



Choosing the Right ETRM

Key criteria for a future-proof trading platform

11/25/2025

Introduction

Who We Are

Value Creed, LLC, founded in 2016, is an advisory, consulting and managed services firm focused on the Commodities Trading and Risk Management (CTRM) industry. We are headquartered in Dallas, Texas with global operations serving clients in Asia, North America, Europe and Australia.

Since our inception, our team and domain expertise has grown to encompass products ranging from Power, Natural Gas, Crude, and Refined Products in the energy sector and with Agricultural Products in the Commodities space. Value Creed’s unique global footprint allows our clients to take advantage of 24/7/365 support.

Who?

We focus on the energy industry



Power



Gas



Renewables



Crude

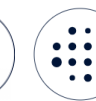


Refined
Products



Coal

System Expertise



ORCHESTRATE



iON COMMODITIES

iRely

previse systems



Adapt2
SOLUTIONS

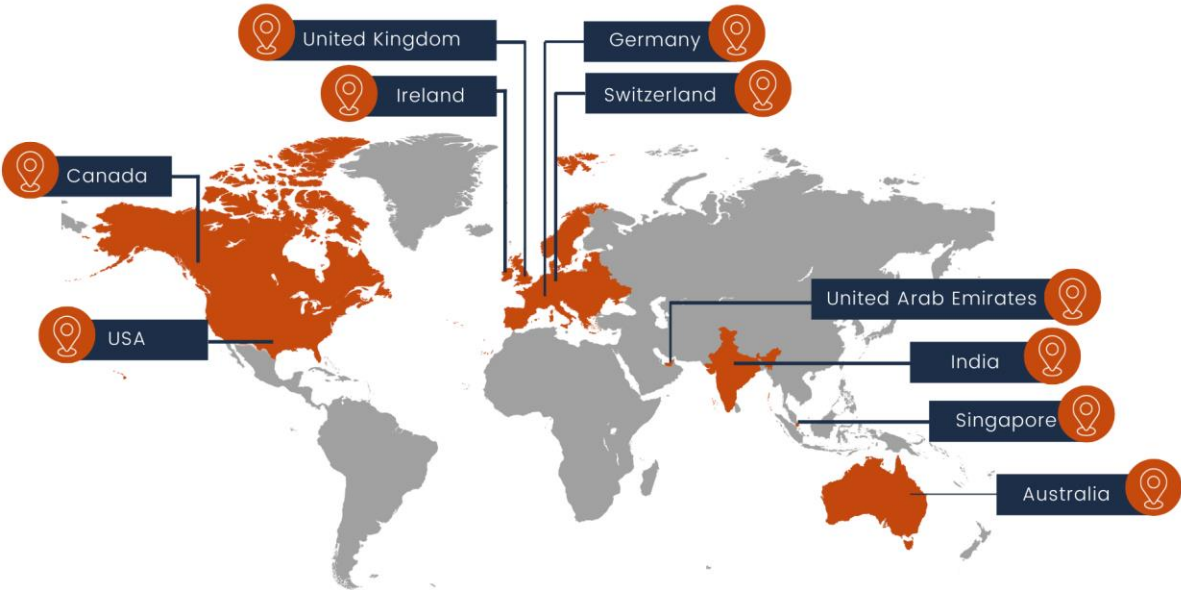
PCI Energy
Solutions

FIS



Where?

We are local with global reach



200+ Current Team Strength

Subset Of Current Customers

Support
1000+
users Daily



Power and Gas Marketing



Gas Station



Gas Marketing



Power and Gas Trading



Gas, Power & various other Commodity Trading



Gas & Power Utility



Gas Marketing, Power Generation



Crude & Gas Trading



Gas Marketing



Gas Trading



Gas & Power Trading



Gas & Power Utility



General Trading



Power & Renewables Utility



Crude



Gas & Power Utility



Chemical Producer



Renewables



Our Approach

What We're Seeing in the Market

A growing number of companies are re-evaluating their ETRM setup due to multiple drivers listed below, still many see this effort Often seen as a **"too big to touch"** topic, although in our view a review is not only possible, it is in fact a strategic opportunity to stay up to date and be able to scale with technology progress.



Scaling beyond current system capabilities

- Business scope for commodity transaction lifecycle
- Covers front, middle and back office
- Full alignment between business functions on ETRM system scope



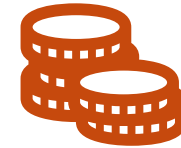
Expanding into new markets or commodities

- Very few ETRMs support both bulk and "continuous" commodities
- North America and Europe are very different in nature when it comes to power and gas, we see a trend of EU companies looking into the US market, hence evaluating ETRM which is suitable.



