



Pirum TradeConnect

Mark Hale and Ben Challice on what Pirum 3.0 means for the firm and the industry



Completing the circle

As Pirum looks set to embark on a new chapter, CEO Mark Hale and President and Chief Strategy Officer Ben Challice look at the firm's future, and its latest product offering, Pirum TradeConnect. Karl Loomes reports

Completing the trade lifecycle — this is the offering brought about by Pirum's latest equity and fixed income securities lending pre-trade solution, Pirum TradeConnect. According to Ben Challice, newly appointed president and chief strategy officer at Pirum, the company's core mission has always been to automate the securities finance trade lifecycle. Initially, Pirum focused on core post-trade services, then expanded to offer additional services, such as collateral optimisation and corporate action lifecycle management. Now, Pirum is completing the full lifecycle by helping to automate pre-trade.

This builds on the 'hub and spoke model', allowing clients to connect to various parts of the capital market infrastructure via one access point. An existing trend observed in other verticals during his assessment of the industry landscape, Challice saw the potential for a similar operating model in securities lending.

He reflects: "Think of the OTC products in fixed income, and how they need smart order routers with which to find the liquidity. We could see some parallels in the securities lending and securities finance industry more generally which could benefit from a better connected ecosystem with multiple liquidity providers/venues.

This assessment, of course, is high level, but for Challice the most important aspects are those that benefit Pirum's clients, "because, ultimately, we are a client driven business. We're here to provide solutions and efficiencies to our clients".

In this regard, this hub and spoke model offers a number of benefits for industry participants — efficiencies across the trade lifecycle; diversification away from a single point of failure; and helping to support a global environment moving to shorter settlement timeframes — to name a few.

Ultimately, Challice sees this solution as fixing problems before they arise. He says: "If you think of why many of these post-trade services exist, it's because the two sides to the trade, the two counterparties, get out of sync. If you can fix a lot of those problems ahead of them

getting out of sync — 'Get it right, pre-trade', as they say — that has obvious benefits."

He continues: "One of our key tenets or guiding principles for the solutions we've developed has been that it is not just about the connectivity, and the transparency associated with that connectivity, but also about ensuring better industry standards."

Financial resource constraints for their clients continue to be front and centre in Pirum's thinking. "[A client's] financial resource constraints, as I know from when I ran Trading Services at J.P. Morgan, are the biggest binding constraint from the counterparties' point of view.

"This means cost pressures are evident across the industry. So therefore, we wanted to deliver [this solution] in a cost-effective, scalable manner," highlights Challice.

Changes at the top

The launch of Pirum TradeConnect is just one notable move for the company in recent months. Another is the appointment of Mark Hale as the new CEO and Ben Challice as president and chief strategy officer.

As one would expect from such senior appointments, the pair brings a wealth of experience to their roles — experience they hope to leverage to drive Pirum forward.

As Hale puts it: "What I'm hoping to bring to the table is an understanding of what can we do to help scale the business for the next level of growth. This is based on two plus decades of leadership experience in fintech and data and analytics and having scaled two different businesses through different inflection points and growth stages."

The businesses he is referring to are Visible Alpha, where he as CEO (and previously chief operating officer), helped oversee meaningful growth in annual recurring revenue (ARR) and a

Pre-trade

successful acquisition by S&P Global; and FactSet, where he (in a number of different roles including COO), among other things, led the expansion and scaling of the company's data operations into a global, world class presence.

Challice meanwhile — having himself previously served as COO at Pirum — sees the synergies between the two. “Mark and I bring completely complementary skill sets”, noting that while Hale has a background in data and technology, Challice has over 25 years’ experience in capital markets.

This experience, he thinks, will help guide his plans for the future direction of Pirum: “I would argue, that having worked both as a prime broker at various broker-dealers, and having most recently operated as an agent across collateral management, triparty and securities lending, together with what I learned during my last stint at Pirum, has equipped me well to think about how we drive this forward. And from where I sit and what I see, it is a really exciting time for the firm.”

In addition to this, after leaving his previous role at J.P. Morgan last year, Challice undertook the aforementioned project for Pirum to

assess the industry landscape. This project, he notes, helped guide him in the direction he sees for Pirum’s future.

He explains: “I was tasked with this work to understand what the ecosystem looked like and to identify whether there were any gaps or inefficiencies in the securities lending operating model. This led me to the conclusion that there was an opportunity to reevaluate the operating model.

“Obviously, that coincided with a major cyber outage earlier this year, which exacerbated the existing problems, or accelerated people’s thinking as it related to what that operating model should look like.”

This, he suggests, was the “starting thesis”.

As the new leadership team settles in, both Hale and Challice are keen to highlight the strength and importance of their predecessors. Complimenting the previous CEO, Philip Morgan, they note the “exemplary results and culture” he and the leadership team have achieved over the years, and the solid foundations that the firm can continue to build on. They both



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Mark Hale
CEO
Pirum

reiterate the need to keep the core focus of their business on their clients, with high-quality customer service, and “really smart product development”.

This future, they call Pirum 3.0.

Pirum 3.0

Pirum 3.0, according to Hale and Challice, describes the next stage and future direction of the company — a direction that the pair will be leading. Pirum TradeConnect and a full trade lifecycle offering will be fundamental to this, building on Pirum’s existing products to offer clients an even broader range of services.

“What does the future growth look like? How is it going to be driven?” asks Challice. “By extending what I said right at the start, really circling all the way around from pre-trade to post-trade and collateral management, to regulatory reporting, thinking about efficiencies in every step of the trade lifecycle.”

The plan is to leverage Pirum’s already existing data assets and

technological capabilities to build additional innovative and streamlined solutions for clients.

“Looking at the data assets we have, and figuring out how to further innovate on those products, how we can help streamline the delivery of the existing solutions that we offer to our clients, and continuing to build on the great foundation that Phil, Rob [Frost, chief product officer], Jacob [Koopmans, chief revenue officer], and the rest of the leadership team, built over the years.”

This evolution, they emphasise, will not come at the cost of their core business and clients.

“This ‘Pirum 3.0’ that we have embarked on really builds on the positive credentials that the firm already has. There’s a lot of track record, existing connectivity and goodwill with clients because of our consistent delivery of products that demonstrate a ‘return on investment’ in terms of the efficiencies our solutions bring to their businesses.”

Or as Mark Hale puts it: “I would say it’s a new chapter, but it’s part of the same great book.” ■

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Ben Challice
President and chief strategy officer
Pirum





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