Aspect

E/CTRM Buyers Guide:
10 Things You Should Know Before Buying
A Commodity Trading & Risk System

moreinfo@aspectenterprise.com

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What Kind Of Savings & Deployment Timeline
Can You Expect When You Choose SaaS?
See Our Bonus Analysis On Page 7 Using A Real Example From Aspect Client Concord

Don't buy ANY Trading and Risk Management Until You've Read This 10-Point Guide

In these tough times there's no doubt that managing risk within your organization should be a top priority. The costs of failing to manage and control risks are high, but the right Trading and Risk Management system configured in the right way can have a positive impact on profits, reduce cost of capital, reduce business volatility and improve the effectiveness of your trading operations world wide]. Implementing a new CTRM system can be an expensive and time consuming operation so it's essential to make sure the solution you choose will suit your company's needs, now and in the future.

Before you commit to buying any ETRM/CTRM solution you should consider the following points:

1. Hardware Vs. Soware-as-a-Service (SaaS)
2. Speed Of Implementation
3. Integration
4. Customization
5. Affordability
6. Access
7. Security
8. Protection Against Loss
9. Project Management
10. Scalability

Aspect is the leading global provider of cloud commodity trading, risk management and data management applications for front, middle and back-office professionals. It's the only platform delivered Software-as-a-Service (SaaS) in the cloud which enables rapid deployment, controlled costs and immediate ROI. Our trusted solutions support over USD $10Bn in transactions daily. AspectCTRM is Aspect's flagship commodity trading and risk management application relied on by trading companies globally.

1. Hardware Vs Software-as-a-Service

There are a variety of deployment options for ETRM software solutions to suit the varied needs of users and administrators. Traditionally these systems would be hosted on your own premises and your own servers would be managed directly by your IT team and usually come with a range of installation options depending on different capacity requirements. In this case the client maintains

complete control of the system along with the responsibility for keeping it running and can make their own updates to the setup. These updates may be made when you decide rather than running to a scheduled update cycle.

More recently, with great improvements in security and internet speed and availability, the Software-as-a-Service (SaaS) model has emerged. In this case the ETRM provider hosts its applications at its own premises and provides system administration, maintenance, and monitoring. This option is extremely quick to deploy: a new company can go on-line at any moment with a number of applications; and it can take as little as a matter of weeks to configure and deploy a complete ETRM system for a new client.

Obvious benefits of the SaaS model include the cost savings to be made as there is no need to buy and maintain expensive hardware along with the specialist IT resources to ensure it stays operational 24/7. The system is accessed via the internet which allows greater flexibility and all that's required is an internet connection and login details. As maintenance is taken care of by the provider the pressure on your own IT resources is reduced or completely eliminated, and system updates and improvements can be pushed out to all users simultaneously. Ideally, your ETRM provider offers a choice of traditional or SaaS deployment models but this is rarely the case.

2. Speed of Implementation

Whatever your reason for implementing a new ETRM system, once the decision has been made you will want to start profiting from the change as soon as possible.

Employing a new ETRM system is a significant project in terms of planning and deployment but how long are you prepared to wait to see results?

An important factor here may be whether you opt for a self hosted system that may require the purchase and setup of new hardware, or a SaaS system mentioned above.
SaaS deployment can significantly reduce the time it takes to get your new ETRM system operational, and allows the flexibility to add modules over time to build a complete enterprise solution as your requirements develop.

3. Integration

The process of managing your company's risk can span from front through middle to back office operations. Finding a solution that can handle all of these aspects from trade capture, to risk analysis right through to billing, and even some that integrate directly with market data portals to provide real time market information, can save a great deal of time and money. Independent spreadsheets can prove unreliable and complicated and often involve duplication of effort, the flow of work can be interrupted and costly mistakes are almost inevitable. Recent research shows that as many as 70% of operational spreadsheets contain significant errors.

If, like many companies, you already have a trading and risk management system in place and a complete overhaul of systems across numerous departments is too big a task, you will need to make sure the new system you choose is able to integrate with existing legacy systems to cause minimal disruption. Does the new system allow you to access the real-time and historic market data your traders rely on, or will you need to consider a new data platform too?

If you have legacy systems currently in place, can your new solution be integrated with them? How do you manage market data? Can you see all the information you need in one place?