Seeking more automation and data visibility

- Concepts such as data centric integration, API first design, microservices, etc. are not readily available in many of the systems.
- Need for real time and better integration for supporting trends such as algorithmic trading and renewable also need increased complexity and high volume data integration
- AI leverage as well



Reducing legacy system costs and risk

- High licensing and TCO are under constant scrutiny specially under hard market times with put cost pressure as it is happening after the boom post pandemic
- Vendor locking and negative collaboration/experience create a risk

Reviewing your ETRM landscape doesn't mean you failed. It means you're ready to move forward.

Key Criteria When Choosing a Future-Proof ETRM

There is no one-size-fits-all answer when choosing an ETRM. Every decision involves trade-offs, and what works for one company may not work for another. The key is to understand your business needs, your level of complexity, and your future ambitions. The following criteria are not rules, but important points to consider when finding the right balance for a platform that can support you now and evolve with you over time.



Fit-for-market vs configurability

Some systems offer market-specific functionality out of the box but are difficult to change. Others need more setup but give you flexibility to support evolving business logic.



End-to-end lifecycle support

A strong ETRM should go beyond trade capture and risk and enable scheduling, settlements, invoicing, and compliance across all relevant commodities.



Support for modular growth

You may start with a monolithic setup, but your platform should allow you to scale and decouple functions as business complexity increases.



Ability to integrate with other tools

Avoid forcing all processes into one tool. A good ETRM should connect well with your broader architecture and support clean data flows.



Transparent and sustainable cost of ownership

Consider the full picture: licensing, infrastructure, support, upgrade costs, and internal effort over time, not just the initial price tag.



Realistic scenario-based evaluation

Go beyond demos. Use real business scenarios to see how the system handles your actual processes, not just the ideal ones.

Why a Structured, Neutral Approach Matters

The way you approach the selection process will determine the quality of your outcome. This is not just a technology decision it is a business enable, and it requires both structure and neutrality. Do not go through it alone, and do not let internal bias shape a decision that will affect your entire organization for years to come.

The team currently running the system is often **too close to the existing setup**. Even with good intentions, their views are shaped by what they know and how they work today. **Allowing them to lead the redesign introduces hidden bias.**

A vendor-led selection can create a false sense of certainty. Vendors will naturally highlight what their platform does well and confirm alignment with your needs. But once implementation begins, **practical constraints and gaps often emerge.**



External partners bring neutrality and experience, helping you avoid both internal bias from existing teams and vendor bias during the selection. They challenge assumptions, highlight blind spots, and keep the focus on outcomes rather than preferences or promises.



Realistic expectations are essential. An experienced partner helps you estimate effort, plan resources, and avoid common pitfalls before they become problems.



This is a long-term decision. **Short-term comfort should not outweigh future flexibility and business fit.** The right structure helps ensure you choose what is truly right for your organization.

Our Proven Framework

Operating Model

Optimized earnings including balancing revenue, cost (operating expenses and capital investments), and risks

1

Current State Analysis

- One size shouldn't fit all
- Various strategies need different asset investments, OpEx, and capital at risk
- Capabilities should be rights-sized to appropriate strategy

2

Capability Gaps

- Capability model measures current state against target or leading
- Covers Front, Mid, and Back office
- Addresses Organization, Processes, and Technology

