



CASE STUDY

This client is one of the largest trading firms in Japan. Its LNG business unit trades and supplies LNG to the market to ensure the stable long-term supply of LNG/Natural gas. Our client aims to expand their LNG/Natural gas business leveraging their network of relationships with gas-producing countries and project partners globally.

Problem Definition

The client's energy business unit had been sharing a legacy third-party system over multiple oil and gas assets for many years. Due to the high cost of maintenance, inflexible structure, workaround solutions due to limitations and batch processes that take too long to execute, the client had been searching for a new Energy Trading Risk Management (ETRM) system to replace their legacy system and overcome these challenges.

Initially the client selected another ETRM vendor, however the implementation was unsuccessful which led to an even bigger issue as not only were the problems unresolved but now they had wasted time and money with a failed solution. Fortunately, our client's Trading Arm had engaged with Enuit previously and introductions were made.

One of the unique challenges was the complexity of LNG price modeling and our client's physical valuation modeling. They had modeled their own physical valuation which was highly detailed and complex for the proper understanding of their risks. Whilst their Trading Arm had already chosen Enuit as their choice of ETRM vendor, these additional requirements were a challenge that the client's business unit needed to examine thoroughly, in order to ensure ENTRADE®S functionalities would meet the scope.

Why Entrade

ENTRADE® appealed to our client's business unit not just because of the successful implementation at their Trading Arm but also because ENTRADE® had:

- Market curve functionalities and formula pricing that could accommodate their LNG business's highest point of complexity coming from its LNG's value projection based on multiple commodity assets from staggered months
- Flexible pivot reporting that exactly suited their requirements to have several views which could be created on-the-fly by the risk management team
- Position exposure analysis that could go as detailed as needed for each market curve component. The position reflects the change in conjunction with matching module
- Right type of bucketing in the credit exposure report for their required credit categorization
- Solid workflow and security controls that create proper segregation of duty amongst front office, middle office, and management.

Client Experience

During the 6 months from project kick-off until go-live, the client and Enuit cooperated closely keeping the project scope well controlled.

While Enuit was continuously working for functional and usability enhancements and improvements, the client was also eager to understand how the ENTRADE® core behaves, with the goal of trying to fit their business requirements to be implemented in suit with ENTRADE®, based on the project principle to utilize core functionalities as much as possible.

All in one

Every commodity, every feature, and every user in one place. There's no Third Party or Legacy System to integrate. We call it One Platform