

EKA – Digital CM Platform Applications (Apps)

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Overview - Digital CM Platform

As noted in a previous Analyst note ([hyperlink](#)), Eka's Digital CM Platform is a cloud-based product grouping that includes traditional trading and risk management solutions (for energy, ags, or metals), commodity management (CM) extension (including sourcing, operations and collaboration), and analytics and reporting. The various components – including the CTRM/CM solutions and the analytics/reporting solution - are separable and available for licensing jointly or as discrete applications. We further described the company's cloud solution use of prebuilt (or user-developed) "apps" to provide high-value discrete capabilities that can be quickly deployed to address complex functional requirements across multiple commodities and industries.

With approximately 60 apps now available, the solution spans the myriad of value chains for all markets Eka covers, including energies, ags & softs, and metals & concentrates. Eka Digital CM solutions include CTRM and ETRM, Commodity Analytics, Supply Chain and Digital transformation.

Eka has, to date, completed connections to more than 15 different systems including ERPs, market price feeds and accounting systems and though connections to ETRM/CTRM systems of other vendors may require some development, once connected to the Eka cloud platform, the available pre-built apps can be downloaded from Eka's App Store and immediately deployed to enhance the capabilities of those systems. The solution also includes the ability to rapidly build-out new connections via the provision of tools for users to map target data structures of their internal systems.

Solution Architecture and Deployment

Eka's Digital CM Platform employs a cloud-based, multi-layered architecture. The first layer of that architecture is the connectors (APIs) used to import user data from any relevant end-point system in use, including cloud, on-premises or 3rd party applications such CTRM solutions (including Eka's, third-party or custom developed CTRM products), data feeds, pricing services or even spreadsheets. The next tier, the "collection layer", organizes and collates collected data prior to being sent to the "processing tier" where near real-time calculations are performed. The last layer is the storage layer, utilizing both NOSQL databases (MongoDB) and relational databases as appropriate. This architecture ensures ease of maintainability and extensibility while allowing for the rapid collection, processing and return of critical business information and insights.

With any solution that relies on integration among disparate systems, data mapping can be challenging depending on the architecture of the end-point system being integrated. To address this challenge and help ensure rapid deployment, Eka provides a rich set of tools and capabilities for integration, including:

- ETL tools, including mapping schemas
- Prebuilt business logic
- Data model templates
- Prebuilt UOM adjustments to reduce all units to a common set

Based on the experiences of users to date in deploying the Digital CM solution, Eka estimates the initial implementation to be as much as 50% faster than what would be required for comparable capabilities provided by traditional software vendors. For example, the company cites a 50-user solution which was implemented in 15-16 weeks.

The design and architecture of the Digital CM solution provides a scalable solution for commodity companies of all sizes, including mid-sized firms that need a limited, but focused set of capabilities; while the functional breadth of the available apps ensures that the largest global firms, operating in multiple commodities and markets segments, will have the tools and solutions to address their complex requirements as well.

Eka believes with the ability to rapidly implement the solution and add incremental capabilities quickly, buyers across any tier of the market can easily acquire and quickly deploy only those capabilities that they require for their current business while, in turn, lower their TCO and accelerate their return on investment well beyond what would be otherwise possible with a traditional monolithic CTRM/CM solution. Additionally, as those businesses grow and evolve, Eka notes they can add additional capabilities without the long lead-times required for the implementation of new systems or custom development of new functionality.

Focus on Apps

With apps that cover Eka's four primary markets - agriculture, metals and mining, energy and manufacturing - users of the Digital CM platform can quickly deploy functionality that addresses common functional needs (such as risk metrics and position management), integrate market feeds (including prices and weather data), and address more advanced capabilities such as margin analysis, inventory analytics, supply chain analytics, vessel management, asset optimization and more.

Viewing the breadth of capabilities by market segment, many of the apps apply specifically to commodity management capabilities for ags (such as crop disease identification) and manufacturers (raw materials procurement), while others apply to specific energy commodities/markets, such as power (transmission and power ops) or natural gas (complex pricing, physical options). Leveraging the Digital CM Platform, customers can configure their solution with the specific capabilities they require, and address many of the unique challenges that are associated with the markets in which they operate and the commodities they produce, trade or consume.

Currently the company offers rapidly deployable capabilities that cover functionality within the following broad categories for each of those markets:

Position and P&L

- Position
- MTM
- P&L Explained
- Freight Exposure

Risk

- VAR
- Emissions Hedging
- Credit Risk
- Risk Limits
- Risk & Monitoring

Trading

- Pre-trade Analysis
- Raw Material Margin
- Procurement
- Quality Arbitrage
- Basis Analysis

- Power Spread Analysis

- Settlement Netting

Supply Chain & Operations

- Logistics Operations Analysis
- Supply Demand Analysis
- Inventory
- Vessel Opportunity

Finance

- Cash Flow
- Reconciliation
- Trade Finance
- Invoice Ageing

Others

- Compliance
- Crop Input Optimization
- Reporting & Analytics
- Supplier Connect
- Customer Connect

Within specific industry segments, additional speciality applications are also available, including:

Agriculture

- Farmer Connect
- Weather Advisory
- Yield Forecast
- Crop Input Optimization

- Traceability
- Disease Identification
- Disease Prediction

Energy

- Physical Trades

- Settlements
- Derivative Trades
- Position
- MTM

Outlook and Analysis

By breaking apart the complex architectures usually associated with commodity trading applications into discreet functional apps, Eka Digital CM platform facilitates what ComTech has noted as the "disaggregation" of traditional CTRM/CM architectures. This new deployment model, leveraging the latest cloud technologies, allows many of the advanced analytics and optimization capabilities that vendors have built into large monolithic CTRM/CM solutions to be decoupled from "traditional" transaction management functions (i.e. deal capture, scheduling and position management). This disaggregated approach allows users to add additional capabilities to their CTRM/CM infrastructure (or update existing capabilities) without the need to replace or customize their existing solutions. Additionally, by unbundling these capabilities that were once only available in broad, complex and expensive systems, customers can "right size" their solutions and IT investments by selecting and deploying only those capabilities that are most important to their business at that time, yet add additional capabilities as the business grows and their needs change – lowering their total cost of ownership and improving technical agility.

For customers that have extensive investments in existing ETRM/CTRM/CM solutions, Eka's Digital CM can leverage those existing solutions and add significant new capabilities to improve commercial or operational performance. With Eka's existing pool of pre-built interfaces to both Eka and third-party systems, along with a rich set of interface development tools provided with the solution, customers can quickly leverage data and information from across their organization, including those ETRM/CTRM/CM solutions (regardless of vendor), internal data sources (other systems or even spreadsheets), and external sources such as price feeds.

Given the extensive library of capabilities offered within the Eka App Store, we believe Eka is well positioned to address the needs of a broad set of market participants while providing a unique platform that ensure their customers can react quickly to changing commercial strategies, market conditions and regulations.

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***Disclosures:** At the time of this writing, Eka 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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