3

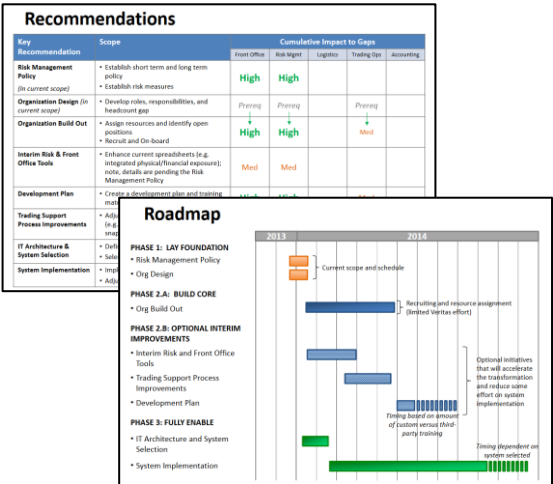
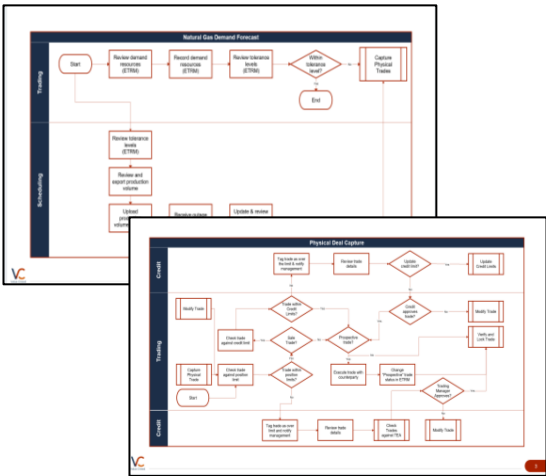
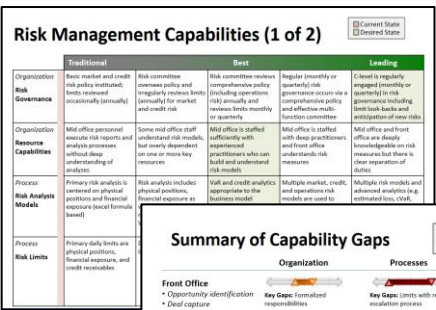
Future Design

- Process flows with future state in mind
- Addresses Organization, Process Steps, and Technology
- Relevant control points in the processes identified

4

Roadmap

- Roadmap tailored to your gaps
- Recommendation based on dependencies, impact, and return on investment
- Timeline and effort of initiatives based on vast experience driving change



Our Core Components

Through our extensive experience in the C/ETRM space, we have used industry prevailing practices to develop collateral & accelerators that allow us to optimize our project delivery. We will be using the collateral in the program allowing for reduced effort through the project.

Commodity Transaction Business Context

- Business scope for commodity transaction lifecycle
- Covers front, middle and back office
- Full alignment between business functions on technical scope

Process Flows

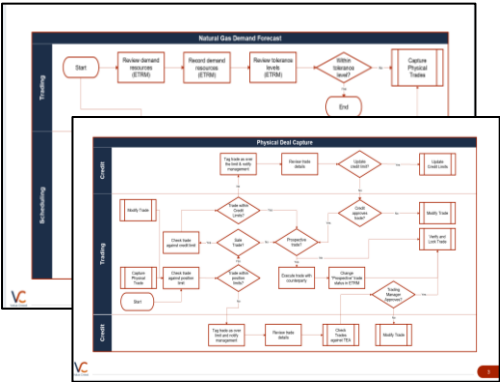
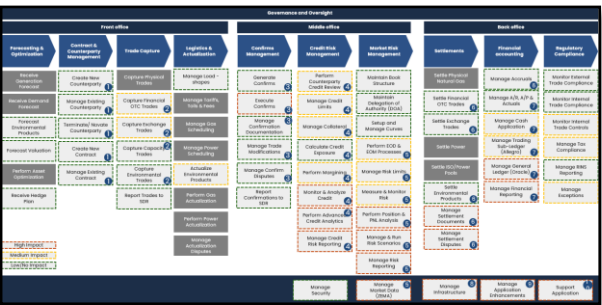
- Process flows with future state in mind
- Addresses steps that should be performed within the C/ETRM system
- Potential automation steps identified in the process flows

Requirements Library

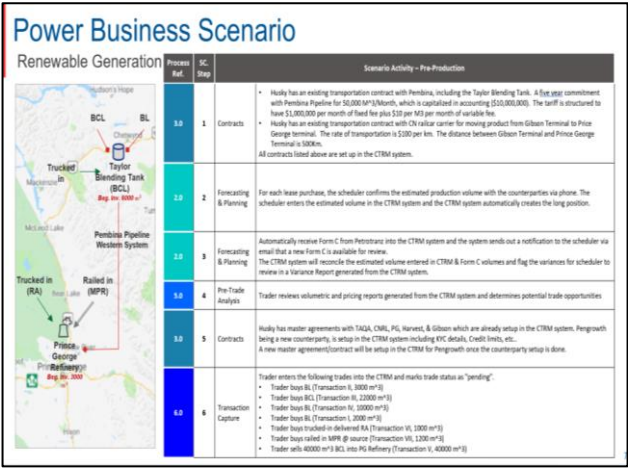
- In depth functional & technical requirements for the C/ETRM system
- Relevant integration points with other systems also identified
- Specific client requirements identified and updated in the list

Business Scenarios

- Client's high priority business scenarios for vendors to demo
- Document the transaction flow for each of the business scenarios with a view of 'day in life' of different business functions



Req ID	Req Description	Req Type	Priority	Status	Owner	Created By	Created Date	Last Modified Date	Version
1001	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1002	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1003	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1004	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1005	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1006	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1007	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1008	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1009	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0
1010	System shall support the creation and management of contracts.	Functional	High	Open	John Doe	John Doe	2023-01-01	2023-01-01	1.0



NOTE: Our approach will be to use the collateral and update them to fit the client's business needs rather than start from scratch.

