

The nature of data delivery has changed in recent years and prompted data management companies to offer more flexible delivery options in order to stay competitive. LIM, a Morningstar company, is developing its technological capabilities to provide a breadth of high-quality and timely data for its clients. LIM President Kishore Gangwani provides some insight into this initiative

LIM LEADS NEW ERA IN DATA DELIVERY

What kinds of changes have you seen in recent years with regard to data delivery – how have energy company needs changed? What product trends have developed as a result?

Kishore Gangwani (KG), President, LIM: In the past few years we've seen many large data management systems being implemented, which have required on-site servers, proprietary systems and a large technological footprint at the client site. These implementations have many advantages and are still a viable solution for companies that have the required infrastructure in place. The general trend, however, is moving towards a more flexible solution with minimal infrastructure needs. The high cost of maintenance for on-site systems is pushing many small and medium-sized companies towards hosted solutions with flexible data delivery options. The most requested delivery methods are application programming interfaces (APIs), integration with mainstream databases (such as MySQL or Oracle) and data feeds flowing directly into applications. The demand for data feeds and integration into energy trade and risk management (ETRM) systems is also growing. Questions about data quality and delivery are therefore more prevalent when looking at data management systems. We've

invested our resources into building a new data management platform, LIM MarketPlace. This new platform uses cloud technologies and enables multiple methods of data delivery while continuing to maintain our rigorous quality assurance (QA) and 24/7 data monitoring.

Spending on ETRM software boomed in 2010 – as a result, what implications do you see for data management providers?

KG: Energy companies are paying more attention to integrating data into ETRMs and other downstream systems. A key challenge when selecting ETRM software is seeing how data will be integrated and managed. Usually, ETRM vendors use snippets of historical data for demonstrations and users don't get the experience of using real-time information before making the buying decision. We're working closely with top ETRM providers to create a more compelling proof of concept – by developing plug-and-play solutions, buyers can experience real-time data flowing into their systems during the purchasing process. Also, as a consequence, implementation and maintenance costs are significantly reduced as further development and upkeep are handled directly by LIM.



Kishore Gangwani

The data management space offers a few different solutions – what differentiates LIM from other products on the market?

KG: LIM's model is different in that we manage the entire data process, including QA checks, monitoring and updates, on behalf of our clients. With other competitors' systems, clients are responsible for processing updates and vendor corrections, performing QA checks and maintaining databases. These additional costs of data management are therefore incurred directly by clients. With LIM, total cost of ownership is lowered significantly and clients have the guarantee of timely corrections and updates being automatically pushed to downstream systems.

What trends are you seeing in the analytics/software tools area? How are you addressing this in your products?

KG: In broad terms, there are two models currently employed – one-platform solutions versus the best-of-breed or component-based approach. The one-platform solution usually means users have access only to tools and applications developed by one provider. This limits the menu of available choices for clients and creates hurdles for adoption of new technologies. Moreover, it is difficult

for one provider to have expertise in both data management and tool development, and users frequently don't get the best experience.

The best-of-breed approach is far more flexible and allows users to select the applications they need from any provider. This component-based model gives the option for third-party tool providers to be seamlessly integrated into the user's environment. We recognised that many companies require high-performance analytical tools or data visualisation software alongside our high-quality aggregated data, so we've opted for developing a best-of-breed solution. In addition to our own analytical tools, we've opened our platform to integrate third-party applications that complement our product offering. To further enhance our product suite, we've developed the LIM Add-In for Excel. Unlike other Excel solutions, which are dependent on a browser or terminal, we have developed a stand-alone native application. Connecting via web services to our cloud warehouse, the Add-In has a zero infrastructure footprint. In addition to pulling consolidated market data with LIM's QA checks, users benefit from additional functionality such as forward curves, seasonal analysis, data uploading and template-driven models. We're also developing a real-time web-based application planned for release in Q4.

How important is the ability to customise data management systems? How does your offering address that?

KG: In the energy market an 'out-of-the-box' system is never enough. LIM offers multiple data consumption and integration options – enterprise deployments including on-site servers, hosted options, and our newest platform, LIM MarketPlace. Utilising the power of cloud technology, the MarketPlace is at the forefront of technological innovation. Built to process more than just time-series data, the ingestion mechanism includes audio, video and image files. The results are quite appealing to both sellers and buyers – data discovery times have been lowered significantly and trials have been simplified to the point

where users can gain access in just a few hours. The platform offers infinite flexibility and scalability – users can select data as granular as one series or test multiple tools. Furthermore, a streamlined entitlement and payment process brings transparency into data consumption, allowing both vendors and buyers to gain much needed market and business intelligence.

What trends are you seeing for adoption of cloud technologies within the energy space? How are you incorporating the cloud within your products?

KG: We're seeing an increased level of interest in cloud-based technologies among energy participants. We're very proud to be the first to develop a cloud-based solution for commodity and energy data management. While other firms still try to understand the benefits of cloud computing, LIM has spent the past 12 months developing its new data warehouse in the cloud. We've been at the forefront of innovation, working through implementation hurdles to ensure that our clients can take advantage of all the benefits cloud computing has to offer. For example, to ensure the highest level of security, we've put multiple controls in place to mitigate risk and ensure redundancy.

What process is involved in selecting data providers to work with? How easy is it for providers to connect to your platform?

KG: Our goal is to become the central data hub for the commodities and energy space. Our selection process is twofold – we conduct market research to identify new data providers while also approaching new vendors based on client requests. We've made it very easy for data providers to be integrated into the LIM MarketPlace. Vendors can utilise our common data format to submit feeds via web services directly into our cloud-based warehouse. Alternatively, we have a large team of analysts who specialise in downloading and parsing any file format. We're flexible in our approach and actively seek to integrate new vendors into the MarketPlace.

What are the key attributes being demanded by energy participants as it relates to data?

KG: Priority number one is data quality. There is no substitute for high-quality data and more and more companies are realising they stand to lose a lot if data updates and corrections are not being processed and passed down to other systems. Breadth of data coverage is the number two attribute. Timeliness is also of high importance as it relates to data. As we've recognised these needs, we have shaped our development to build new products that meet these requirements. For example, our first goal when developing the LIM MarketPlace was to ensure that the high standard of data quality LIM offers would not be compromised.

What after-sales care do you offer? How can clients keep informed about any issues, as well as new packages?

KG: Our philosophy at LIM is to offer our clients the best customer service. We are the first line of defence for both data and tools enquiries. Clients call us first, even when they have questions about third-party products, because they have come to expect a high level of expertise from our team. We frequently contact data providers directly to resolve issues on behalf of our users. Our client support desk undergoes rigorous periodic training to keep up to speed with new data sources and product updates. Furthermore, we have a dedicated team of client relationship managers who are focused on serving our core client base. We also focus many of our resources on data QA – we monitor our warehouse 24/7 and our operations centre utilises automated tools for processing and checking data. We supplement these automated processes with a full team of data analysts and QA specialists.

Contact

Crina Vasiliu, Marketing manager
LIM, a Morningstar company
T: +1 312 696 6915
E: Crina.vasiliu@morningstar.com
www.lim.com