

'Symphony' sets sights on financial world and beyond

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The rise of the Symphony system has been portrayed as a threat to the Bloomberg terminal's dominance in trading rooms

Having won over Wall Street and Silicon Valley with a low-cost messaging platform that aims to remake the way traders communicate, Symphony creator David Gurle has set his sights on new industries.

Barely three years old, Symphony quickly caught on in the world of high

finance and now counts Goldman Sachs, JP Morgan Chase, Credit Suisse, Societe Generale and Google among its investors.

BNP Paribas recently joined in, helping bring Symphony's estimated value to nearly \$1 billion.

Created in 2012 and officially launched two years later in Palo Alto, California, the system allows users to send private messages, confidentially exchange research and trading strategies and place orders—all in real time.

Some have even portrayed the technology as a threat to the Bloomberg terminal's dominance in trading rooms, although others say that is premature.

"I'd been dreaming about this tool since my childhood," Gurle, 50, said in a video interview conducted over Symphony.

He says he further developed the idea after working for France Telecom, Microsoft and Skype, and chose to "disrupt" the financial world because it could open doors to other enticing industries.

"If for example a banker is advising Airbus in a bond issue to finance its next investment, they will work with legal, government and auditing services," with each communicating on the same platform, Gurle said.

He said he hopes to diversify Symphony beginning in 2018, moving into sectors such as insurance, health, defense and aviation, building a secured network for businesses.

A son of French and British diplomats, Gurle began his career in France but in January settled in Singapore to expand Symphony in Asia.

A Bloomberg rival?

While Symphony is not really a head-to-head competitor with Bloomberg it is gaining ground on the dominant player on Wall Street.

Bloomberg, which has existed since 1983, offers a vast panoply of services, including research, analysis, trading, data and news, in addition to messaging, at an average annual cost of \$22,000 per terminal.

While Bloomberg is a closed ecosystem, Symphony by contrast integrates outside services—and with annual subscriptions at just \$180.

This flexibility allowed it to rack up 200,000 users in barely two years, and it is on track to reach 300,000 by the end of this year. There are 325,000 Bloomberg terminal users.

But Spencer Mindlin of the business research firm Aite Group notes that "Bloomberg has been the incumbent for a very, very long time."

"There still is a long way to go" for any competitor.

Bloomberg is still the favored channel between clients and traders, according to one Wall Street broker who spoke on condition of anonymity, adding that his firm prohibited traders from using Symphony for outside communications.

Even so, most major banks are using Symphony for internal communications and for employees with administrative and marketing roles, Mindlin said.

Goldman Sachs recently replaced its various internal messaging platforms with Symphony, according to a spokeswoman.

'All favorable signs'

With \$25 million in revenues in 2016, Symphony's goal is for a positive cash flow by next year.

Wayne Kurtzman, an analyst at the market intelligence group IDC, said Symphony focused on a highly-regulated industry that stood to gain from collaboration.

This, in addition to its important new features and growing user base, were "all favorable signs for Symphony," he said.

"The global collaboration market is seeing significant growth, which will continue," Kurtzman said. "Companies focusing on regulated industries, which are traditionally slower to adopt new technologies, will see growth as well."

Unlike earlier messaging systems such as FIX, AOL IM or Wickr, which moved into the financial world with mixed results, Symphony is arriving as major banks are cutting costs and keeping a closer eye on traders after the Libor exchange and interest rate manipulation scandals.

"Symphony has sophisticated, real-time surveillance tools," Gurle said. "If there's an information policy violation, the firm can automatically cut off communication."

He has agreed to let New York's Department of Financial Services, which was unnerved by the degree of encryption promised to clients, access chat logs in suspected cases of wrongdoing.

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