

# BUSINESS TOKYO

## NEW BUSINESS

### A World Trader

Graciela Chichilnisky, founder and chairwoman of British-based FITEL, a company providing a worldwide telecommunications network for securities trading, has decided to find out for herself how difficult it is to set up shop in Tokyo's fast-expanding financial market.

Born in Argentina 40 years ago, Chichilnisky left for the United States soon after the military took power in 1966. She wasted no time in her new homeland and obtained a Ph.D. in mathematics from the Massachusetts Institute of Technology and a Ph.D. in economics at Harvard.

"Mathematics is a natural language made for thinking, unlike economics, which is illogical to the point of being unreasonable," says Chichilnisky.

In 1985 she felt ready to put her intellectual disciplines and business experience to work and founded FITEL with a capital of \$5.5 million—enough to keep 30 computer programmers busy designing and perfecting Equinet, an advanced financial software system. Equinet lets FITEL's customers, mainly banks, fund managers and brokerage firms, send and receive orders simultaneously and allows brokers to send all details of a trade directly to customers' screens before execution. Along with Salomon Brothers, First Chicago and Bear Stearns, FITEL tested its ideas in a successful pilot project; and this January felt ready to commence business proper both in the U.S. and Britain. Now, by tapping into FITEL's mainframe computer, a broker can daily conduct up to 1,200 transactions a day at a cost of roughly \$30 for each deal.

#### Losing Money

According to Chichilnisky, until recently, roughly 40% of potential international business has been failing to materialize because information arrives too late for the parties involved to act on. Just one such failure can cost a broker anywhere up to \$3,000 in wasted labor costs, time and lost commission, not to mention high customer-

disappointment. "Though capital has always crossed national boundaries with relative ease, it's only recently that we've seen the revolutionary phenomenon of people buying small pieces of companies in countries other than their own, and this is producing new kinds of incentives. Even more so, now that it can be done electronically and it's no longer necessary to rush round with stacks of paper. We're witnessing a major breakthrough here," says Chichilnisky.

Yet with such little time spent in testing this new venture in the stormy waters of international trading,

some might question Chichilnisky's eagerness in setting up office so soon in Tokyo. "There's no choice. We have to. Tokyo is too important to ignore," she says. She adds that while it will probably be quite some time before rival U.S. firms start competing with FITEL, she expects the Japanese to follow much more quickly, and this is adding to the urgency of getting her foot in the door. "Only companies technically oriented and who understand the international market can successfully

begin this kind of business. Japan has a number of such companies, whereas we don't expect competition from U.S. firms for the next two or three years."

Chichilnisky recognizes the difficulties in establishing a virtually untried venture in Japan. "While it was comparatively easy getting started in the U.S., London was more difficult, and Tokyo will be much more so for a venture like ours," she acknowledges. She is presently negotiating the possibility of a tie-up with a major Japanese trading company and a PR firm who could help smooth over many of the difficulties. In doing so, she finds she is working 15 hours a day, six days a week. "The Japanese are very aggressive in business. But so am I. This is a challenge I'm enjoying."

(Nagami Kishi) □

