

## Companies shaping the future of finance

Financial News' second annual list of 21 technology companies for the 21st century picks out innovative businesses with the potential to shape the industry landscape in the new millennium. To find the 21, we scoured the markets and asked for recommendations from consultants and practitioners. Stock exchanges were excluded, as they occupy too privileged a position, as were investment banks.

We were looking for companies with innovative technology, a clear vision of how they might improve the markets in which they operate, and ideally some track record of success, however short. Two potentially transformational initiatives we ignored were Projects Boat and Turquoise, the bank consortiums formed to challenge the dominance of European stock exchanges in trade reporting and execution. As neither is yet operational it seemed premature to include them in the list. Technology companies working in all areas of the securities industry were considered. We hope the list offers a glimpse of the future.

### Tamale Software

Bringing order to research chaos

**Founded:** 2002

**Background:** Sellside research has been a neglected area since Elliot Spitzer prosecuted many of Wall Street's top banks for dubious stock recommendations. Banks have slashed their research budgets and instead directed millions of development dollars towards technology to enable investors to execute trades with more speed and intelligence. Relatively little has been spent on trying to streamline and enhance the buy-side's consumption of research.

Tamale has bucked the trend. Founded five years ago by John Fawcett, a technology company analyst at a small, Boston hedge fund, Tamale's Research Management Solution (RMS) product claims to solve the problem of information overload faced by many portfolio managers. It is effectively a sophisticated filing system that logs and stores research and data from numerous sources and makes it available to fund managers. Arguably, Tamale's biggest coup was persuading Mark Rice, chief technology officer for Morgan Stanley's prime brokerage business, to join the company as chief executive in 2004.

**Potential:** US-based hedge funds, including Tudor Investments, make up the majority of Tamale's 80 clients. A London office services 10 European firms and it has two clients signed up in Singapore. It is seeking to grow its business with mainstream asset managers and the UK's unbundling rules that demand the separation of execution and research budgets should give it a boost. Tamale can offer fund managers a reliable method of tracking the value added by external analysts' recommendations.

Morgan Stanley bought a stake in the business in December. Tamale clients using Morgan Stanley for prime brokerage or fund services will be able to use the system to view their performance and risk data alongside research. The investment bank will also promote Tamale to its clients.



**TAMALE**  
RESEARCH THE POSSIBILITIES