

Q&A: IPC's Joe Pickel on Network-As-A-Service

IPC SYSTEMS RECENTLY introduced Connexus, a financial markets extranet, for ready access to its trading ecosystem. Low-Latency.com spoke to the company's vice president of network services product management Joe Pickel to find out more.

Q: IPC has been in the network/connectivity business for quite some time, so what's new and different about Connexus?

A: We built our reputation on providing voice communication services for the capital markets for over 15 years. About five years ago we added high-speed point-to-point data connectivity, connectivity to liquidity venues and access to providers of trade lifecycle services have been added subsequently. Connexus, a financial market extranet, leverages IPC's existing financial markets network to provide customers with single point access to our trading ecosystem of 4,000 on-net locations in over 700 cities and allows access not only to exchanges but to application providers, market data vendors and other liquidity venues – ATs, MTFs, ECNs, OMSs/EMS vendors, order routing specialists, FX platforms and clearing firms.

Q: How is Connexus being offered alongside existing services? How can existing IPC network customers make use of Connexus?

A: We are offering Connexus alongside our existing network services. Each of our services meets different needs. Our Direct Connect

service provides secure, dedicated Ethernet Layer 2 connectivity at a wide range of speeds for electronic trading and Enhanced IP Voice Service. As I pointed out, Connexus is a logical extension of our current services and leverages IPC's existing financial markets network. By providing access through a single connection, application providers and capital market participants in the IPC community can link to one another and seamlessly receive and distribute market data and applications in a secure trading ecosystem.

Q: Where is Connexus available geographically? And how will the footprint be extended?

A: Connexus leverages the existing IPC financial markets network and footprint so it is available in all the major financial centres globally. Based on the customer inquiries we've had already, we are currently expanding into additional financial centers.

Q: What do you mean when you refer to "cloud-based trade lifecycle services"? What such services are you offering now? What might you offer in the next 12 months? And what do you mean by "cloud-based"?

A: Connexus provides access to trade lifecycle services, we don't offer them directly. The services include all aspects of the trade lifecycle such as order creation, order placement, trade execution, clearing, settlement, and reporting and market data delivery. Our commu-

nity of market participants – buy-side and sell-side firms, inter-dealer brokers, liquidity venues, market data providers and the like – need

and want those services delivered to them when and as they need them rather than building their own infrastructure. So the services exist in the "cloud" and Connexus is providing access to them. Connexus is a Network as a service "NaaS" model.

Q: And you also refer to Connexus using a "Multiprotocol Label Switching (MPLS) platform" - what is that?

A: Deploying Multiprotocol Label Switching (MPLS) network technology enabled IPC to build a next-generation intelligent IP network that delivers a wide variety of advanced, value-added services over a single infrastructure. This solution allows different access links to be aggregated on an MPLS edge as MPLS is independent of access technologies.

By leveraging MPLS technology, IPC can design and bring to market various network solutions that are highly efficient, scalable, and secure with guarantee Service Level Agreements. These solutions include Connexus (IPC's Financial Extranet), Private Extranets and Layer 3 VPNs with Traffic Engineering, CoS and QoS.

Q: What range and type of services can be supported from a technol-



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ogy standpoint by Connexus? For example, what levels of low-latency communications can it support?

A: Connexus supports a variety of service levels depending on customer needs. Fundamentally, customers are interested in Connexus because they want reliable, secure single-point access to application providers, market data vendors and liquidity venues. Connexus is high-speed but if a customer is primarily interested in low latency, then they would look to our Direct Connect service.

Q: For those offering services, what is the business model? A connectivity fee? Shared revenue? Other?

A: Service providers come to Con-

nexus to serve and expand their customer base. I'm sure there are almost as many business models as there are service providers, but generally they sponsor connectivity for their customers who in turn purchase services from them. Going back to something I said earlier, Connexus is a "Network as a service" model.

The providers offer a range of trading lifecycle services such as order creation and placement, trade execution, clearing, settlement and the like to market participants who need and want those services delivered to them when and as they need them rather than building their own infrastructure.

Q: What is the target market for Connexus? Will Tier 1 institutions, or latency-sensitive HFT firms, want

to use a shared infrastructure? And who will?

A: Anyone who participates in the trade lifecycle will be interested in Connexus. Primarily our market is service providers who want and need access to buy-side firms that consume their software and services necessary to participate in the market. At the same time, we do have significant interest in Connexus from large sell-side firms as well. Some of them have or will be interested in Connexus from an application or service provider perspective because they provide one or more trading lifecycle services. However, we also see sell-side firms interested in Connexus for its reliable, secure single-point access, and strong ROI compared to internally managed networks for application delivery.

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