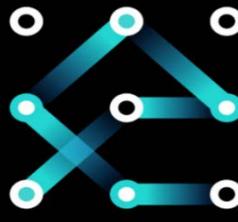


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the power of
automation and
analytics



Driving Business and Creating
Meaningful Work with
Automation and Analytics

*“...If you’re using Excel for Analytics, you’re missing a world of possibilities... At ElectroRoute, we were stuck in a world of Excel for Analytics and saw the opportunity to Embrace Automation and Analytics...” John Furlong, CAO
@ ElectroRoute shares their Success Story of Leveraging Data to Fuel Business Growth...*

Leveraging Data to Fuel Growth

When you're growing a business, the first thing you do is add people. It makes sense to boost your human capital because having a larger talent pool enables you to take on more clients.

However, upstaffing can only go so far. This is especially true when many members of your team are combing through vast quantities of data to gather intelligence, share their findings, and manage short- and long-term financial transactions. At some point, you have to start looking at other solutions, and that means bolstering your infrastructure and embracing automation. A key factor in this consideration—and something I would recommend in early automation programmes - is taking a broad perspective of platform capabilities to ensure new products/business areas can be added at limited incremental cost.

From Humble Beginnings to Supercharged Growth

[ElectroRoute](#) is an energy trading and services company specializing in renewable power, gas, and oil. Our headquarters are in Dublin, Ireland, with a regional office in County Donegal, and a presence in the UK. We manage over 1.2GW in assets and are active in 11 energy markets in Ireland, Great Britain, and throughout the EU.

Our company launched in 2011. In 2016, Mitsubishi acquired a majority interest; however, we still enjoy a high degree of operational autonomy despite being part of an international conglomerate.

This partnership has helped supercharge our growth. In the last four years, we have tripled the number of our employees, going from 25 to over 75. Hires have been across all departments including investments in the finance, operations, compliance, and HR teams.

Leveraging Data to Fuel Growth

We also brought on many new technologists as we found ourselves facing a challenge. Our business runs on data. To bring in new clients and to open new markets, we don't just need more people. We also need best-in-class IT tools, including cutting-edge analytics and a robust infrastructure capable of shuffling and processing vast amounts of information.

Despite our momentum, our IT tools were hampering our ability to generate new business. We were trying to move as fast as we could, but we had run out of rails to ride on. As head of the finance and operations - or FinOps team, it is my job to ensure we have the tools to book, confirm, and value derivatives for our clients and to meet KPIs.

Our trade volume was increasing, as was the complexity of our transactions. We started to deal with longer-term derivatives that have to be valued every day, resulting in an exponential increase in the amount of data we are processing. We were also facing new accounting standards that required a higher level of disclosure and, therefore, increasingly complex reports.

If you're using Excel for analytics, you're missing a world of possibilities.

To further complicate matters, we were using Excel to wrangle all this data, and there was no link between our front and back offices. We were sitting on a vast repository of information, and we had access to sophisticated and detailed data sets, but we were not using our databases to their full potential because we could not generate live reports. We were still clinging to the era of spreadsheets and overnight PDF files.

Embracing Automation and Analytics

We needed to improve our capabilities, and this meant embracing automation and analytics. After all, it has become humanly impossible to verify derivatives daily and necessary to do so. There was too much information to process. The work is extremely repetitive and requires tremendous amounts of concentration. Human error tends to creep in under such conditions, and let's be honest: No one wants to perform this kind of task day after day.

Tedious data tasks don't just lead to errors - they also decrease employee satisfaction.

Before we could move forward, we needed to develop a data warehouse. To this end, we worked with ProStrategy - an IT consulting firm based in Dublin and Cork—to build a backend using MS SQL server. We then turned our attention to finding the best analytics platform. One platform rose to the top: [IBM Cognos Analytics](#).

Familiarity was a factor in our choice. Some of our founders had worked with IBM Analytics before forming ElectroRoute, and they had positive memories of using the company's products to manage their previous endeavours. However, our most critical needs were flexibility, stability, and scalability. Simply put, we needed an established solution. We didn't want to be someone's guinea pig.

