

# Still waiting for the OMS/EMS Holy Grail

June 2, 2014

Over the past decade or so, the growth of OMS and EMS platforms has paralleled the growth of electronic trading – but it would be a stretch to suggest a direct cause-and-effect relationship. These days, though, given the growing importance of electronic trading and the increasing focus on it by regulators, the evolution of OMS/EMS platforms may be having a more causal impact on changes in both e-trading itself and the dynamics between the buy-side and the sell-side. And even as so-called combined OEMS platforms begin to mature – currently still more theoretical than actual, though that’s starting to change – e-trading players appear to be looking for even more comprehensive integration, perhaps pointing toward deeper shifts in traditional market dynamics.

Certainly the goals and motivations that drive sell-side traders will always be different from those driving their buy-side counterparts and clients. But the mechanics of both, and the systems they use, are becoming more and more similar. In our recent Greenwich Report “[Trading Technology: OMS/EMS Trends, Rankings & Opportunities](#)” we noted one of the reasons for this: as more sell-side traders move to the buy-side, they “bring with them a desire for trading tools previously only used by broker-dealers.” And as buy-side organizations take on greater execution risk, such shifts appear to be “causing a major rethink of trading technology used on the desk.”

The perceived importance of technology has always had a distinct ebb and flow in the evolution of the markets -- but when it flows, it flows quickly. Fully 77% of the 316 equity trader respondents we surveyed for our 2014 U.S. Equity Electronic Trading study cited “ease of system use, reliability and quality of technical support” as an important consideration in selecting brokers for algo / smart-order trading – outstripping the next most-cited criterion by a whopping 33%. This suggests that buy-side traders are increasingly focused on the need for intuitive technology to help them pull greater and greater value out of the electronic marketplace as it continues to mature.

The current agenda appears to call for reliable technology that combines OMS, EMS, and compliance-sensitive functionality with fluid access to algo’s and other e-trading tools, as well as a wider range of liquidity pools – all delivered to the buy-side user with simplicity and reliability. Yes, we know this sounds like the Holy Grail – something everyone wants but no-one can deliver – but our research suggests the possible onset of a tipping point. Market history leaves little doubt that when there’s sufficient demand, technological “miracles” can quickly become desktop standards -- sometimes far more quickly than anyone anticipates. Watch this space.

---

[www.greenwich.com](http://www.greenwich.com) | [ContactUs@greenwich.com](mailto:ContactUs@greenwich.com)

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic

benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

## About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit [www.crisil.com](http://www.crisil.com)

## Disclaimer and Copyright

This Document is prepared by Coalition Greenwich, which is a part of CRISIL Ltd, an S&P Global company. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Coalition Greenwich as on the date of the Document and Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data in this Document may reflect the views reported to Coalition Greenwich by the research participants.

Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES COALITION GREENWICH BELIEVES TO BE RELIABLE. COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Coalition Greenwich is a part of CRISIL Ltd, an S&P Global company. ©2024 CRISIL Ltd. All rights reserved.