4. Customization

Will you buy an 'out of the box' solution, or consider a system that can be configured to deliver exactly what you need?
With speed of implementation a consideration in the purchasing process it may seem more tempting to settle for an 'off the peg' system to get up and running as quickly as possible. In the short term this may work better for you and you may see results quickly, but there are alternative systems that can be configured to meet your exact requirements in very little time. With a pre-defined solution you risk paying for functionality you don't really need, or missing out on useful reporting capabilities for example, when you could get exactly what you want for relatively little expense.
An individually configured system may ensure greater user adoption and prove more cost effective in the long term, and with proper project planning and management this needn't be a painful process.

Clearly, the ideal is to have a system that is fully functional out-of-the-box and that has the ability to be configured and reconfigured to match the changing needs of the business and the markets it serves.

5. Affordability

The most important thing to remember is that the cost of the software is not the total cost of the solution, hardware costs, the cost of specialist IT resources and the cost of doing any configuration or customization, for example, are part of the initial and ongoing costs. Many companies work out the total cost of ownership over a 3 or 5-year period to ensure each solution can be compared. Again, SaaS solutions tend to be most cost effective because there's no attendant hardware, IT and maintenance costs plus the fact that these systems tend to use the latest technologies that allow very rapid implementation thus saving further costs.

6. Access

Web access, anytime, anywhere – do you need to be at your desk to access your info? A number of ETRM solutions and market data platforms require users to access them via dedicated terminals at their desks. There are also systems that offer more flexible access options. Those that are web-based allow you to login to the system and access your data from wherever you are, whether you're in your office, at home or on the road. Mobile devices are now standard issue in many companies and many users find the convenience of mobile access a must in today's fast moving world.

7. Security

Increased ease of access doesn't need to mean reduced security. Ensuring the safety and security of your data is vital and the processes put in place to protect this information need to be solid. Maintaining the system on your own hardware means you can monitor access and activity, although opting for a web-based system doesn't necessarily mean you can't maintain the same levels of control and security.

Access to these systems is usually controlled by passwords, additional access controls may also be employed to manage the level of access. Some systems offer role-based access, allowing users different levels of authority to make changes within the

system. This ensures that only authorized users can make changes and updates and have access to certain data. With this type of secure access, it is also possible to keep detailed audit records of modifications and significant events.

8. Protection Against Loss

Will you host the system on your own servers? Trading data and trading and risk systems are mission critical and it's important to ensure you have the right hardware, systems environment and disaster recovery capabilities to ensure there is no long-term effects on the business. You can be sure that any system will fail eventually - even NASA's systems have problems – so you must ensure you are ready to recover in a timely manner.

Again, SaaS providers are expert in preventing failure and in ensuring minimum downtime in the event of a failure.
What are your disaster recovery provisions – how do these compare with the best!

9. Project Management

Your chosen vendor's ability to provide effective project management and support to all areas of the implementation process is critical. They must be able to understand the full range of issues and challenges facing your business and how their solution will fit into the organization. The most important areas to consider are:

o   Processes – your software vendor must be sympathetic to the processes you are trying to implement and support through a new system. Many projects have failed because software vendors – and their clients – have tried to force a system in without addressing, and if necessary adapting the processes that the system is supposed to support.

o   Tools – your vendor must have a sufficient number of application experts available within the timescale of your implementation. Understand that software vendors generally do not carry large numbers of 'benched' consultants, ready to be mobilized for a project at a few days notice. Make sure application experts will be available though, and give your vendor time to mobilize properly.

o   Data – chances are you have a huge amount of data sitting in spreadsheets and legacy systems, needing to be converted and uploaded to the new system. Your vendor should support you in this, and be able to provide both system upload capability in the form of easy-to-use interfaces, and data management expertise from within his consultancy team. Be careful though – don't expect your vendor to become an instant expert in the data residing in your own systems. Make sure you provide a data expert from within your own organization for your vendor to work with.

o   Organization – for all of this to work together the vendor and their project managers must be sensitive to your organization's goals and requirements. They must also be aware (or made aware) of your organizational sensitivities. To quote Niccolo Machiavelli:

"There is nothing more difficult to plan, more doubtful of success, more dangerous to manage than the creation of a new system. The innovator has the enmity of all who profit by the preservation of the old system and only lukewarm defenders by those who would gain by the new system."

10. Scalability

Your organization may only require basic ETRM functionality right now, perhaps just front office trade capture and position keeping. But as your business develops will your ETRM solution grow with you? Does your chosen solution integrate with your market data platforms, and how can it be expanded to include full risk and operations management? And back office staff will need to be in the loop too. Some TRM providers offer complete, fully integrated front, middle through back office solutions – that means complete end-to-end trade management which bridges gaps and connects departments to enhance planning and expand intelligence.

