

Putting Knowledge Into Action



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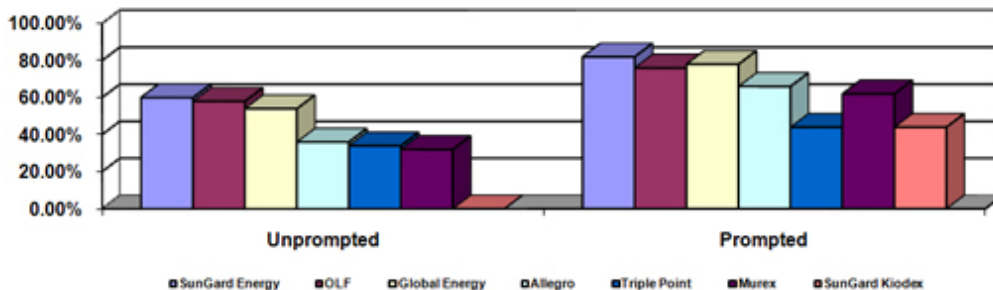
Triple Point’s European Success Story

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In early 2007, CommodityPoint released its landmark report on European ETRM Software markets¹. The study, which was based on responses received in the last quarter of 2006, seemed to suggest that Triple Point wasn't as well known in Europe as many of its traditional competitors ranking only 8th amongst study respondents (Figure 1 below) with significantly weaker prompted recognition than all of its then key rivals. To CommodityPoint, this was a surprise. After all, in North America, Triple Point was consistently ranked in the top three vendors on brand recognition.

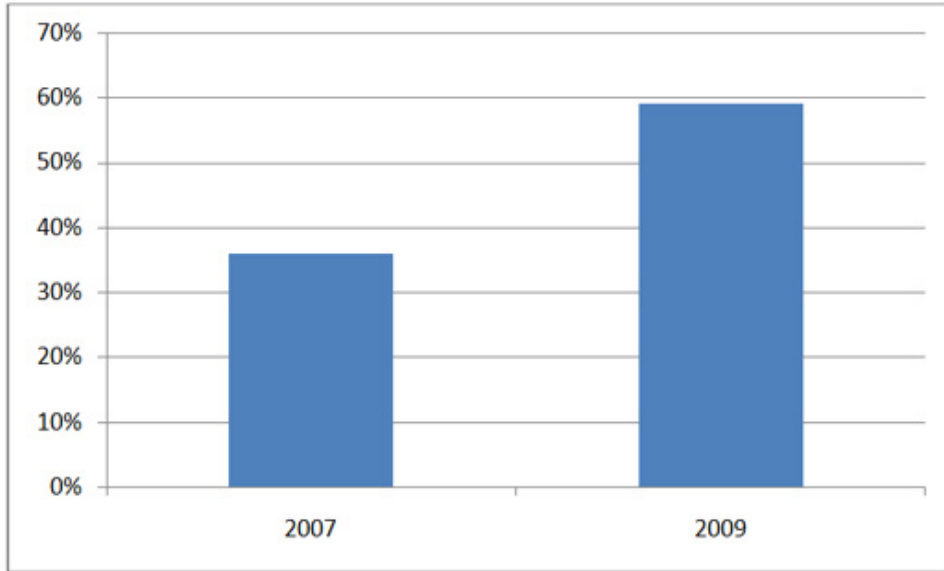
Figure 1:
2007 Study Results—Prompted and Unprompted ETRM Vendor Recognition



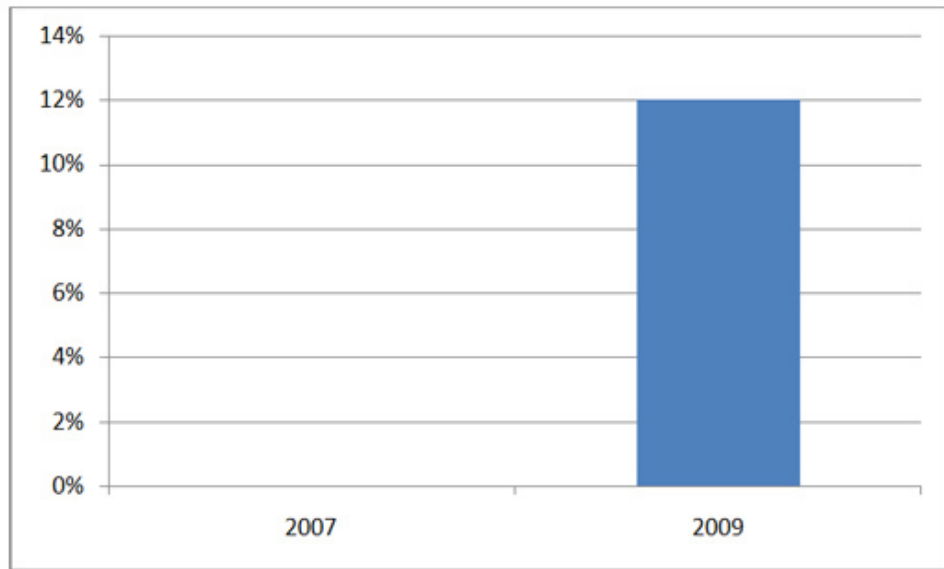
Triple Point acknowledged, at the time, that their brand presence in Europe was an issue that it was aware of and that it had recently appointed a new key executive to work in the UK in part to address the issue and had just announced an important new relationship with European software giant SAP to co-develop Commodity SL.

