

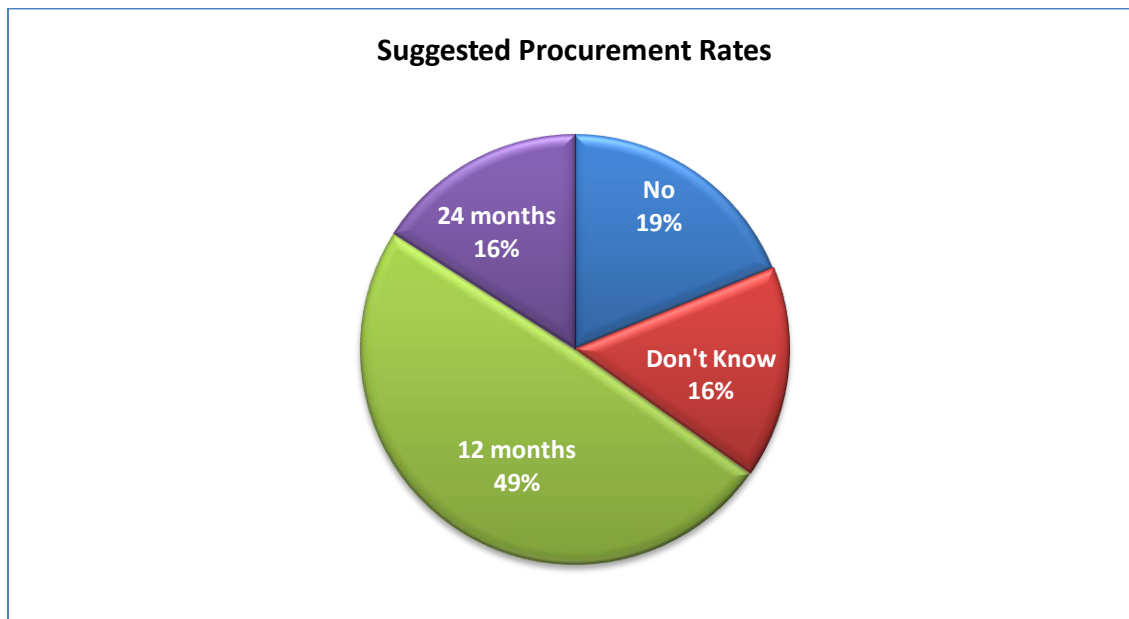
An Interview with Mr. Austin Morris, Managing Partner, SunGard Global Services

Recently, CommodityPoint published its research report “Commodity Trading and Risk Management Consultants & Systems Integrators in Trading & Risk Management Market Research and Report, Part One – North America¹” which looked at the consulting and systems integration landscape as it relates specifically to E/CTRM software in North America. One sponsor of that study was SunGard Global Services and we recently discussed some of the report’s findings with Mr. Austin Morris, Global Managing Partner, Energy at SunGard Global services.

High Demand for Services

The study indicated a high-level of demand for services around E/CTRM software with some 65% of the respondents saying they would procure services in the next 12-24 months. “People don’t do these projects every day,” said Mr. Morris, “They are looking for someone who has done it before especially in more complex situations like electric power and/or multi-commodity or global implementations.”

Figure 1: Suggested Future Procurement Rates for Services



¹ Available as a free download from www.ctrmblog.com and www.utilipoint.com

He sees the global macroeconomic picture changing and driving more evaluations of E/CTRM software. “Regulatory change is driving a lot of this behavior while we also see a trend towards building information management solutions where clients have multiple E/CTRM solutions installed and need to pull together a consolidated view of risk. Additionally, a lot of companies are upgrading legacy solutions that are perhaps 10-12 years old already. They are also taking the chance to improve their business processes so that they can use the E/CTRM software to more effectively support their business as opposed to using it only as an ‘after the fact’ accounting system.”

