

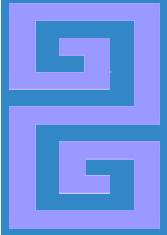
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Paul McLean-Thorne
5 November 2003

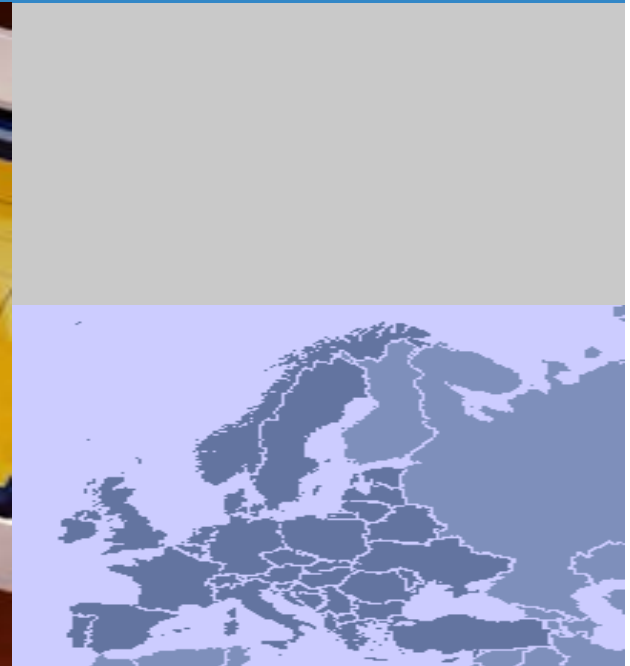
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The challenge
facing ETRM IT:
focusing on the
value



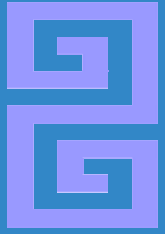
At each stage we need to focus on the full value of ETRM IT



➤ Pre-implementation

➤ Implementation

➤ Post-implementation



Pre-implementation



➤ Drivers

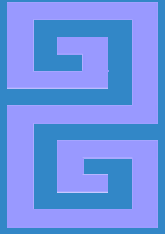
- Deregulation
- Audit issues
- Errors
- Operational losses
- Focus operations & cost

➤ Consequence

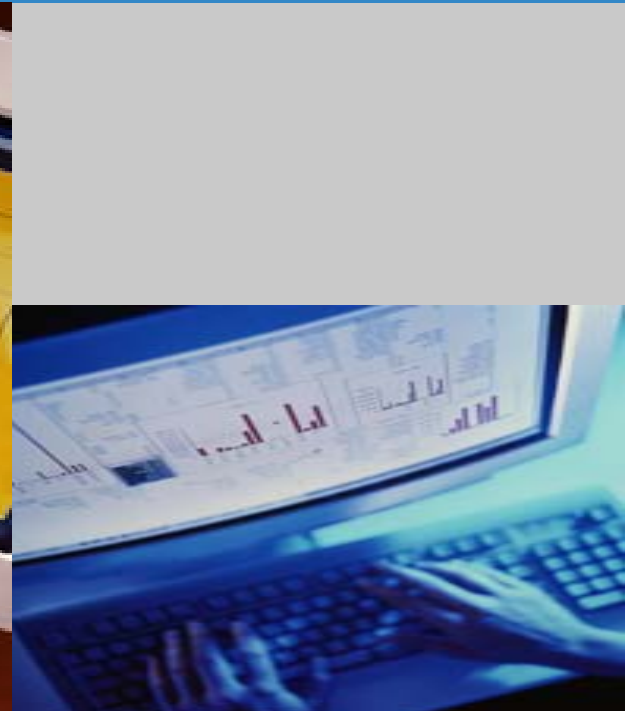
- Limited trader tools
- Little competitive advantage from IT
- Potential increased revenue & profit lost

➤ Need

- In business case, attention to upside potential – not just control
- Sponsorship