Request More Information About Aspect at moreinfo@aspectenterprise.com. For a demo of AspectCTRM visit the AspectCTRM area of our website.

Bonus Analysis On Total-Cost Of Ownership
And Deployment Speed

Why Cloud CTRM?

Concord Energy Pte Ltd is a valued new client of Aspect. Concord Energy is one of Singapore's leading independent Oil trading companies with interests in oil infrastructure stretching from the Middle East to the Far East and South East Asia. This illustration shows a timeline for Concord's deployment of AspectCTRM. Unlike traditional software vendors, which require the client to purchase and maintain hardware and software, AspectCTRM is fully Web-based in the Cloud, with no software or hardware. The solution is securely maintained by Aspect Specialists. Aspect's deployment time is measured in weeks and months, rather than years. And the cost structure and total cost of ownership are unprecedented with fees in the thousands rather than millions due to its proven Cloud technology.

AspectCTRM Software-as-a-Service (SaaS) In The Cloud

Aspect Timeline

SEPT 2012	DEC 2012	JAN 2013	FEB 2013	MAR 4, 2013	MAR 27, 2013	APR 1, 2013
Concord meets with Aspect.	Everyone enjoys the holidays.	Scenarios are modeled in AspectCTRM to show proof of concept.	Concord inks the deal for AspectCTRM.	Lightning fast deployment begins.	Implementation completed in just 3 weeks and 2 days.	Concord's Risk Manager runs end-of-year reports successfully, and all users are onboard.

Costs In The Cloud

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License & Implementation	Fees Charged
Maintenance	No Fees / Managed by Aspect
Hardware	None / No Fees
Software	None / No Fees
Disaster Recovery	No Fees / Managed by Aspect
Client-Staffed IT Support	Not Required
Total Cost	**Significantly Less Than Traditional Software**

Key Points:

Concord replaced its existing system, which was from a competing vendor with traditional software and associated costs. Concord chose AspectCTRM after recommendations from users at Singapore-based energy supplier Chemoil and Japanese trading firm Mitsubishi, both Aspect clients. The benefits of the change very soon became apparent:

• Cloud solution implemented in three weeks and two days – one day ahead of schedule.

• No additional hardware, software or in-house IT expertise needed.

• Risk manager and users delighted at functionality and accuracy of Aspect.

• Aspect Total-Cost-Of-Ownership (TCO) around a third of the price of displaced competitive solution.

Aspect ⊛

Intelligent Trade In The Cloud

Contact Aspect at moreinfo@aspectenterprise.com
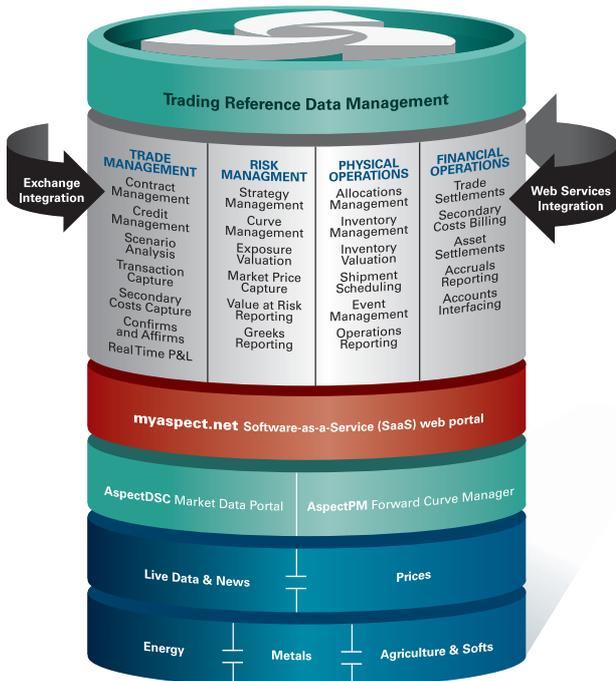
About Aspect

Aspect delivers the world's leading multi-commodity market data, trading, risk and physical operations management enterprise fully delivered Software-as-a-Service (SaaS) in the cloud. Its rich functionality, competitive advantages and Web-based benefits are proven winners used by more than 500 organizations and thousands of users in over 90 countries globally. AspectDSC is the Decision Support Center for traders with real-time and historical commodities news, spot and futures prices, and analytical charting tools on desktop, tablet and mobile devices. AspectCTRM is used for trade, risk and operations management.