



**STÉPHANE TYČ  
AND BOB MEADE**  
McKay Brothers

Stéphane Tyč and Bob Meade were both doctoral students in physics at Harvard when they met in 1985. A fast friendship was formed and the two began spending so much time at the campus's Gordon McKay Lab that they started calling themselves the McKay Brothers. More than a quarter-century later, after each had had a successful career in financial markets, they decided to form their own company based on an innovative technique for using microwaves for market data transmission. Developing the world's fastest market network may have been difficult, but choosing the name was easy: McKay Brothers revolutionised the business of data communication for markets, offering much faster communication than fibre-optic technology and ushering in a new business model for a marketplace driven by latency concerns.

**Q: How did McKay Brothers start?**

**Bob:** It was actually Stéphane's idea in 2008 to do some kind of microwave network from Chicago to New Jersey, and that idea looked like it had lots of promise. But both of us were engaged with our other activities. I was a high-speed trader at Ronin Capital.

In 2010 a company called Spread Networks had the fastest network between the two locations and could charge whatever it liked, so there was an impetus to think about a technology that would be even better. One of the first things we did was to start calling tower companies, with very cryptic questions about how to rent dishes on towers and how to build a long-distance network. Eventually we stumbled onto a database of microwave frequencies in the United States. We

saw just one microwave network from Chicago to New Jersey, and it was poorly designed. But over the next few weeks and months, we saw more and more of these microwave networks were being designed. So, we shifted our thinking from one where confidentiality was the primary importance, to one where execution of the best network was really the thing that was critical.

**Given that you were already in the market, why did you decide to market the fastest available network as a service, rather than keep it for yourself to profit from it?**

**Bob:** In the end we really believed in the level playing field philosophy. And I think it's very good for the industry, and also it was a nice way to monetise it.

**As you've grown, has your technological approach changed?**

**Bob:** We started out with Chicago to New Jersey, which was an entirely microwave path. We replicated that from London to Frankfurt. We also expanded into doing more hybrid networks. For instance, Tokyo to Singapore is microwave to the landing station, then submarine cable underwater. The latest thing that we've added was a high bandwidth network for the New Jersey local triangle. It was a case where we had to commission and design our own radios to use a very different frequency band.

**Q: What about the culture within the organisation? You've now grown to more than 80 people. What keeps those people there?**

**Bob:** It is really a culture where we value good ideas. The whole thing was based on a very creative idea, and to sustain the firm we have to keep those ideas coming. It's super team-orientated, and it's very flat.

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In some of the teams there's no leader, and the teams manage themselves. And in other teams there's maybe one level between us and the lowest rung of the organisational chart. Keeping it flat, keeping it nimble, keeping creative ideas, keeping the innovation. Obviously, we've done some excellent work on execution, and the company doesn't succeed without outstanding execution. But it's really a culture of creativity and teamwork.

**Have you had any growing pains?**

**Stéphane:** We cover three continents. I think one of the challenges is being stretched, sometimes to the extreme, while trying to coordinate big deliveries. We've been that way almost since inception, and it hasn't really changed because we're adding more people but we're adding more projects, too. We haven't reached the stage where we are, I would say, humming. We're definitely panting.

**How do you see the firm evolving from here?**

**Stéphane:** One of the really good things about McKay is that there are two people who eventually decide. And those two people have to convince each other, because we only do something when both of us agree it's a good thing to do. My view of the future is that we will automate everything and sell cheap to many. Bob's view of the future is that we will hone the product and make it even more perfect for the few. And really, the two strategies are both good.

**Stéphane, you've always been a great believer in the whole level playing field idea. Is that one of the concepts where one of you had to convince the other?**

**Stéphane:** That's not an area of disagreement. We completely agree on that.

**Bob: If anything, that's kind of the foundational principle of McKay.**

**Finally, are there any fundamental factors on which you would attribute your success to?**

**Bob:** The success we've had, and the culture of the place is about creativity and teamwork. I guess everybody says stuff like that. But I think the history of McKay demonstrates that that's how we are, and that's how we'll be going forward.

**Stéphane:** One thing which is crucial is that we have to have a non-adversarial and almost symbiotic relationship with our clients. That is why we choose to have clients invest in us, and not financial companies. We think we will survive and win and prevail long term if the clients believe in what we do. And we need their help and guidance. We don't want to be in a position to be feared by the clients, we want to be serving them.