Turret Transformation: As Communication Systems Evolve, Turrets Will Die Out

Trading turrets are quickly turning into relics of the trading floor and will soon fall by the wayside.

Dan DeFrancesco

Anthony Malakian's use-case story on brokerage Eclipse International adopting Cloud9's communications app is an example of how trading turrets' days are numbered.

Full disclosure: As you read this column, I am sitting on the beach at Kill Devil Hills—a small town that lies in the Outer Banks, NC—with my toes in the sand and more than likely an alcoholic beverage in my hand.

I'm on vacation this entire week, which is why you likely haven't seen much of my name around the site. Rest easy; I'll be back Monday. However, for the time being, I'm going to enjoy my time in the sun.

Changing Times

I decided to take a second look at **US editor Anthony Malakian's case study on brokerage Eclipse International's adoption of Cloud9's communication app**.

To be honest, this story deserves a second—and third—look, as it's massively important to the entire industry. The trading turret, it appears, is just the latest piece of equipment that will be overtaken by a new technology.

It's not hard to see why getting rid of turrets is so appealing for firms. Jesse DiPlacido, a partner at **Eclipse International**, estimated the firm saved up to $5,000 a month by moving toward the cloud for its communication service. That's not exactly chump change, and if the firm can execute the transition fairly seamlessly, it really seems like a no-brainer.

The key will be reliability, **something Anthony and I discussed on our podcast**. If calls start dropping out, firms will head straight back to the turrets. While an organization might be willing to use a service with audio quality that's slightly worse, what it won't accept is increasing the chances it could drop a call, making its job that much harder.

http://www.waterstechnology.com/sell-side-technology/opinion/2465758/turret-transformation-as-communication-systems-evolve-turrets-will-die-out

In **Cloud9's** case, the fact clients don't need their counterparties to be on the platform to use the service is a huge benefit. It's a big enough ask to try and get people to move away from turrets. Telling them they're limited to only those also on the platform would make the effort nearly impossible.

Future

In all likelihood, it will be a slow but steady transition away from turrets. There will always be the stalwarts unwilling to change, but for smaller, agile firms that can benefit from saving tens of thousands of dollars a year, the opportunity will be too great not to grasp.

The biggest hurdle for firms like Cloud9 will be to get out and prove the reliability and functionality of the product. It's one thing to read about it in a story. It's another to allow the success of your business hinge on the product working correctly 100 percent of the time.