By 2009, when CommodityPoint completed the analysis of its latest TRM Vendor Perception Survey², it was apparent that Triple Point had gained considerable mindshare in Europe ranking third in prompted name recognition and being perceived as overall market leader by the second largest group of European respondents. Figures 2 & 3 below compare Triple Point's market perceptions between 2007 and 2009.

**Figure 2:
Prompted Name Recognition—Europe, 2007 versus 2009**



**Figure 3:
Overall Market Leadership Perception—Europe, 2007 versus 2009**



As lagging indicators, the CommodityPoint perception data probably doesn't capture Triple Point's true gain in European perception as a leading vendor but simply indicates that the company has been remarkably successful at establishing itself as among the most widely recognized and well perceived TRM vendors in Europe.

Triple Point in Europe

In fact, Triple Point increased its European revenues by 103 percent between 2007 and 2008 and has continued to sign new customers in Europe since the beginning of January 2008 including Nidera, Evonik, Agroethanol, Van Der Sluijs, Electrabel, RWE, Klesh, Vertical and SOCAR. As a result, it has seen its European-base staff numbers grow by

154 percent since the beginning of January 2008 and still has several positions open. Indeed, it also had to double its office space in the City of London to accommodate the growth.

To what does Triple Point owe this growth in Europe? From CommodityPoint's perspective two things have been major contributors to European growth. The first was Triple Point's acquisitions in mid-2008 of ROME and INSSINC which added two new subsidiaries based in the UK. These two acquisitions allowed Triple Point to add considerable new functionality to its product suite in the areas of credit management, treasury management and regulatory compliance and in turn add several new European customers who procured these solutions after the acquisition.

The second major contributor is Triple Point's unique relationship with SAP. By investing in co-developing a trading & risk management solution based on Triple Point's own product but in total conformity with the SAP architecture, Triple Point has become the de facto choice for many SAP customers who were seeking a TRM solution. For these customers, choosing Triple Point is essentially choosing to license an additional SAP module from their SAP salesman. While this relationship is no doubt a coup for Triple Point generally it is a major coup for the company in Europe where SAP often enjoys total dominance over its own rivals.

A Strategy for Dominance?

Despite this the dominant vendor in Europe remains OpenLink by virtue of its history of implementation at some of the largest European Utilities and as a result, in CommodityPoint's analysis, of its attractiveness to System Integrators in Europe. The evidence for this latter point is that buyers in Europe are culturally different to those elsewhere placing greater reliance on third-party recommendations from leading consultants and Systems Integrators. Many CommodityPoint industry surveys have borne out this fact over the last three years. But OpenLink may also be attractive to SI's because implementations tend to be at larger firms and as a result are sometimes more costly.

The SAP relationship now enjoyed by Triple Point is perhaps the key to unlocking OLF's perceived market dominance among European Utilities and other larger entities as many of these same firms are loyal SAP customers too. For these entities, the choice is now between procuring an SAP module (which happens to be Triple Point's product) or another vendor. This will be interesting to monitor between now and the next CommodityPoint perception study.

There are other factors behind Triple Point's success in Europe which include its breadth of commodity and functional coverage and the general evolution of its products. This helps to ensure that Triple Point can continue to grow even when certain market segments are stagnant from a procurement point of view. It apparently certainly helped raise its profile in European markets.

¹ [European Markets for Energy Trading, Transaction and Risk Management \(ETRM\): Market Size and Analysis](#), CommodityPoint Report, 2007

² 2009 TRM Vendor Perception Study Report, CommodityPoint Report, 2009