

End-to-end CXL Solution Package Significantly Reduces Cost of Development & Facilitates Better Decision Making



SITUATION

The customer had procured the source code and implemented a leading Commodity Trading and Risk Management solution called Commodity XL but was managing the product in-house without any support by vendor.

IMPACT

The need was to either build development resources in-house that would take up a lot of time or procure development services from a third party vendor, which would be limited and costly.

RESOLUTION

ITC Infotech's strong techno-functional expert team offered to manage, support, and maintain the code base, develop new features, customize the product and manage redundancy.

The Customer

The customer is a leading energy commodities trading company that markets physical commodities including energy solutions, coal, crude oils, freight, fuel oils, iron ores, natural gases, natural gas liquids, petrochemicals, electric power, refined products, upstream energy products and financial instruments. The customer also offers ownership, operations and development of commodities-related upstream and infrastructure assets; and supplies its products to utilities and commercial end user customers both in the United States and across the globe.



The Need

Managing a CTRM product in-house without the support of a third party product vendor involved a lot of time, money and resources and deviated the customer from their main business offering. There was a need to obtain support from a dedicated Services/Solutions provider to maintain the product's code base, develop new features, customize the product and manage redundancy.

The Solution

ITC Infotech partnered with the customer to address their core business needs and provided the following as part of the solution offering:

Code Base Management: The customer had purchased the source code and was trying to manage the product by using in-house resources that involved a lot of time, technological capabilities, money and human resources. This ultimately resulted in exceeding the budget and to quicken the process, optimize various resources and speed up the system, process gaps were removed by adding and removing different codes.

Support Services: For a successful trading experience it is necessary that the CTRM system be maintained properly. ITC Infotech ensured that the whole system and the surrounding environment managing the system were in sync with each other. To enable this, we carried out the following enhancements:

Enhancement 1 – To run the EOD (End of Day) process in CXL, there are three main criteria that need to be populated manually – Process groups, Market data snapshot and Strategy to run the EOD. EOD being the main process, there are several sub processes that need to be selected to run the process as per the requirement. There was a bug in one of the sub processes where the Mark curve COB if selected was running the EOD for all the process groups that existed in the CTRM system, rather than running only for the process group selected in the criteria. This major bug was removed so that the system would only run for a selected process group and this ultimately resulted in speeding up the whole EOD process.

Enhancement 2 – An EOD process typically takes several long hours to generate the final data but trading companies might require some data in a short duration to compare it with the previous EOD results to know whether their anticipation on their positions is in line with their expectations and plan. To generate a primary set of data in a short duration, we designed the "FLASH EOD" to enable the customer to generate an End of day Revaluation (a sub-process) in a very short duration (60 minutes approximately) and compare it with the previous End of day Revaluation result in just 60 minutes after the start of the EOD process instead of waiting for almost half a day to generate the data for comparison.

Enhancement 3 – Customization has become the winning element in the selling business. Users nowadays require tailor-made products as well as continuous customization during the lifetime of the product. Time being one of the most important elements, trading companies always welcome enhancements that reduce time consumption. There might be some discrepancies in the position of a certain trade but the management may want to view the EOD result for just a particular trade number. Our experts

designed criteria where the management could view the result of an individual trade instead of running the entire EOD process for all the process groups or strategies. This not only reduced time consumption in generating the EOD result but also reduced human effort and load.

Enhancement 4 – Customization in the field of storage valuation was yet another enhancement where the customer was allowed to use different conversion rates for converting one unit of measure to the other for a particular commodity class apart from the base conversion rate stored in the CXL system. Typically, there could be scenarios where buying and selling happens in two different units of measure for the same commodity so a trading firm might require to convert the commodity based on the current specific gravity or API index. This led to a flexibility where the customer was able to choose different conversion factors as per business requirements.

Business Benefits

- Significant savings in resources – time, money and human resources – owing to a comprehensive outsourced support services model
- Significant reduction in cost of development owing to cost-effective solution with offshore based support
- End-to-end solution package to help manage the system and tackle issues quickly
- Better decision making owing to successful management of a large amount data
- Brake-free business process owing to quick removal of process gaps leading to a smooth trading experience
- Reduced lead time in running the normal course of business owing to comprehensive user training
- Ease of entry into different service lines to create new products built around Commodity XL

ITC Infotech's IT Solutions Practice For CTRM

The Commodity Trading and Risk Management (CTRM) domain at ITC Infotech recognizes technological innovation and sophistication as the only the beginning. Our value proposition comprises of strong domain expertise with deep knowledge on all the asset classes in the commodity trading industry and expertise in top CTRM products along with the capabilities to build strong value-added solutions around CTRM systems, which is important for being a value generator in this business.

Our combination of Global delivery capabilities and robust offshore delivery infrastructure promises a best in class quality service to the client. Our emphasis on client focus drives us to identify the pain areas of our customer and provide best delivery experience which makes us a customer centric and customer friendly organization.

For more information, please write to:

contact.us@itcinfotech.com

www.itcinfotech.com