



Jonathan Fieldman

EDITORS' NOTE Jonathan Fieldman is also a member of the board of directors and the executive team responsible for setting the strategic direction of the company and making all major business decisions. Prior to joining Broadway in January 2004, Fieldman held leadership positions in a number of start-ups including a \$15-million venture-backed electronic wholesale marketplace. At the age of 26, he founded his first company, Data Vault Ltd., a pioneer in hosted market intelligence and sales force automation serving 90 percent of the world's largest wine and spirits suppliers. He started his career as a business analyst and strategic advisor to the chairman of Sidney Frank Importing. Fieldman holds a B.S. in Economics from MIT.

COMPANY BRIEF Broadway Technology (www.broadwaytechnology.com) is a leader in high-performance financial trading solutions and consulting services for top-tier global banks and hedge funds. Broadway's software manages billions of dollars in transactions daily worldwide for premier financial institutions. Founded in 2003, Broadway has been profitable every year since its inception, with revenues having grown more than 50 percent annually since 2008. The company has employees spread across five countries with headquarters in New York and Austin.

What did you see in the market that made you feel there was a need for Broadway Technology?

The company was founded by our CTO Joshua Walsky and CEO Tyler Moeller who started out in enterprise software. They got involved in automated trading and originally built the technology for themselves. When they were executing automated trades from 2001 to 2003, they were at the forefront of automated trading in fixed income.

In 2003, they formed Broadway. It seemed like a no-brainer to take the unique technology that they had developed and make it available to other financial institutions.

The TOC: Transforming the Global Financial Industry

An Interview with Jonathan Fieldman,
Chief Operating Officer, Broadway Technology

In addition, Countrywide was forming a primary dealer desk at that time and they needed a solution, so it was an opportune time to create Broadway.

This fusion of trading and technology created something that the industry had not seen before.

How do you pitch the product to potential clients?

We're an enterprise software company, we have a unique platform called the TOC, and on top of the TOC, we have trading solutions.

At a high level, the function of the TOC is to do all the heavy lifting to make it easy to build large-scale distributed systems that use different technologies. It makes it easy for an IT department with hundreds of developers or a hedge fund with one developer to build trading applications without having to spend 90 percent of their time on plumbing, pipes, and connecting different systems.

The person in charge of building the application only has to worry about creating the business logic. So CTOs of a company with a team of 1,000 people building technology can spend 100 percent of their time developing value-added components, saving millions of dollars through productivity gains.

The TOC with our trading components on top of it allows our customers to get the technology they need to market faster. When they're building a business that is going to make them \$10 million a month or more, if they can get to market six months sooner, that is \$60 million more they make. That is the value proposition of the TOC.

Are there natural extensions for the business?

In some ways, we're the world's oldest start-up because even though we're nine years in and we have a who's who of banks and high-volume hedge funds using our technology, it still feels like we just started.

Within the financial industry, there is a \$700-trillion market in swaps. That market is going to move from phone trading to electronic trading. We're going to be front and center in that space. Our technology is flexible and can be extended in new ways. We're working to build a multibillion-dollar business within finance, but the TOC itself can be broadly applied to many industries and we see great opportunity there.

Is the focus primarily on the U.S. market or do you have a footprint internationally?

There are end-users of our technology in 22 countries and we are supporting them 24 hours a day. We are expanding in Europe and Asia.

Was the business heavily impacted by the recent economic crisis?

The timing could not have been better for us. From 2003 until the crisis hit, we had been building out turnkey solutions to meet the needs of banks and hedge funds. When the market chaos happened in 2008, IT budgets were cut but traders were still demanding technology equal to that of the large institutions. That created a perfect opportunity for us to come in and provide turnkey solutions.

At that time, there was an increase in demand for dealing solutions. As the U.S. Treasury issued a large amount of debt, it created a significant demand for treasury trading desk technology. We still see it today.

Even though technology budgets have come back in some institutions, the desire to build everything themselves has faded, and they have realized it's better to buy and build.

Broadway's delivers a portfolio of trading solutions built on top of a flexible platform that allows our customers to build whatever they need. They can use the components they want and they can build their own next to it – that is exactly what the market wants.

We have filled a void in the demand for technology with a solution that meets the immediate needs of the institutions but also accelerates their own efforts to build their own proprietary capabilities that give them a competitive edge.

What kind of challenges do you face when trying to get the importance of your services across to institutions?

Getting in the door is probably the biggest hurdle. That's often easier with smaller institutions because you can talk to the top people who run it; they understand the technology and are glad somebody has already built it because they don't have the time or resources to do it themselves.

Larger institutions have often already made material investments in technology. We allow them to leverage what they have while they incrementally add new capabilities. Thanks to this approach, Broadway counts among its customers many of the largest financial institutions in the world.

At Broadway, we've had great success with transitioning companies that traditionally built their own software to realizing the benefits of a build-and-buy technology strategy. With a proven track record, top-tier customers, and a recent minority strategic investment from Goldman Sachs and another global bank, Broadway has become a market leader and continues to expand at a rapid pace. ●