

**EnergyRisk**  
**AWARDS**  
**2015**



**CTRM Software**  
**House of the Year**





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## OpenLink

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The landscape for commodity trading and risk management (CTRM) software has changed dramatically in recent years. Regulatory and budgetary pressures have caused many commodity trading firms to revisit their risk management systems. Operational inefficiencies and long implementation times are no longer acceptable. CTRM systems must be robust, high-quality and cost-effective.

As a result of these demands, as well as technological advances, competition in the CTRM software sector has heated up. Many smaller vendors now offer relatively cheap cloud-based solutions, which involve software being hosted remotely on a server, leading to much shorter implementation times than traditional offerings. Recognising the changing demands of clients, US-based OpenLink – one of the more well-established CTRM vendors – responded last year by making radical changes to the way it sells and implements its systems.

After identifying the core functionality that most trading organisations seek in a CTRM package, OpenLink put this together as a delivery model to be used for baseline implementations. “The idea is to provide about 60–80% of the functionality a company is likely to require very quickly,” says Ken Knowles, executive vice president, product management. Under the previous system, a comparable implementation could take over a year, as functionality was identified by the customer and developed on a customised basis. Using OpenLink’s new delivery model, core functionality can now be implemented in as little as 12 weeks, says Knowles.

The new approach gives the vendor a better pitch to energy and commodity traders with less

formidable CTRM needs and correspondingly lower software budgets. So far, it seems to have worked well: OpenLink has won new business from several start-ups, including Austin-based logistics and trading company TrailStone.

The more traditional approach is still available for firms that are undergoing a thorough overhaul, or which require a lot of extra customisation early on. Most of those will be the large top-tier energy firms and commodity traders that have traditionally been OpenLink’s core clients. But even these clients are now looking at components of prepackaged solutions, says Knowles, and the packaged approach has been used for all of the vendor’s recent implementations in power and natural gas.

Another dramatic change has been the reversal of OpenLink’s policy not to partner with other software companies and to try to meet all client needs in-house. The vendor is

in data visualisation. OpenLink uses Tableau to enhance the visual perspective and dashboard of its analytics and risk management application, CubeIntelligence. “Tableau makes it quicker for users to turn information into better decisions,” Knowles says. In future, he expects that every new CubeIntelligence contract will include the data visualisation component.

Although it has been adapting to suit smaller firms, OpenLink hasn’t neglected its core market of larger energy companies. In the past 18 months, it has continued to build on its success among such firms. That includes winning what it believes to be the biggest energy trading and risk management deal of 2014, with a contract to roll out its flagship Endur software to the North American gas and power team of an oil and gas major.

Elsewhere, OpenLink was asked to carry out a major front- to back-office upgrade for another large oil and gas



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Ken Knowles, OpenLink

now partnered with 30 firms around the world – a move that was driven by the realisation that clients wanted access to a broader range of providers, says Knowles. “It was recognised that today’s complex global marketplace requires giving clients access to a wider ecosystem of consultants, technology providers and even software providers,” he says. “Rather than always building something ourselves, we now give clients access to best-of-breed solutions.”

One example is Seattle-based Tableau Software, which specialises

producer. The software operates across the entire value chain and covers all physical and operational



logistics in between, as well as trading activities. The upgrade resulted in multimillion-dollar savings in 2014, and is likely to result in significant yearly cost reductions going forward, the client says. ■