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## **SunGard Energy Rolls Out Entegrate**

*By Gary M. Vasey, Ph.D.  
Vice President, Trading & Risk Management*

As an analyst, I often get asked to look over various software offerings so it was no particular surprise when SunGard Energy (a UtiliPoint<sup>®</sup> client) invited me to their Houston office for a demonstration of its new Entegrate platform. Since the announcement of its Entegrate strategy, which is designed to bring all of its existing product functionality together on a single platform, there have been both detractors and doubters over SunGard's ability to actually deliver it. After all, it's a tall order to create an entirely new energy trading, transaction and risk management platform especially when industry requirements are as volatile as they are in the energy industry.

SunGard's task is even more complex since it not only has to develop a new platform but progressively move functionality from each of its existing software products (which include, for example, Zai\*Net, Nucleus, ACES, the Altra and TransEnergy software suites as well as others) to the new platform in such a manner as to convince its current installed base to migrate. SunGard's Entegrate platform strategy comprises of a multi-year project as a result. However, for SunGard Energy to remain a key vendor in the ETRM software space and so as to preserve its installed base, it is a strategy that must succeed.

As SunGard has worked on building out the platform its competitors also had the luxury of improving their software products and, for SunGard, Entegrate's successful delivery is indeed critical. That is why the company has now embarked on its "Entegrate Roadshow" to unveil the software to its current installed base and important prospects across North America. Based on the demonstration of Entegrate's current natural gas functionality that I observed, SunGard Energy is back at the top of its game with Entegrate.

## **Impressions of Entegrate**

The Entegrate platform has been designed with the benefit of the experience of building and supporting a large number of software products in the company's current portfolio. Additionally, it has been developed with the aid of several key customers hands on assistance. As a new platform, the company has also been able to take advantage of more modern architectures and technologies putting it on a par with a number of competing platforms in the space.

Over the last 18-24 months, several ETRM software vendors have introduced new platforms and architectures that offer users improved flexibility, scalability and connectivity. Many of these new platforms utilize Microsoft's .Net platform and web services. Allegro Development, SoftSmiths, Triple Point Technologies and KWI have all moved towards Net and more componentized architectures to some degree. In UtiliPoint's<sup>®</sup> opinion, such architectures provide at least a partial solution to the most pressing issues faced by energy trading firms, that of integration. A recent study by UtiliPoint<sup>®</sup> of North American power marketers found that on average, between 8 and 12 separate software packages were used to support their trading, transaction and risk management activities. Further, these applications were poorly integrated with more than half of the study respondents utilizing manual interfaces between systems. In an era of Sarbanes-Oxley and rapidly moving markets, integration is the key to success.

Entegrate utilizes a JAVA Swing client, N-tier architecture with re-usable objects and an Oracle database back end. It has been designed to be highly configurable and flexible making full use of personalization features that allow users to set up their own versions of screens, change labels on screens, re-arrange fields, add custom fields and utilize defaults for ease of use. Additionally, the product harks back to the heady days of competition between Altra and TransEnergy with complete right mouse click functionality to provide work flow logic and easier navigation. Deal capture screens are intuitive and flexible, scheduling screens are based on a supply to market concept familiar to schedulers and it has flexible reporting and pivot table functionality. By virtue of being built on a modern architecture, it readily incorporates many newer requirements such as audit trailing capabilities, flexible security and work flow controls.

SunGard additionally reports some early success in migrating users to the new platform. For example, it recently announced that Louis Dreyfus Energy Services had successfully implemented Entegrate to support its natural gas operations in just three months. Louis Dreyfus Energy Services will now extend its use of the platform for deal capture for all commodities according the news release. The measure of success of the Entegrate platform will be SunGard's ability to repeat this performance across a large proportion of its installed base.

## **The Future**

Entegrate firmly re-establishes SunGard Energy as one of the top vendors in the ETRM software space. By focusing on architecture and its inherent abilities to provide configurability, ease of use, scalability and connectivity, SunGard has positioned itself amongst the leading vendors in the space. Additionally, the company's size, experience and presence in the industry provide it with true pedigree. However, the migration of functionality from its existing product set is not yet complete and will take several more years to complete. In that regard, there is still an element of risk associated with the overall strategy but, according to Matt Mandalinci, President of SunGard Energy, each planned release of Entegrate has so far been delivered on time and, now that the platform has been completed, migrating new functionality can occur faster and with less associated risk. In addition, SunGard has used its current clients to maximum effect in terms of testing the platform and its functionality accepting suggestions for improvements from users in the process.

## **Competition**

UtiliPoint's<sup>®</sup> view is that there will ultimately be just a small handful of providers of fully functional ETRM software and a larger number of niche, regional vendors. This process has continued over the last several months with continued merger and acquisition activity between existing vendors and will likely continue over the coming months. Entegrate can provide SunGard with the platform to be one of those surviving ETRM vendors. Its competition is likely to come from leading vendors such as Allegro Development, OpenLink Financial, Global Energy Decisions and Siemen's New Energy Associates, amongst others.

Meanwhile, while Entegrate has been designed as a global platform, its current delivered functionality does not include all of the European functionality of the company's existing products. As a result, SunGard will continue to market its Zai\*Net software product in the near future along with the new ETM (Energy Transaction Management) software that specifically addresses European gas operations. Indeed, SunGard will continue to market Zai\*Net in all global markets including North America even as it rolls out Entegrate.

## **Summary**

The Entegrate platform consolidates SunGard Energy's position as a primary provider of ETRM software solutions and provides a modern platform on which to both migrate functionality from its existing products as well as add new functionality to keep pace with market requirement changes. In terms of its architecture, SunGard has caught and in some instances, surpassed its competition. Now its challenge is to continue to deliver the breadth of functionality that its existing software products provide and to continue to deliver to the strategy that it has laid out. For buyers, this is good news since it increases competition between vendors and spurs each of them to greater achievements. It creates an environment where there is choice between viable, modern and extremely configurable platforms.

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