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An Interview with Richard Quigley of Datagenic

*By Gary M. Vasey, Ph.D.
Managing Director, Europe and AsiaPac*

I first met Richard Quigley, CEO of Datagenic a few months back at the Essen E-World Conference and Tradeshow. He was very keen to catch my attention and talked with passion about his business and products. Recently, I caught up with Richard again by phone to discuss with him data management and associated issues around commodity trading and risk management. Here is what I learned.

Dr. Gary M. Vasey: *Can you briefly introduce DataGenic and its history as a supplier of data management solutions?*

Richard Quigley: When the EU Directive 96/92 firmly established the progressive introduction of a free market in electricity supply across Europe, Utilities and energy market players required a complete overhaul of their largely home-grown IT systems, including data management, to compete in this aggressive and changing landscape.

With an established reputation in the finance market for time-series data management expertise since 2002, DataGenic progressed to offer services to the Utility and Energy sector in Market Pricing & Operational Data Management, Commercial & Industrial Metering and now Smart Metering.

Effectively, DataGenic have set a new standard in data management that we believe is the envy of our competitors: Open IT standards, continual product innovation investment, cross-asset data management, **fully integrated** feature-rich product suite, exceptional customer management, deep business knowledge, which combined, has translated in 100% client retention rates. This has ensured we are now recognized globally as specialists in the delivery of enterprise data management solutions.

Dr. Vasey: *Compliance has become something of a buzzword in and around markets in general and particularly in commodity markets, what role can a data management solution play in helping to address compliance issues?*

Mr. Quigley: Data management plays a key role in addressing today's compliance issues. Broadly speaking the compliance regulatory framework is to greatly improve transparency, accuracy, governance, accountability, risk, capital requirements and integrity of financial accounting and reporting. *As nearly all corporate information is electronic, data management is inextricably linked with compliance regulations.*

Dr. Vasey: *What does this mean in practical terms?*

Mr. Quigley: A new level of data transparency and traceability is now mandatory for companies. Data Governance programs (which effectively offer the framework for the protection, maintenance and enrichment of data assets) are required, which necessitate a mandatory list from the data management system consisting of advanced security options, extensive audit trails, system access control, consolidation to central source, transparency of computational models, storage of supplementary documents, data versioning and purging, data encryption, business process management, data quality management to name but a few.

Only with such an advanced data management infrastructure in place can companies start to address the compliance implementation challenges, whilst leveraging the rewards of data governance program into a key strategic and competitive advantage.

Dr. Vasey: *Another aspect of compliance is compliance with data vendor license terms. How much of an issue is this in the industry?*

Mr. Quigley: Data License compliance is as hot topic today as it was 10 years ago! The ground rules seem simple: Data vendors provide the data at a commercial value, with certain licensing restrictions. Data consumers require using the data during their normal course of business activities, whilst maintaining the licensing restrictions and payment of the license fees. Compliance seems uncomplicated and transparent?

Unfortunately, there is a lot of complexity and opaqueness to this vendor/client relationship which can lead to tensions, breach of contract, legal costs, etc and is a major issue in the industry. Some of the key issues are:

- 1. Trust:** Similar to the Software Licenses that are held for each employee in an organisation, buying a data license ensures that the trust element plays a key role (trust that you have complied in full with the legal and commercial framework for the data license). Although vendors generally have a right-of-audit clause, logistical reasons, client relationships, commercial costs, breach of confidence, may make this compliance avenue a non-starter.

- 2. Legal Use of Data:** From the client side, understanding the restrictions on use for the data that has just been licensed can be a minefield. Many data vendor End-User contracts that I come across, in my opinion, constitute legal mumbo-jumbo, and fail to

offer clear practices that a client can and can't do with the data products. The complexity here is for the companies to interpret licensing restrictions clause and ensure compliance in their organisation.

3. Commercial Licensing: The traditional and most commonly adopted licensing model in the data vendor industry today is per user (a physical person) and location based. Although several vendors now practice alternative models, such as 'by business function' or 'per 3rd party system', they are few and far between. Confusion, mistrust and frustration can ensue when you simply want the numbers into a risk engine or settlement system, and the data vendors commercial model doesn't offer this model. However, adopting the alternative commercial licensing can help to alleviate any compliance issues. Issues can be compounded with virtual environments, either user or server based, geographical dispersion of users which again are not clearly outlined in the vendor contract.

