

CTRM Briefing Note

Enuit Ilc

Entrade®Unite

April 2021

Overview

Enuit LLC provides energy and commodity transaction and risk management solutions, also known as ETRM/CTRM solutions worldwide and has recently moved into the Commodity Management (CM) software class with Entrade Unite. The company's products are designed to ensure complete visibility throughout the lifecycle of wholesale commodity transaction, and provide insights, control and risk management for producers, traders, merchants, consumers and marketers. Headquartered in Houston, Texas, USA, with offices located in Beijing, Shanghai, London, Singapore, Tokyo and India to provide local service and expertise within its primary market regions of North America and AsiaPac, and help expand its growing presence in Europe.

Having now grown to over 100 employees globally, Enuit is led by David Meyers, co-founder and president. Mr. Meyers has a depth of experience largely unmatched in today's CTRM vendor space, having previously founded Nucleus in 1998, a pioneer in the ETRM space. CEO and co-founder, Ken Han, also served with Mr. Meyers at Nucleus and has had the lead role in the initial architecting of the company's products.

Products

Enuit's initial product offering has been **Entrade®**, a commodity trading and risk management (CTRM) solution designed to service a large cross section of the global markets, from region-specific energy commodity producers to large multi-national, cross commodities trading companies. Entrade has been designed to address the full breadth of capabilities required by energy, metals, and agricultural companies. The solution has highly competitive capabilities in:

- Capturing and recording deals
- Scheduling physical commodity movements
- Tracking primary and secondary costs
- Monitoring inventory levels and costs
- Actualizing deal volumes
- Valuating deals
- Calculating settlement amounts
- Generating invoices
- Monitoring business and market risks
- Processing management
- Provision of critical reports and a data warehouse for all aspects of the business

Entrade has grown organically since its launch, with Enuit continuously adding additional capabilities to address client and prospect needs. With a foundation built around configurable workflows and flexible deal/trade structures, the company has been able to address a broad range of additional commodities as their clients expanded their use across geographies or industries. Currently, it's customers are using the product to manage oil, oil products, natural gas, NGLs, LNG, electricity/power, metals and concentrates across many of the largest markets in the world.

Recently the company has expanded Entrade with a broad set of additional capabilities, resulting in a new product/package, named **Unite**, that competes in the more broadly defined Commodity Management or CM markets. CM solutions are usually defined as having not only some of the trading/marketing and risk management capabilities found in traditional ETRM/CTRM, but also capabilities to manage processes that have historically been viewed as ERP and/or operationally focused.

These new deployed capabilities in Unite are focused in four areas:

1. Comprehensive tracking & management of material/stock movements
2. Improved capabilities to fully capture & manage transaction related documents (those that form the basis of many commodity markets)
3. Accounting enhancements to address complex and often non-standard settlement procedures
4. Enhanced counterparty/customer profiles to capture a greater diversity of data associated with each.

At a Glance

Enuit LLC

Founded:	2008
President:	David Meyers
CEO:	Ken Han
Headquarters:	Houston TX, USA
Offices:	London Singapore Tokyo Bengaluru Shanghai Beijing
Employees:	100+ (est.)
Website:	www.enuit.com
Products:	Entrade (CTRM) Unite (CM)

In all these enhancements/new capabilities are intended to address challenges along the supply chain normally only addressed “after the fact” within ERP solutions, including:

- A large diversity of transaction types, and counterparties involved in very long global supply chains
- An ability to capture & manage diverse events including stock movements (by any number of conveyances), transformations, assays, inventory transfers, optionality in receipt or delivery points, etc.
- Identification and valuation of supply chain risks
- Management of credit risks associated with a larger and more diverse set of suppliers and customers
- Tracking of costs and values along each supply chain leg and/or event
- Improvements in accounting close to accelerate cash flows and reduce overhead costs associated with complex commodity agreements

Though only recently made available, the company has reported several sales of the new solution.

Outlook and Analysis

Enuit has been a unique success story in the CTRM Markets. Having been initially built to service the US energy markets, the company has enjoyed significant recent successes in the Asian energy and commodities markets, where they have arguably developed a commanding market presence around a strong local presence, as well-illustrated by the most recent ComTech CTRM Vendor Perceptions Report. In that report, published in late 2020, Enuit was noted by survey respondents in the region to be the market leader across all commodity classes and capabilities surveyed. Additionally, Enuit was noted as the global leader in implementation success by respondents across all regions. The same report showed it to have good brand recognition in North America as well.

Enuit’s leadership team and co-founders, David Meyers and Ken Han, have arguably one of the longest track records of success and depth of understanding in ETRM and CTRM, with each bringing more than 30 years of experience in the market to their roles. Though their experience in the broader non-energy commodity markets is less, they have clearly been able to leverage their understanding of transaction management solutions to build and grow a product offering that has been increasingly adopted in the broader commodity space, including metals, ores, concentrates and most recently, agricultural commodities as well.

While Enuit has developed a good reputation for delivering and implementing products that meet much or all the needs of large segments of the marketplace, their accelerating success can also be attributed in part to the acquisition spree by ION in recent years. As many of Enuit’s direct competitors have become part of ION, the market has sought out alternative solutions and no doubt Enuit has benefited. As ION increases its own competitiveness, Enuit may face greater competition once again.

Enuit’s success in Asian and North American markets will need to be replicated in Europe if Enuit is to rise into the echelons of the most significant players in CTRM/CM. With an office in London and several new clients, a start has been made and the introduction of Unite will give them access to broader markets in the future served by a different group of competitors arguably led by SAP. Enuit’s move into commodity management, via their **Unite** offering, does appear to be a solid strategy as ComTech believes the market for vendor supplied solutions will continue to grow in the broader commodity production, transformation, logistics, consumption, and marketing space as companies seek to better manage costs and risks throughout the value chain. With the effects of the pandemic exposing weaknesses in the usually disparate and myriad systems many of these companies were using, ComTech is forecasting greater demand for unified solutions that can more tightly integrate with operational and logistics tracking software commonly used in the global commodities space.

About ComTech Analyst Briefing Notes

Commodity Technology Advisory (ComTech) is the leading analyst organization covering the Energy and Commodity Trading and Risk Management (E/CTRM) technology markets. We provide invaluable insights, backed by primary research and years of experience, into the issues and trends affecting both the users and providers of the applications and services that are crucial for success in markets constantly roiled by globalization, regulation and innovation.

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Disclosures: *At the time of this writing, Enuit is a customer of Commodity Technology Advisory and the company’s management cooperated in the preparation of this ComTech Analyst Briefing Note.*

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