

IPC

Welcome to Industry 5.0 and the Hybrid Trading Floor

Improving FSI's Trading Workflows post pandemic



Connecting opportunities

Introduction

Although there is an air of normalcy returning to the financial services world, the pandemic has left an indelible mark particularly on the working environment. The idea of a hybrid trading floor would have remained just that – a concept – just two years ago. However, today, it is becoming a reality, but the transition requires both a dramatic cultural shift and technological upgrade.

Addressing challenges to the hybrid trading floor

One of the biggest challenges is that the existing infrastructure in many financial service institutions is old and dated. It is not only struggling to keep pace with the changing working world but also the plethora of more stringent regulations as well as push into emerging markets which have their own array of laws and languages.

The other issue is that many of the rules and compliance requirements already in place intentionally prevented remote working. They are designed for traders to be firmly at their desks communicating in a rapid-fire way either through hand signals or across the desk. Not surprisingly, there was no game plan in how to duplicate the trading floor that is recognizable and efficient but without the proximity.



Leveraging technology to drive efficiency

The problems are not insurmountable and in fact, there was already a move from industry 4.0 to 5.0 which refers to people working alongside robots and smart machines. As with many things, Covid-19 has accelerated the trend and the industry has just become more focused on how robots can help humans be more effective and faster by leveraging technology such as artificial intelligence, natural language processing and big data.

Connectivity is the key in enabling individuals in any industry to communicate with each other and technology. With trading in particular, financial service institutions are turning more towards voice-based technology, and biometrics to not just replicate but enhance the benefits from the trading floor in today's hybrid office. Equally as important the technology offers firms the ability to comply

with the complex regulatory landscape. In fact, a closer look reveals that NPL has already improved the traders' experience. They can now populate tickets by just using their voice. Order books are loaded and not typed in, while against a backdrop of pristine and clean audio, structured or partially structured data and intelligent transcription engines understand the asset class and the accompanying jargon.

As for biometrics, it is already being deployed in many areas of authentication, fingerprint control, or retina scanning. Voice printing, for compliance for trading is an obvious case, and can be used to positively confirm that people are there. It can provide a clean record of all the details that transpired on a call which in turn helps with the trade reconstruction process.



Disruption will continue through hybrid model

The model of course cannot be left and set. It will evolve over time as innovation continues to unfold. Hand in hand with this evolution are the payment structures for the technology. As in many industries, there is a blurring between the consumer and professional life and trading is no exception. Individuals want flexibility and choice which has rendered traditional formats of payment obsolete. Streaming services such as Spotify and Netflix have ushered in a different paradigm and Industry 5.0 is part of the transition package towards a subscription-based economy. There is no turning back the clock. Hybrid working is here to stay while paying for the technological solutions to enable this shift has also moved to a new dimension.



About the Author

As **Chief Technology Officer of IPC, Tim Carmody** is responsible for the strategy, technology, innovation, development and launch of all products across the entire IPC portfolio. In addition, his teams ensure that services are designed to be operationally ready as well as being responsible for the delivery of all Unigy deployment models. Tim has 20 years of experience at IPC and 30 years of experience overall in technology for the Financial Services industry with a focus on Extranet, low latency and integrated voice communication solutions. Prior to his current role, he was Vice President of Product and Engineering for IPC's Financial Markets Network where he managed all product strategy and technology specific to IPC's private network, Connexus Cloud.



Before re-joining IPC in 2011, Tim spent 10 years overseeing North America Engineering at BT Radianz as well as a year at an optical startup. Born and raised in the New York area, Tim earned a Bachelor of Science in Systems Engineering from Boston University.

IPC offices

Around the world

IPC Corporate

Headquarters

Harborside Financial Center
Plaza 10
3 Second Street
15th Floor
Jersey City NJ 07311

T +1.201.253.2000

EMEA

IPC London Office

40 Bank Street, 11th floor
London E14 5NR
United Kingdom

T +44.(0)20.7979.7200

Asia Pacific

IPC Hong Kong Office

28/F, Berkshire House,
25 Westlands Road,
Quarry Bay
Hong Kong

T +852.2899.8088

Global offices



North America

Jersey City, NJ
Alpharetta, GA
Bensalem, PA
Boston, MA
Chicago, IL
Fairfield, CT
Houston, TX
Los Angeles, CA
New York, NY
San Francisco, CA
Toronto, ON

EMEA

London
Frankfurt
Geneva
Madrid
Milan
Moscow
Paris
Zürich

Asia Pacific

Hong Kong
Beijing
Kuala Lumpur
Mumbai
Seoul
Shanghai
Singapore
Sydney
Tokyo

www.ipc.com

© Copyright 2021 IPC Systems, Inc. All rights reserved. The IPC name and logos are trademarks of IPC Systems, Inc. All other trademarks are property of their respective owner. Specifications and programs are subject to change without notice. Certain statements contained in this white paper may be forward-looking statements. These statements may be identified by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "should" or "will" or similar terminology. Any forward-looking statements are based on current expectations, assumptions, estimates and projections. Such forward looking statements involve known and unknown risks and uncertainties, many of which are beyond our control. Actual results may differ materially from any future results expressed or implied by these forward-looking statements.