In Petrochemicals and also the Commercial and Industrial segments of the industry, he is seeing companies struggling with volatility of supply costs and an inability to pass those costs on to the consumer. This is resulting in the need to hedge and effectively manage their complex logistics and therefore to look at E/CTRM software solutions. However, Mr. Morris warned that these companies also need to carefully evaluate their processes and assess the risks of potentially qualifying as a swap dealer under Dodd-Frank definitions and regulations. Finally, he also sees a lot of emerging market demand where nationalized and government owned entities are also trying to become more aggressive in the market.

Competitive Landscapes

The survey also showed that the E/CTRM vendors are also often looked upon as suppliers of services and Mr. Morris commented that “this is an interesting dynamic in that we do often compete with the vendors for services. However, the reality is that the integrators and consultants are able to offer broader value-added solutions that the software vendors don’t focus on; integrators and consultants are exceptionally good at providing these,” he said, “particularly in multi-step, multi-year projects.” These types of offerings branch into multi-system systems integration, business process management, information management, and a variety of other capabilities that are typically required when doing a large-scale system replacement.

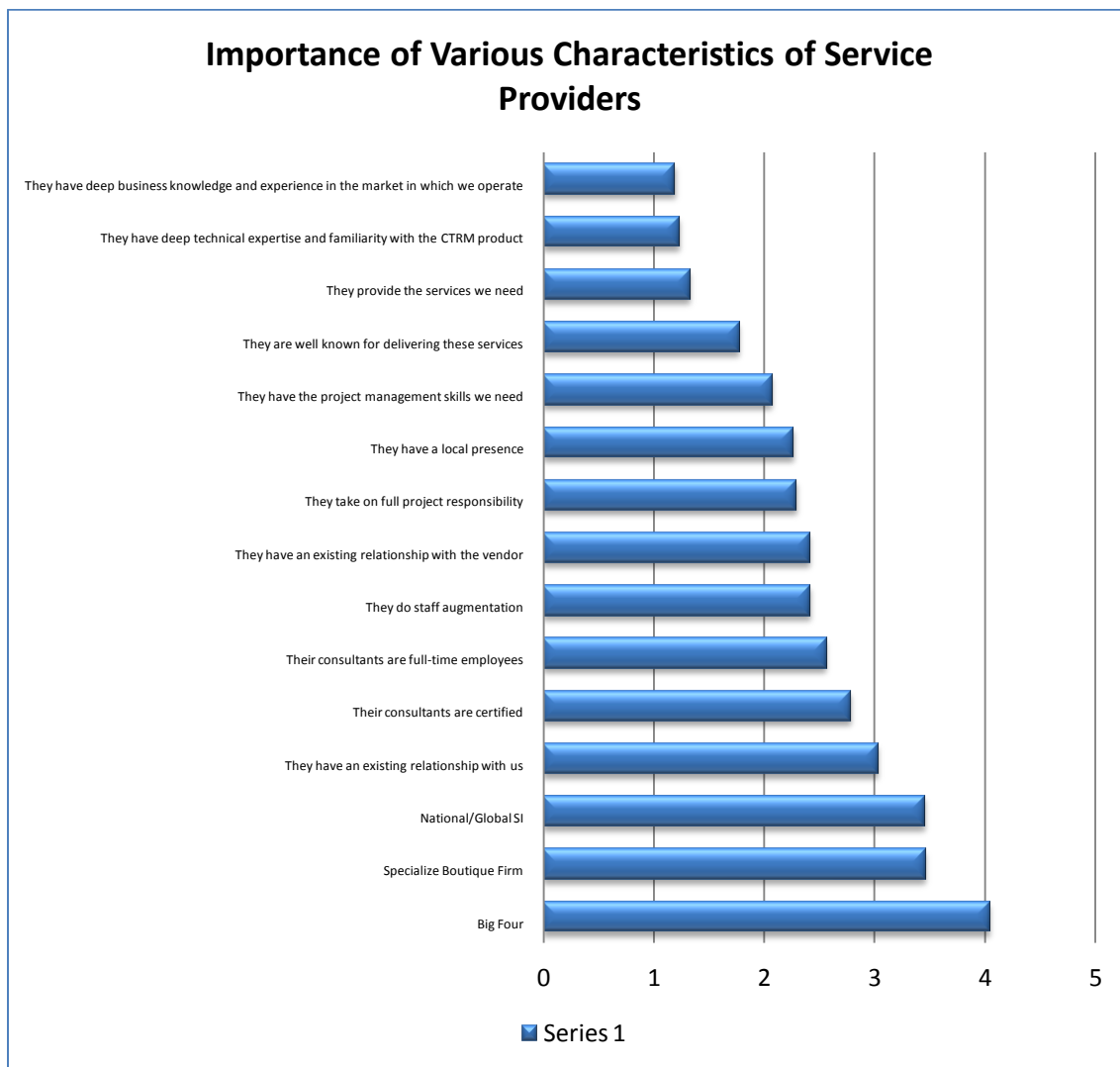
Mr. Morris continued by reinforcing SunGard Global Services’ deep domain expertise and strong drive towards providing managed services where they see a lot of interest in the market - particularly for those clients operating on multiple E/CTRM platforms. Managed services is the activity of providing level 1, 2 and/or 3 support and application management providing global teams to run and maintain those installed solutions.

