Case Study: Eclipse Brokerage Taps Cloud9 to Slash Turret Usage

Cloud9 has launched a new gateway that will allow Cloud9 users to use the vendor's platform to communicate with users, even those that don't use Cloud9.

[Anthony Malakian](#)

21 July 2016

Eclipse's Jesse DiPlacido discusses why the firm deployed Cloud9's communications app and how it has cut costs for the brokerage.

Some people look at the turret as a wonderful piece of hardware that is vital to the trading desk. Others, though, view them as expensive relics that are in their final days. It would seem that more and more traders are joining this latter crowd annually.

One of those converts is Jesse DiPlacido, a partner at Eclipse International, a brokerage that specializes in over-the-counter (OTC) options and futures in the commodities space. He dreams

of a day when turrets are no longer a necessity. Thanks to Cloud9 Technologies, that dream scenario has become a reality at Eclipse.

Eclipse has been a client of the cloud-based communications provider for two years. At the time, the broker was using a blend of turrets from IPC and Syntegra that were leased from the New York Mercantile Exchange, since Eclipse's offices were inside the Merc's building in Battery Park City. They would couple Cloud9's communication app with the turrets. Then, one year ago, Eclipse moved their offices to One Penn Plaza in Midtown Manhattan. No longer leasing the turrets from Nymex, DiPlacido and his team looked for a low-cost turret option to get them through the transition, and settled on Speakerbus's offering.

"I saw where Cloud9 was going and the direction they were headed, we opted for the cheapest solution we could find, which was Speakerbus," DiPlacido tells *WatersTechnology*. "And even the cheapest solution cost a pretty penny, but we had to use it at the time."

The Speakerbus marriage only lasted for a short time, though, as two months ago Eclipse officially removed the turrets from desks and they have switched over to Cloud9's platform entirely, according to DiPlacido.

New Gateway

Eclipse was able to make the transition thanks to Cloud9's new Gateway Service, which was officially unveiled today. The gateway connects Cloud9 users to their trading counterparties, even those firms that are not yet Cloud9 customers. The service can be deployed on site or as a hosted cloud-based service.

DiPlacido says the gateway has allowed Eclipse to bridge the lines that were going into the Speakerbus turrets and now they can be accessed through the actual Cloud9 app on their computers.

"We were able to take the Speakerbus turrets off our desks; we don't use them anymore," he says. "Our clients on the other side don't know the difference. They don't know if we're pressing a button on the turret or picking up the handset or clicking a button on the Cloud9 app to talk to them. The sound quality didn't change."

DiPlacido says the average cost per line on a traditional turret ranges from $60 to $500 per month, depending on where the connection is going and how many bridges are needed. By eliminating about 15 turrets, Eclipse is able to save between $2,500 to $5,000 per month. It has also helped with disaster recovery and regulatory reporting processes, he says.

"Now that we have the gateway we are able to log all our recording through one system through Cloud9 for compliance. We can remote access in from anywhere. I can be anywhere with an internet connection, log in and be able to talk to a client, which is great, especially for disaster recovery situations," DiPlacido says. "And it makes it all easy. Instead of going back and forth between the turret and the Cloud9 system, now it's all centralized in one location."

An Evolution

Greg Kenepp, president of Cloud9, believes the turrets of today do not take enough advantage of modern technologies. As numerous other functions in the trading process move toward the cloud, there's no reason why comms shouldn't follow suit.

The Cloud9 platform—which is underpinned by [WebRTC technologies](#)—looks to replace traditional hardware turrets with a cloud-based, real-time voice communication system that allows traders to connect both from their desks and remotely to their counterparties. The firm has seen the most success in the commodities space, and has over 2,500 traders in 28 countries around the world on the system.

He says he hopes the new gateway service will allow the company to accelerate growth.

"We have a lot of customers using our product now, but not necessarily their counterparties. This allows those counterparties not on the platform to connect to the Cloud9 interface," he says. "If they make a decision to use Cloud9 100 percent of the time, they can deploy a gateway and connect their existing private lines to the gateway and the gateway will translate everything to the Cloud9 language."

The Bottom Line

Trading turrets can be costly. As with many other trading processes, cloud-based applications will likely see greater adoption over time. In Eclipse's case, they were able to cut out 15 turrets and cut costs by $2,500 to $5,000 per month.