

# Institutional Investor



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The  
2011

Tech  
50

This year's leading executives in financial technology hope to gain a competitive edge by catching the next wave of disruptive innovation.

“Disruptive” is the operative word, and it is a thread running through the Tech 50. The idea harks back to *The Innovator’s Dilemma*, a 1997 book by Harvard Business School professor Clayton Christensen that explained how long-entrenched, industry-leading companies can fail to anticipate “disruptive technologies” or seize the opportunities they present.

Today’s financial services disrupters do not so much fear falling into obsolescence like Christensen’s 20th-century case studies — such as Digital Equipment Corp., which was blindsided by the personal computer — as they are eager to make innovative leaps to gain competitive advantages. Taking the productivity and efficiency afforded by automation as a given, executives see technology in a more opportunistic light: as a tool for growth.

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**Kenneth Marlin**  
 Managing Partner  
 Marlin & Associates  
 (PNR)

• The financial technology market is “not geographically defined,” says Kenneth Marlin. The same can be said of Marlin & Associates, the investment banking boutique he founded in 2002. Most of its 15 people are in New York, but its advisory business is literally all over the map. Half of Marlin’s transactions have involved a non-U.S. buyer or seller. The firm’s growing list of deals is a chronicle of technology’s evolution and globalization — in health care and information technology as well as finance. In the firm’s chosen financial tech segments, “we do more transactions than anybody,” boasts Marlin, a former North America CEO of market data company Telekurs who also worked in M&A at Dun & Bradstreet and in private equity at Veronis Suhler Stevenson. “There is always innovation going on — a ton of innovation,” says Marlin, contributing to a steady churn of deal making and consolidation in the highly entrepreneurial tech marketplace. There was no letup during the economic

downturn: Marlin advised high-performance database supplier Vhayu Technologies Corp. on its 2009 sale to Thomson Reuters; NYSE Euronext on its sale of European data distribution subsidiary Hugin Group, also in 2009 to Thomson Reuters; Australian market surveillance systems company Smarts Group on its 2010 acquisition by Nasdaq OMX Group (see Robert Greifeld, No. 8); and the Swift cooperative on its purchase of the Ambit Messaging Hub (see Lázaro Campos, No. 23). Late last year a unit of the Qatar Financial Centre Authority hired Marlin to close a deal for London reinsurance industry processor RI3K precisely because of the boutique’s international track record and independence, its founder says.