4. Data Ownership: Legally speaking, ownership to the data rests entirely with the data vendor: “without limitation all intellectual property rights shall remain vested in the licensor.” Sounds quite clear, concise and easily interpreted. However, nothing could be further from the truth. In a large organization, the price for Dated Brent from one vendor for example, could be used countless times in the normal course of business, and in a number of business functions. Add into the mix the price of Brent now from multiple vendors/sources, internal algorithms, statistical methodology—stirred around in the pot—and the original numbers may not look anything like they did. So who owns the data now? Technically speaking the end 'product' is now owned by a combination of data vendors. However, most businesses will dispute this with vigor, as they have used the data in the 'ordinary course of their business' and as a result the numbers they have now generated (e.g., Brent price forecasts, internal forward curves, risk metrics, portfolio calculations) belong to them. A legal minefield!

5. Data Delivery Type: Many vendors deliver publication reports to end users that provide detailed insight into the market for the particular traded commodity. This is normally via email (PDF format). The compliance issue here is twofold. Firstly, copying of the data from the PDF report into an electronic format (e.g., Excel spreadsheet) and secondly, onward transmission of the report. From the end user perspective you can understand the confusion or indeed ignorance of the restrictions of use: they use the report and its contents in the 'normal course of business' and therefore feel the need to extract the PDF data into something more useful (e.g., Excel). Furthermore, it seems almost natural nowadays with the proliferation of email in business to be able to forward an email to colleagues. However, both are breaches of the agreement and a prevalent compliance issue that remains today.

Dr. Vasey: *What role can a data management solution bring to the table to help ensure compliance regulatory and vendor data compliance?*

Mr. Quigley: Advanced data management can help enormously in this area. DataGenic have architected the products to ensure that both regulatory compliance directives and vendor data compliance issues discussed above, are supported and easily extendable in a number of ways:

- All access to the data is via GDM WebServices, irrespective what API or Application is used. This ensures full access control over the entire user population and 3rd party direct access.
- All time-series and its associated properties (meta data) are versioned. Effectively, this data is time stamped and labeled on any changes made. A report made 3 years ago can therefore be reproduced using the same data at that point in time. The same report (in excel, PDF, Document) can be saved and versioned
- Business process flows, calculations, reports, etc are everyday occurrences with data and are also fully versioned. All data points used in an end-user report or system can be therefore be retraced to their origin (traceability) whilst data versioning offers full lifecycle visibility (transparency).
- Extensive security ensures that only licensed users/departments/systems gain access to the data. Restrictions on data are at the most granular level and offer multiple access rights: read, write, execute, create, full access, admin.
- Data License management, extensive user reporting. Answering questions like: What users are NOT using the licensed data? Name all systems/users attached to Data source Y and frequency of use? How much is Data Source Y costing per function/ user? Who are the 'super' users in the company? What data is system X using each day? Additionally, data license commercial and legal framework can be attached to the system, together with highlighted notes for data compliance.
- Data Quality Management: All data can be implemented under a 6 Sigma quality processing, helping to ensure high data integrity through the application of specific business rules for each instrument. Data integrity is integral and paramount to compliance.

Dr. Vasey: *Do you believe these types of abilities to assist with compliance management that DataGenic provides are key selling points for DataGenic and if so, why?*

Mr. Quigley: Compliance is certainly an area which DataGenic is very progressive in its development cycle to ensure that clients not only can meet the compliance regulations, but also leverage corporate value from the data governance framework that is offered, giving companies clear, real-time visibility into their critical data assets.

Compliance is core to the DataGenic development strategy: When any new product or enhancement is developed, compliance is one of the major drivers to the technical and functional design. Transparency and traceability of data is fundamental to compliance and good data governance practices. Inclusion of a robust, flexible and secure framework for compliance is now mandatory for most clients. Delivering such a solution requires simplicity of use, whilst capturing the complexities in database management design. DataGenic offers unparalleled

compliance management and is fast becoming the de-facto solution in enterprise data management in the energy and utility sector.



About Richard Quigley

Richard Quigley is the CEO of DataGenic since 2007, a company specialising in time series management for the energy and utilities sector, including market pricing and fundamentals, operational data management and smart metering. He previously held the positions of Global Sales Director in SunGard FAME Energy and Sales & Marketing Manager of Ilex Technology. He has over 15 years experience in delivering data management solutions to the energy sector. He holds an MA (Hons) Economic Science from University of Aberdeen.

Email: Richard.quigley@datagenicgroup.com

Tel: +44 203 008 82 61

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