

TELEINVEST 20th Anniversary !

Tracing the revolution of dealing room systems

Read the story of a unique software house, part of the rich economic fabric in the Geneva lake area.

The beginning

In 1989 an asylum seeker from Romania started his own business, without the usual connections or old-boys-net-work, nor a ready-made product easy to sell. But he had an idea, based on his acute observation of the securities industry and especially the way the traditional stock exchanges worked at that time. He correctly **sensed the coming revolution in securities trading**: the replacement of open outcry on the floor by computers and sophisticated software, to greatly accrue the automation of the whole process. Quite a challenge and what a fabulous act of courage, willpower and belief!

Birth of a world leading technology

If you look at today's dealing rooms in financial institutions, you find working tools in the form of computer infrastructure with elaborate functionalities and high performance software modules. Most of these features are the pride of big and profitable, internationally renowned suppliers whose clients depend on them to execute their market strategies. **Teleinvest pioneered** exactly such a platform back in the early 1990ies, being an untypically small software house to have developed the next generation trading environment, imagined and built from scratch all alone.

By doing so, it invented some of the most commonly used functions today, like the COB (central order book 2001), the first

multi-market OMS/EMS (1999) or the bus structure used to distribute information with the help of extremely efficient broadcasting protocols (1995). This technology base, completely in-house built and constantly enlarged, is **able to compete with the best of breed**, proving daily that with smart ideas niche players can succeed in very challenging markets.

Independence – A strong trump card

When renowned private banks started to trust Teleinvest, an unlikely success story unfolded and continues today, 20 years after the company was founded with no cash but a lot of brains. The reasons for convincing well known customers to rely on an independent software vendor for crucially important business units, like dealing platforms, are many-fold. Only the biggest players can afford to assemble and maintain heavy IT units capable of building systems comparable to what industry specialists offer out of the box. But even they periodically confront the make-or-buy question, increasingly opting for the latter. The deciding factors when choosing what to buy are based on security aspects like reliability, stability and performance of the system. These qualities are closely linked to the corresponding human traits, which in turn influence the strength of a company. In this context, small is beautiful, as big organizations have a tendency to underperform when it comes to flexibility, customer support or speed of individual

adaptations. **Being an independent, privately owned group, is more reassuring to clients than changing the name, the management and short term profitability targets every time the company is bought or sold and cut to pieces or re-organized, as it happens all too often in our industry.**



Predator – The Fatal Weapon

Just only transporting or routing a buy or sell order from the bank to the electronic exchange is a minimal requirement for professional trading, but it is like using a rickshaw instead of a modern car. **Trading high volumes on different markets, involving various types of financial instruments quoted in different currencies is a complex task.** To manage it with the help of multiple users (traders who can be in different branches and locations), you need a reliable working tool, a coherent system which

integrates a maximum of functionalities. PREDATOR – The Fatal Weapon, delivers it, since 1995, allowing Teleinvest to boast **world class experience in electronic trading**. PREDATOR is a comprehensive platform for buy-side, sell-side, proprietary trading and offers plug-ins like market-making, program trading, algorithms, position keeping, audit trail, MiFID compliance, as well as different market specific FIX-connections already integrated in the user application.

Parallel to the development of the trading platform, the company forged itself a name by acting as integrator of securities related data from vendors like Telekurs, Reuters or Bloomberg. Thus it acquired a profound knowledge of the relevant **securities information, static and dynamic, the key to understanding trading techniques**. Nowadays, the number of electronically traded financial instruments is growing exponentially and with it trade related data explodes in terms of volumes. To take just one example, short lived derivatives are created and extinguished by the hundreds every month, forcing market participants to keep pace by making it possible to distinctly identify, trade and maintain every instrument instantly. Access to this information is only possible by automating to a great extent the whole process. A centralized database and a **“securities master file”** from Teleinvest provide an efficient basis for front- and back-office applications in the form of the respective products VALOS and OpenVal.

The company plane as a marketing tool

Today, PREDATOR is operational not only in Switzerland but as well in Luxemburg, Singapore or Canada. To stay as close as possible to the customers, the company uses a corporate plane, thanks to its founder and president who happens to be a passionate pilot. First just used for practical reasons, **it became a marketing tool and even part of the company image**, when it was decided to decorate it with the logo and brand name of our top product. Recently a customs officer at the Biggin Hill airport outside London asked whether Teleinvest was a Swiss arms dealer when he spotted the slogan PREDATOR – The Fatal Weapon. This



person, like many others, may forget our company name but he is likely to remember PREDATOR.

What's next?

With its brand name and image established in Switzerland, the next logical move is trying to **leverage the successful technology abroad**, in the bigger European market first and maybe worldwide en suite. A product that has proven its value in the Swiss market should be able to find its niche also in London, Frankfurt, Paris and other financial centres. The strategy employed calls for the recruiting of independent sales reps looking for an entrepreneurial challenge and the chance to build their own business from scratch. The first steps in this direction have already revealed how diffi-

cult and time consuming the process of selection is. After all, one has to keep in mind that our **reputation and image, carefully built over the years, is at stake**. The market is big, but the world of professional contacts is as small as in every industry. ■

 **TELEINVEST**

Landstrasse 25,
LI-9491-RUGGELL (Liechtenstein)
www.teleinvest.com
Phone: 00423 373 06 30
Mobile: 0041(0)76 572 15 07