Self-Service and Ease of Use

One of our goals was self-service. We wanted our people to log into our analytics platform and generate reports on their own. Cognos Analytics allows individual users to query our database in real time and to generate reports on the fly. It is flexible enough to handle everything from a simple question about the current value of a single derivative, to the creation of a report that tracks the performance of a financial instrument over months or years.

Cognos Analytics is straightforward and requires very little user support. It is also stable and highly scalable, and easily handling our ever-increasing volume of data. As a result, our FinOps team is free to focus on meeting our business needs instead of worrying about helping people with day-to-day IT operations. Getting here required a lot of planning and foresight, and ProStrategy helped us from the very beginning.

One of the crucial factors in our successful adoption of Cognos Analytics was getting everything right during the design phase. Fortunately, we already knew what we wanted the output to be, and we weren't starting from scratch because we used our Excel files as the foundation of our analytics journey.

ProStrategy helped us analyse our business needs and distinguish what to put in the data warehouse and what to leave up to our analytics platform. They helped us iron out the details at the design stage and to understand that our analytics platform was helping us with volume in addition to complexity. We brought knowledge of the market to the table and they provided expertise in database construction and the application of analytics to business problems.

Although the implementation of our new data warehouse and the adoption of Cognos Analytics went smoothly, there were a few things we could have done differently. Chief among these was our exclusive focus on using Cognos Analytics to resolve the internal issues of only the FinOps team. We have since seized the opportunity to apply this powerful analytics platform to generate value for other units within ElectroRoute, including our trading desks and our Client Services team, who can now use Cognos Analytics to visualise performance using the main KPIs across their respective business areas.

Zero-Touch Dashboards and Reports

With Cognos Analytics, we have connected our front and back offices and have also created a zero-touch approach to reporting. We feed a massive volume of data into our analytics tool, and it automatically generates reports about our most crucial metrics.

Our FinOps team has issued a dashboard to the key people who need to work with this data. This information is now reviewed at our weekly meetings and also integrated into documents presented to our board.

On a personal level, I come in every morning, press a button, and can instantly see what's happening across 20 key indicators. I now know whether I have to deal with any reconciliation breaks by the time I've taken my first sip of coffee!

If there are any issues, my team can use Cognos Analytics to find which trade is causing the break and which counterparty it relates to. This is far simpler and far less time-consuming than having to reconcile the break manually. Instead of having to check every transaction to find the fault, we can zero in on the exceptions and take the necessary action right away. We now have confidence in our results, and the more adventurous members of my team have started building their own custom dashboards!

Empowering Our Business

With Cognos Analytics, we are enabling new business rather than standing in its way. The products we handle are volume-neutral and there is little difference between adding five new contracts and adding 500. We no longer have to upend our processes with every new addition because we have automated updates using our dashboards.

We couldn't have done this by adding more people. Even if we doubled the FinOps team from nine to 18, we wouldn't be where we are today. The bottleneck was not human resources, but the sheer volume of data being processed. The only way to scale was automating our analytics workflow.

The next step in our analytics journey is using **IBM [Planning Analytics](#)**. We are already feeding information from Cognos Analytics into our general ledger, but we'd like to flow that information back into the platform so we can integrate percentage-based threshold (PBT) numbers into our planning process.

We would also like to use this to bring actuals into our business planning process. Right now, we have to redo the entire plan every time we come up with a new scenario and would like to leverage the ability to tweak things like growth rates and contract values instead of having to start from scratch.

Better Decisions and Meaningful Work

Cognos Analytics has helped us start important conversations about where ElectroRoute has been and where we're going. Our front and back offices are now collaborating better. We are working together to move the business forward. The FinOps team has been repositioned within the company and is now adding value by providing data that helps drive the decision-making process.

Solving big data problems can't always be solved with more people. Automation is the key to scaling.

Thanks to Cognos Analytics, we have made all these gains without additional hires. While the saving in staffing costs is substantial, the biggest benefit of our new platform is a reduction in tedious tasks and an increase in meaningful work for our ElectroRoute employees. That is the real power of automation and analytics.



John Furlong - CAO & Chartered Accountant @ ElectroRoute

John has over 20 years' experience supporting trading firms in Dublin, London and Moscow. The products supported over that time were mainly in the FICC (Fixed Income, Currencies & Commodities) space.