Sample Deliverables

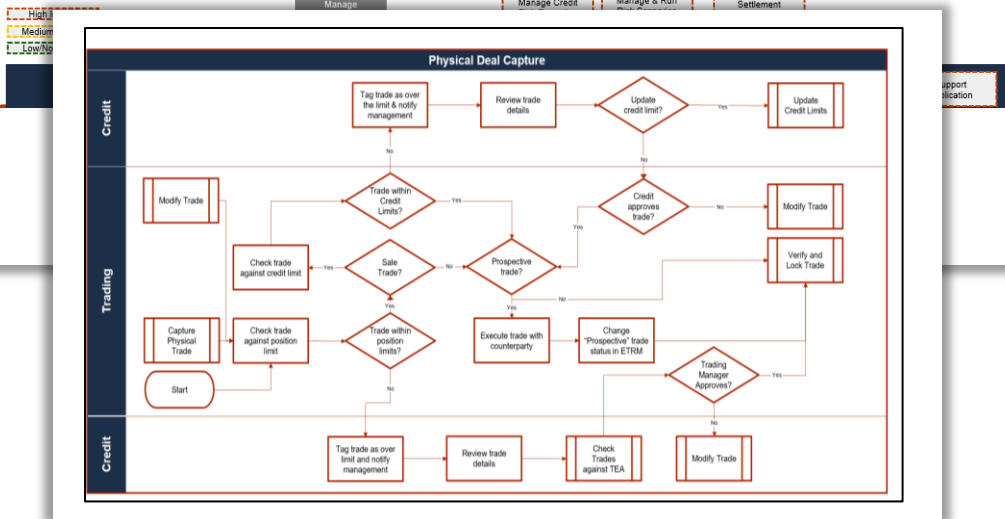
The following represent a selection of deliverables anticipated within our approach. Please note that this list serves as a sample and does not encompass all deliverables produced during the engagement.

Business Process Heatmap & Process Flow

Analysis of process areas from a functional and technical perspective to inform the overall recommendation. Identifies the high-level impact areas, focusing on areas with most gaps or opportunities to improve.

The following process areas were analyzed and considered from functional & technical perspective to inform the overall recommendation.

