but once we get the first two phases done we might not need a third."

As for the Cloud9 brand, will that eventually disappear? "That is a marketing question, not a Jim question," he jokes.

What are the benefits?

As already mentioned, the advantages of a cloud-based voice communication platform over private wire are many. There are no dedicated physical circuits between the trader and the counterparties and other entities meaning long gone are the days of paying for private wires and waiting weeks or months. It can be used on multiple devices. It can be deployed from any location – head office, satellite office, home, car, train, airport, hotel – anywhere in the world. The sound is clearer and more reliable and accurate transcripts of conversations can be created automatically by the NLP engine.

That is not all. What also needs to be mentioned is that there are no separate call charges because they are built into the price of the overall internet contract; gone are the days of expensive transatlantic phone calls. Cloud-based voice is easier and cheaper to set up because no additional hardware or wiring is needed. Data and metadata is collected automatically, giving the user fuller details of who is on the call, who speaks and when, their location, and the time and date.

"When you agree a price on a trade, the NLP transcription goes into the trade capture system," says Jim. "You don't have to re-enter all the details, you just read the transcript, correct any errors or ambiguities, and validate it as the trade you did. It's more efficient for traders. You don't have to type everything in, as it's automated. All you do is check its accuracy and amend as necessary."

This gives the compliance department greater oversight of what is going on. "The transcript and the recording are fed into compliance," says Jim. "They can then easily scan the document for key words,

check against the recording if required, and identify any issues before they become compliance breaks."

According to Jim, Cloud9 has no comparable competitors. There are solution providers in trader voice, but they mainly offer turret and private wire on-premise technology. Though they all have a cloud product, whereby instead of locating its voice kit on-premise it can be provided from the cloud, but it is a single-tenant system not a multi-tenant system like Cloud9's. Jim goes on to observe for other providers "for the most part they are not using cloud, which is why Cloud9 is unique".

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What makes Cloud9 an agent of change?

Jim re-emphasises why this cloud-based trader voice product is so transformational for the financial markets. "It gives traders the ability to work from anywhere and take their telephony with them. They don't have to be in their main office, or any office. In this post-pandemic world flexibility and mobility is crucial.

"With the higher quality audio, enriched metadata and NPL transcripts the platform provides, traders can easily take what is discussed in voice and feed it into other workflows. The error rate is lower than with traditional voice. Traders will become more efficient."

Thanks to Symphony and Cloud9, voice communications will enjoy a renaissance and become more relevant again after 30 years of being eclipsed by electronic trading. Electronification will not go away of course, but traders will now be able to use voice in a more productive way.

Six Degrees of Symphony

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