

## Delivering competitive advantage

The energy market is changing dramatically so traders need to be increasingly flexible to ensure success. Organizations can no longer confine themselves to limited geographical regions, or be restricted in the number of commodities traded. A growing number of regulatory and legislative requirements, including Sarbanes Oxley 404, IAS 39 have to be factored in, as does the role of renewables, carbon credits, green energy and the EU's emissions trading scheme.

In addition trading organizations increasingly require enhanced enterprise-wide risk management policies, including credit risk.

To operate in these conditions, a real-time flow of information from both external and internal sources is essential.

All this requires a new focus on IT. The effectiveness of any system can no longer be measured solely in terms of a rapid return on investment. Although this is still important, the real benefits of technology should now be calculated in terms of its ability to spur growth and deliver competitive advantage.

## Sakonnet's solution

SakonnetTechnology ([www.sknt.com](http://www.sknt.com)) is a full serviceconsulting and technology firm for the wholesale energy markets with emphasis on trading and risk management. To deliver value to customers Sakonnet has developedXenon™, an energy trading and risk management IT platform, which can be customized to the clients market and corporate needs. Sakonnet's combination of risk management services and technology know-how provides a unique value proposition which enables clients to respond swiftly to changing operating conditions, and face the future with confidence.

## Xenon™ platform

Sakonnet has developed a service-oriented software platform, which enables clients to implement a customized, world-class trading and risk system. It is a multi-commodity system with focused power, natural gas, crude oil, refined products and emissions capabilities along with interest rates and FX hedges. It covers exchange and OTC instruments for these markets, including financial and physical forwards and options, and capacity and transmission trades.

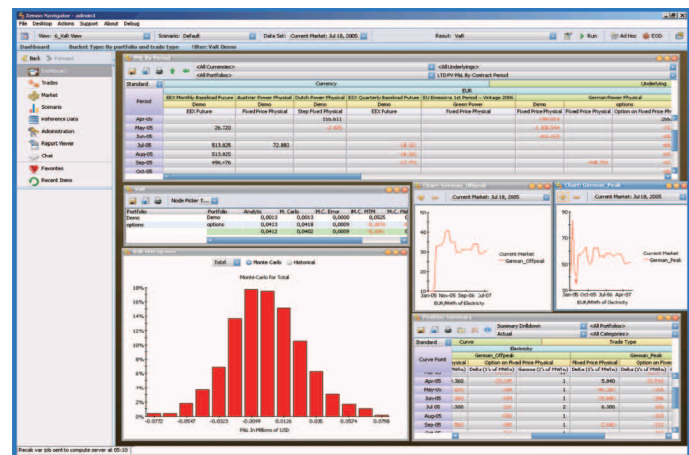


Figure: Xenon™ Dashboard

Xenon™ is built on an architecture that can scale rapidly to meet the fluctuating demands of its users. Integral to its design is the ability to be deployed over the Internet as a distributed, scalable, reliable and secure solution to support web services.

Sakonnet's policy is to deliver regular incremental upgrades to functionality that can be easily configured to meet users' needs, rather than infrequent overhauls that may be extremely disruptive. The upgrade process of Xenon™ is fast and efficient. As a result innovative, new functionality can be delivered to a higher standard more quickly.

Xenon™ gives users the flexibility they need to move into



new markets and add to the instruments and commodities covered without the cost and complexity of upgrading traditional 'out of the box' packages. Xenon™ is designed to be highly interoperable. It enables organizations to take an enterprise-wide approach to their systems by integrating information from disparate internal sources.

Xenon™'s connectivity enables Sakonnet to offer clients access to the services they require from market leading providers of specialist applications. This includes tightly integrating with VaR engines and other risk analytics.

Sakonnet delivers Xenon™ as a service with excellent support capabilities provided by experienced and well qualified staff.

Xenon™ provides organizations with the IT flexibility they need. It is offered on a financially competitive license or leased model, and is maintained and upgraded by Sakonnet on an ongoing basis. Xenon™ enables users to reduce their support requirements, cut costs and focus on using technology to fulfill business strategy.

The result is the most flexible, scalable and feature-rich energy solution available in the marketplace.

### Summary of benefits

- Strategic, business-focused solution
- Total, interconnected trading environment
- Low total cost of ownership
- Immediate availability for production use
- Intuitive, responsive and flexible functionality
- Frequent zero-admin, no cost upgrades
- Round the clock, value-added, real-time support

### About Sakonnet

Sakonnet is an enterprise systems and service vendor solely focused on the wholesale energy markets. Sakonnet believes that the creative use of technology and superlative services together transform the user experience and trading floor productivity. Clients are at the centre of everything the company does, and the latest technical innovations are harnessed on their behalf. The company was founded by technologists and business professionals with significant expertise in all aspects of trading in the commodities market gained at JP Morgan. This experience informed the development of both Sakonnet and Xenon™, and ensures that the company's services specifically address the needs of traders in the wholesale commodity markets.

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