Mr. Morris also sees SunGard Global Services as being well differentiated from other consulting firms in the space. “Our depth of expertise and specific focus on the space means that we believe we are stronger than many of our competitors.”

Bias?

The study also suggested that the idea often mooted in the industry that there may be perceived bias on the part of consulting and integration companies for particular vendors was not strongly accepted. Mr. Morris believes that “the client will hold the service provider accountable to make the right decisions and that means service providers should always make a recommendation to the client irrespective of the integrator’s bench or delivery capability. SunGard Global Services provides the data to support the recommendation and at the end of the day, it is still the client’s decision. In fact, we provide the empirical data to the client and our methodology and approach helps weigh the best fit for their business.”

Figure 2: What’s Important in a service Provider



On the selection process, SunGard Global Services utilize an RFP template which allows them to complete the project faster. The RFP template is edited to reflect the specific requirements of the client.

They also have a strong working knowledge of the vendor landscape that allows them to weed out noise from vendors that really don't qualify. Mr. Morris also pointed out that SunGard Global Services brings other documentation, templates and economic models to the table which can rapidly accelerate the overall process of selection citing an example of a four-week project to select a natural gas solution in which the RFP template already reflected some 70% of the client's requirements.

On the implementation side, Mr. Morris believes that SunGard Global Service's ability to bring strong global teams to bear on a project is a strength of the company along with their development of a set of repeatable processes they can use to streamline activities like data conversion, testing and so on. These represent best practices and help eliminate costly mistakes, he says.

Candidly, Mr. Morris admits that the SunGard name can sometimes impact the company because of a perception of bias with other parts of the company. There is no bias, he states firmly, and he believes that once clients take a long hard look at the service provider landscape and SunGard Global Services, they will agree that there aren't too many firms that can provide the expertise that they do. "We specialize in this area and we can go toe-to-toe with the competition in every geography or market."

About Mr. Austin Morris



Austin Morris is a Managing Partner with SunGard Global Services, responsible for the global energy and utilities business. He has over 20 years of experience in information technology and management consulting. Mr. Morris is experienced in developing and delivering solutions that provide significant business value such as developing custom solutions, integrating enterprise class systems, implementing and customizing packaged software products and leading business intelligence solution efforts. He also has business and technology experience in trading, marketing, risk management, operations, utilities, customer information systems and other areas within the energy industry. Mr. Morris has strong relationships with many large, integrated energy companies, utilities and financial services organizations that participate in commodities trading and frequently speaks at events around the country. He is often sought out by customers to provide advice on the strategies, technologies and processes that will best serve their operations.