



quorum



Reduce Risk and Streamline Operations Through Market- Driven, Actionable Insights

Business Challenge

In today's challenging economic climate, energy companies must find opportunities to increase efficiency and streamline operations in order to compete under increasingly volatile market conditions. To survive, and even grow, organizations with exposure to energy commodities need cost-effective tools for managing all aspects of their energy commodity operations. Consider the following real-world example of how Quorum is helping one mid-sized gas marketer manage its front-to-back office gas marketing operations.

In-House Tools Limit Growth

A mid-sized gas marketer was concerned that the energy trading and risk management tools it had developed in-house were limiting the company's ability to grow. Moreover, the company worried that its existing infrastructure would not be able to effectively manage operations as it grew or entered new markets, resulting in costly errors or improper exposure to market risks.

The company was using a combination of homegrown databases for its price repository; spreadsheets for managing trade history, position reporting, and credit exposures; and a word processing application to create documents such as confirmation and invoice templates. Although these tools had served them well for years, business growth and increasing demands from third parties, such as creditors and regulators, necessitated a change.

The company needed a solution to manage its operations from contract administration and deal capture through settlement and invoicing. After a long research and selection process, the company found that many energy trading and risk management systems could provide the required functionality, but only Quorum provided front-to-back office gas marketing operations at a reasonable cost.

Solution

The company decided to replace its legacy systems with Quorum in order to gain control over operations and better position the business for growth. In particular, the company leveraged Quorum software to:

- ▶ Improve controls over sensitive information
- ▶ Increase operational efficiency by enabling employees
- ▶ Better predict and respond to margin calls and other credit events
- ▶ Ease coordination between business functions
- ▶ Quickly and easily extract data and create custom reports
- ▶ Increase system flexibility to facilitate entering new markets or executing new deal structures
- ▶ Automate repetitive manual tasks
- ▶ Consolidate and improve its position and risk reporting

In short, the company needed a cost-effective solution to help manage their front-to-back office gas marketing operations. And with Quorum, the company benefited from a full-featured, cost-effective energy trading and risk management solution.



Implementing a Single Tool

Quorum worked with the mid-sized gas marketer to define its preferred deployment model and to facilitate the collection of its base trading data. Quorum provided templates to allow the company to quickly capture the data necessary to model its positions, including: internal companies, counterparties, brokers, internal and external contacts, trading markets, meters, indices, and more.

Once the initial data was collected, Quorum assisted with loading positions and configuring the interfaces to the company's market data sources and online trading exchanges. Once the positions and market data were captured, Quorum helped reconcile the company's positions and P&L reporting between Quorum and all the legacy tools. After the reconciliation process, the front office group was first to begin using Quorum.

Then, Quorum worked with the mid- and back-office groups to configure the system to support downstream processes including: confirmations, risk analysis, scheduling, credit management, and invoicing/settlement.

The project plan called for the development of dozens of custom reports including invoice and confirmation templates. Quorum trained users on the software's integrated reporting, empowering them to create the majority of reports on their own. In fact, the company's users were able to develop most of their own custom reports and build new reports without assistance. And to further simplify reporting, Quorum's built-in position reporting provided through standard screens and reports the information that had once required extensive external reporting.

In a fraction of the time and cost to deploy competitive solutions, Quorum replaced the company's obsolete systems with a single tool for managing energy commodity operations.

Learn More

For additional information about Quorum or to request a demo, please contact your Quorum Sales consultant or visit qbsol.com.

About Quorum

Quorum makes innovative software for hydrocarbon and energy business management. Our platform of integrated solutions is designed with deep industry expertise using next-generation technology. It delivers advanced functionality, improved efficiency, and enhanced regulatory compliance. And it is proven to maximize profit throughout the energy value chain to drive customer success.

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Benefits Above and Beyond

By replacing its homegrown systems with Quorum, the company gained more control over its operations, increased employee productivity, and better positioned itself to capitalize on future opportunities for growth. Quorum helped improve operational control through integrated security, audit trails, process automation, and more. For example, users no longer compete for access to shared spreadsheets or other data. With Quorum, users can access the data they need, right when they need it. Moreover, the company was able lower compliance costs by removing the need for validation processes previously designed and implemented to manage risks now natively addressed by Quorum.

Quorum helped the company increase productivity by introducing automation such as interfaces to brokers, ICE, and more, which resulted in higher employee efficiency and fewer data processing errors. In addition, the integrated nature of Quorum improved the staff's ability to coordinate within and across business functions, including better coordination around credit exposures and margining requirements.

Using Quorum even enhanced the company's image. By providing a more professional look to documents like confirmations and invoices and by enabling the company to be better informed during discussions, Quorum software helped improve how counterparties and other market participants viewed the company.

According to the company, Quorum exceeded expectations and has allowed it to focus on growing operations instead of managing systems. As a result, the company's margins have improved and its management team is more at ease.