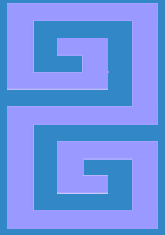
Implementation



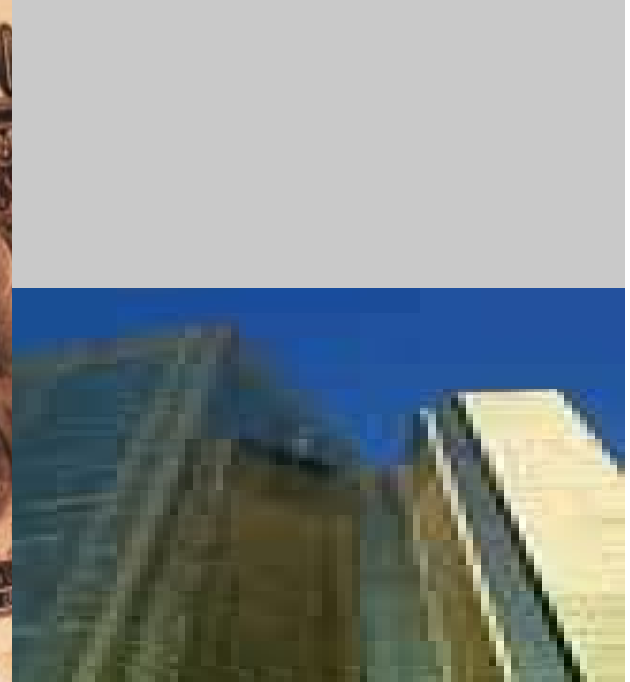
- Solution elements
 - Standard package
 - RICE (reports, interfaces, custom, enhance)
- RICE contains IT competitive edge

- If delivery problems
 - Reduce RICE
 - Easiest in value-add trading tools&reports
 - Consequently reduce implementation value

- Need
 - RICE and its value clearly defined and agreed
 - Trader commitment



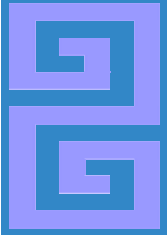
Post-implementation



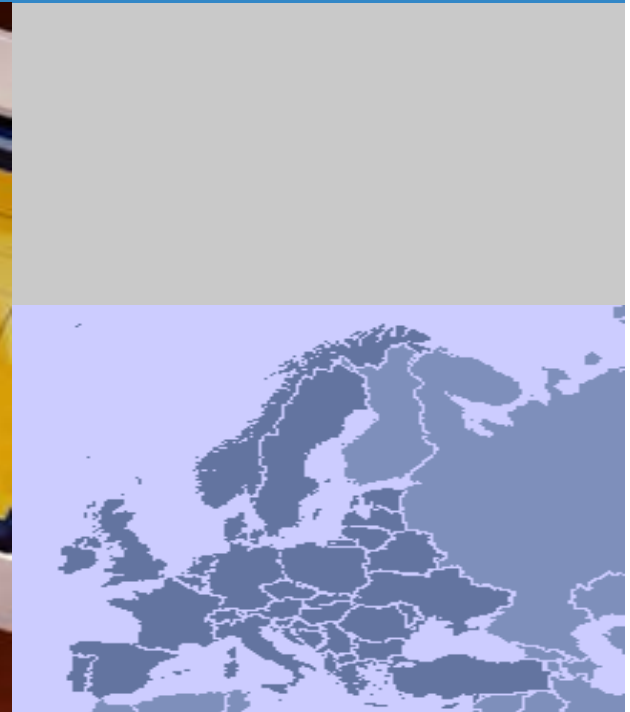
- Initial implementation
 - Often cheap point to point interfaces
 - 'Hard-coded' architecture
 - Lack of flexibility

- Consequence
 - IT constraint on business eg new products & markets
 - Users revert to spreadsheets
 - IT value reduced

- Need
 - Architectural focus
 - Blueprint
 - Roadmap to realise potential



Summary: full IT value needs balance of control & upside



➤ Pre-implementation

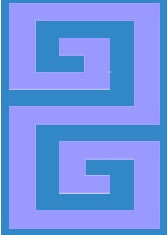
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➤ Implementation

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➤ Post-implementation

- Architectural focus
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Thank you

