

ETRM Quick Check – unlocking the full potential of your system

You successfully implemented an ETRM system – where to go from here?

Initial reasons why utilities chose to buy and implement an ETRM system are as diverse as its requirements and scope. For instance, systems are implemented based on a need for reliable reporting, the demand to control risks or regulatory requirements or trading operations that have outgrown homemade systems and Excel tools.

The pure implementation itself represents a challenging and especially costly endeavour. But the journey should just begin. Because from now on, it is essential to leverage the high initial investment. Once initial requirements have been fulfilled, significant additional benefits can be achieved with relatively minor further investments.

One system, many applications – get the most out of your investment system

Finally implemented, management decisions usually prioritize actions which brings the ETRM system in the first place. Other areas are left out to stay focused and keep the overall complexity manageable.

However, ETRM systems are often more versatile and capable as originally planned. Therefore, once implemented it should not only fulfil initial requirements but also provides a platform for further benefits. Those are hidden and different for each organisation but can be located in various areas:

Consistent Input Data and Reporting:

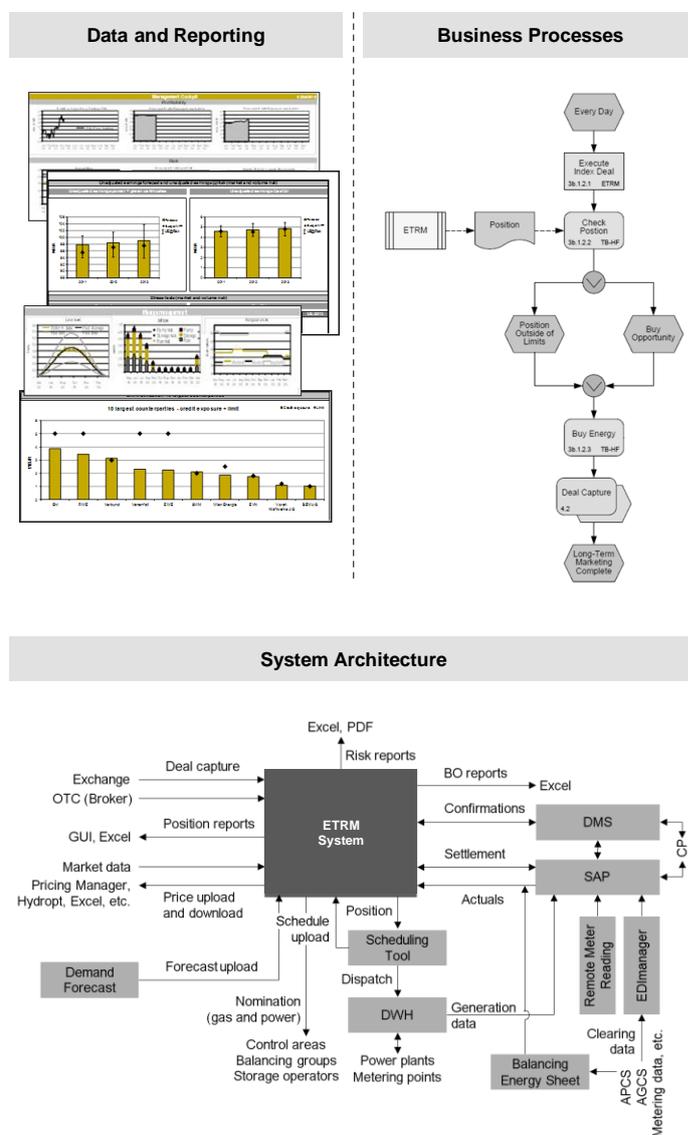
One “side-effect” of implementing an ETRM system is establishing a central repository of the core data of the trading business. This allows to combine and analyse data in new ways, which were not possible before. In addition, to be able to use the reporting options that an ETRM system offers, it needs to be ensured that all input data (e.g. prices) is correct and consistent. Even the most sophisticated models will yield incorrect results if the inputs are not valid.

Efficient Business Processes:

When first setting up an ETRM system, existing business processes are usually carried over and implemented as-is in the new system. However, once the ETRM system is set up, this often enables more efficient and stable processes, which can reduce costs and risk.

Streamlined System Architecture:

As organisations grow, so does their IT system landscape. As an ETRM system takes the central spot in the trading operations, this provides a starting point to not only streamline the architecture of the satellite systems but also connect further tools (e.g. optimisation, sales portfolio, etc.) to the ETRM system to achieve truly integrated, efficient and stable processes.



Become more successful with The Advisory House – a leading management consultancy to the European energy sector

The Advisory House offering: Quick check, long-lasting benefits system

The Advisory House helps you to uncover potential benefits and “low hanging fruits” based on our deep knowledge in the energy trading business as well as the IT side of ETRM systems. We bring in long project track records and “out of

the box” thinking with respect to established IT systems and business processes. Our offering starts with a “quick check” of your ETRM system landscape and related business processes whereof we propose promising measures to you.

From concept to implementation: Support from A to Z

In a next step The Advisory House can provide “full service” consulting support for any measures you decide to implement in order to achieve tangible and measurable business benefits. Our support ranges from developing business concepts (e.g. a risk controlling framework,

optimisation model or sales strategy), analysing and aligning business processes and organisational structure, to the technical implementation at the end. This includes detailed requirements analysis, solution design, implementation support, project management and quality assurance.

Our expertise and services

We support major European energy companies in mastering their management challenges and demanding transformation processes. Our consultants possess outstanding know-how at all stages of the value chain in the energy industry. Our 50 consultants operate out of four locations across Europe. We focus 100% on the energy industry. Our unique offering to our clients combines business and technical consulting.

We stand for comprehensive solutions and provide the full set of consulting capabilities needed to implement them. Our services range from Strategy & Business Models, Processes & Organisation, M&A, Finance & Controlling to Technology and Transformation Management. The reason being that the real challenges are never one-dimensional, and business models are ineffective without financial controlling. And successful transformations also require expertise in processes and organisation.

Technology

We develop tailored IT strategies, conceive, design and implement integrated management systems, energy data management systems, energy trading and risk management systems, data warehousing & reporting databases and implement measures to meet legal IT unbundling requirements.

Transformation Management

We support clients in defining change processes, performing stakeholder analyses, change management planning and supervision, change agent networking, communication strategy planning and execution, and measuring success.

Strategy & Business Models

We support clients in developing innovative and sustainable strategies, functional and cross-sectional strategies, support in their implementation and defining control variables.

Processes & Organisation

We support clients in benchmarking, identifying improvement potentials (efficiency and effectiveness), calculating process costs and identifying savings potentials, identifying outsourcing potentials and assessing shared service companies.

Mergers & Acquisitions

We support clients in executing buy-side and sell-side M&A processes (pre-deal, deal and post-deal), financial assessment of target companies, in cooperation with partners, supervising the post-merger integration and ensuring the smooth transition to a new structure and culture.

Finance & Controlling

We support clients in developing controlling models for strategic and operations management of companies and divisions, developing risk management structures, aligning value flows with their strategy and business models, financial assessment of investment targets and financing strategies.