

Amphora

ETRM Software House of the Year

EnergyRisk
Awards 2011

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Last year was a record year in terms of revenue, profit and growth for energy trading and risk management (ETRM) software firm Amphora, with the company securing five major new deals and scooping *Energy Risk's ETRM Software House of the Year* award.

In addition, the Houston-based firm, which specialises in oil and liquid hydrocarbons, retained its distinctive record of never losing a client, highly unusual in an industry where frustration with software can sometimes run high and send customers off looking for a better platform.

The firm attributes its success to its close focus on customers. "We have very, very strong support services and work hard to fulfil our promises," says David Newton, Amphora's chief executive officer and president. "Instead of putting money into big marketing campaigns, we focus on the current customer and their needs."

The 14-year-old company (founded as TradeCapture in 1997 and which became Amphora in 2009) says its success also springs from its decision to specialise in one market – liquid hydrocarbons – in the design of its flagship ETRM software, Symphony. Amphora could have pursued a broader scope, creating algorithms for Symphony to manage other commodities, such as metals and power, but its engineers did not want to compromise Symphony's code base by trying to accommodate the nuances necessary in managing multiple commodities. They instead opted for a "tight code" says Newton, which led to the creation of a trading platform that provides highly accurate figures on positions, and profit and loss, down to the penny.

"We narrow our focus to oil rather than trying to be all commodities to all people," says Newton, who held a number of roles at BP and Shell before joining Amphora. "Concentrating specifically on the liquid hydrocarbons market, our engineers create software that allows traders to get the numbers right every time."



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David Newton, Amphora

Symphony, which handles the complete life cycle of trades, from deal capture through to settlement, pinpoints the value of a position in real-time and then tracks risk under a wide range of transaction variables.

The tight code base has the added advantage that Symphony can be deployed for specific customers relatively quickly. Amphora says it often has Symphony up and running within five months of starting a project – sometimes it can go live in as little as three months.

Not only has Amphora never lost a customer, but it also has never had a client back out during the implementation process. "Our clients are loyal and see the value in our risk management and transactional strategies," says Newton.

Because the company focuses more on its existing customers than on

marketing campaigns to gain new ones, it captures new business through word-of-mouth recommendation. "We sell through our customers referring us on. Most of our new customers come from referrals," says Newton.

As a result, Amphora has a small but significant client base, including some of the major players in the energy trading sector – among them Mercuria Energy Group, PetroChina, Koch Supply & Trading, commodity management firm Gavilon and Italian utility Eni.

In developing new releases, Amphora strives to keep its architecture current without creating reliability risk by moving into what it describes as the "bleeding edge" of new technology. The company follows

a near and long-term road map for the next three major releases of its products. Each release is driven by a handful of cornerstone themes. Again the company's focus is on the customer. It engages in continuous dialogue with clients, so that any new release reflects the industry's long-term business drivers and its technical needs.

The fact Amphora gained five new clients last year – Transcor Astra Group, TNK-BP, Gavilon, Noble Americas and Singapore Petroleum – is significant both in terms of the size and quality of the deals and in light of 2010's depressed oil market conditions.

Headquartered in Houston, the company also has offices in Singapore and Hyderabad, India. In addition to these, in April 2011, Amphora opened its European headquarters in Zug, Switzerland. ■