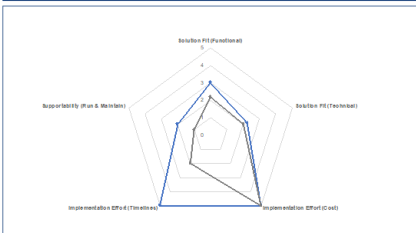
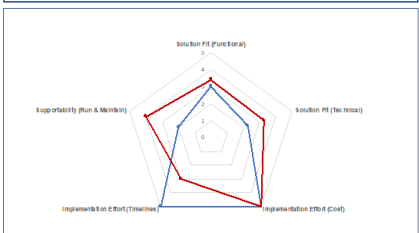
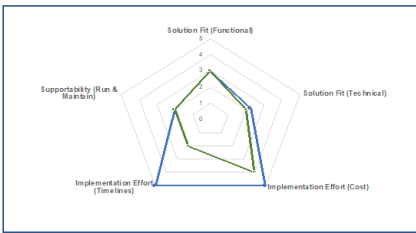
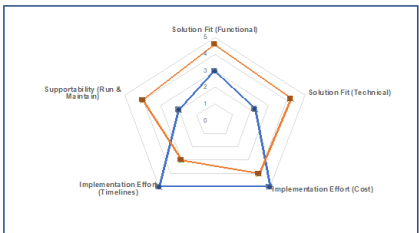
Governance and Oversight											
Front office				Middle office				Back office			
Forecasting & Optimization	Contract & Counterparty Management	Trade Capture	Logistics & Actualization	Confirms Management	Credit Risk Management	Market Risk Management	Settlements	Financial accounting	Regulatory Compliance		
Receive Generation Forecast	Create New Counterparty	Capture Physical Trades	Manage Load - shapes	Generate Confirms	Perform Counterparty Credit Review	Maintain Book Structure	Settle Physical Natural Gas	Manage Accruals	Monitor External Trade Compliance		
Receive Demand Forecast	Manage Existing Counterparty	Capture Financial OTC Trades	Manage Tariffs, Tolls & Fees	Execute Confirms	Manage Credit Limits	Maintain Delegation of Authority (DOA)	Settle Financial OTC Trades	Manage A/R, A/P & Actuals	Monitor Internal Trade Compliance		
Forecast Environmental Products	Terminate/ Novate Counterparty	Capture Exchange Trades	Manage Gas Scheduling	Manage Confirmation Documentation	Manage Collateral	Setup and Manage Curves	Settle Exchange Trades	Manage Cash Application	Monitor Internal Trade Controls		
Forecast Valuation	Create New Contract	Capture Capacity Trades	Manage Power Scheduling and Topping	Manage Trade Modifications	Calculate Credit Exposure	Perform EOD & EOM Processes	Settle Power	Manage Trading Sub-Ledger (Allegro)	Manage Tax Compliance		
Perform Asset Optimization	Manage Existing Contract	Capture Environmental Trades	Actualize Environmental Products	Manage Confirm Disputes	Perform Margining	Manage Risk Limits	Shadow Settle ISO/Power Pools	Manage General Ledger (Oracle)	Manage RINS Reporting		
Receive Hedge Plan		Report Trades to SDR	Perform Gas Actualization	Report Confirmations to SDR	Monitor & Analyze Credit	Measure & Monitor Risk	Settle Environmental Products	Manage Financial Reporting	Manage Exceptions		
		Capture ISO Trades (FTR, DART, PTP)	Perform Power Actualization		Perform Advanced Credit Analytics	Perform Position & PNL Analysis	Manage Settlement Documents				
			Manage		Manage Credit	Manage & Run	Manage Settlement				



Comparative Evaluation

Following current state business & system review and BASF SME interviews, Value Creed will provide an evaluation of each of the pertinent systems and provide BASF for both a technical and functional system fit based on defined objectives.

#	Key Evaluation Criteria	ETRM 1	ETRM 2	ETRM 3	ETRM 4
1.	Solution Functional Fit	3	4.6	3.1	3.4
2.	Solution Technical Fit	2.25	4.25	2	3.25
3.	Supportability	2	4	2	4
4.	Implementation Efforts - Cost	5	4	3	5
5.	Implementation Efforts - Timeline	5	3	2	3
		17.25	19.85	12.1	18.65



References

Representative Clients for System Assessment

				
Client	ConEd is one of the largest investor-owned energy companies in the United States, providing regulated power and gas utility service to the northeast United States.	European Gas and Power trading shop that was evaluating the technical and functional ETRM landscape for establishing a US Trading desk.	Sumitomo Corporation is an integrated trading company that sources products and commodities to supply throughout the globe to their customers.	DRW is a diversified trading firm innovating across both traditional and cutting-edge markets including power, gas & other commodities.
Project Goals	Value Creed provided advisory based on high level scenarios and requirements to develop final reports for qualitative selection of ETRM by ConEd.	Value Creed performed a comprehensive software evaluation. This excised identified the best suited software solution that aligned with Danske's needs.	Value Creed provided business and system assessment advisory for their new power and gas trading desks in Europe. We did a full vendor selection process to identify the best solution for their business.	Value Creed was the system integrator responsible for FTR integration from ERCOT to Allegro. Additionally, we delivered NatGasHub integration to Endur for pipeline point tariffs.
Software Utilized	Allegro, Molecule, FIS Aligne	Allegro Horizon; Adapt2; Hartigen, PCI, SettleCore	FIS Aligne, Previser, Orchestrate	Allegro, Endur, NatGasHub
Scope of Services	Allegro Health-check, Advisory & Allegro upgrade analysis	Business & Technology Advisory	Business Advisory & System Selection	Advisory & System Implementation
Reference	Frank D'Amadeo <i>Director, Treasury Operations</i> <i>Contact info is available upon request</i>	Denise Heidner <i>US Power Implementation Lead</i> <i>Contact info is available upon request</i>	Jabbar Ahmad <i>Chief Strategy Officer, SCGC UK</i> <i>Contact info is available upon request</i>	Lawrence Grone <i>Head of ETRM</i> <i>Contact info is available upon request</i>

Additional client reference information can be provided upon request



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