

Logical Information Machines

Data Management Provider

energy risk
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Sandy Fielden, energy products manager, LIM

★ The double-digit growth of Logical Information Machines in 2005 is a strong indication of the quality and value of its data distribution services to companies trading in the energy markets. Originally serving financial and equity markets only, Chicago-based LIM entered the energy markets in the late 1990s when it struck a deal with Enron to supply it with the vast amounts of data it required in the North American gas and power markets.

"LIM took a risk moving into a new area very quickly, and working for a customer who had growing needs," says Sandy Fielden, LIM's energy products manager. But it certainly paid off. LIM quickly built up a set of data covering all aspects of the North American gas and power markets, and began receiving orders for its services from Enron counterparties.

LIM's willingness and ability to move very quickly, to grasp customers' needs and to go the extra mile to obtain the data required by a customer, are all key

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contributors to LIM's success, says Fielden.

This has been particularly pronounced during the past 12 months, with the company registering growth of 15% in 2005. "We go to incredible lengths to get data," Fielden stresses. While most is transferred by file transfer protocol (FTP) over the internet, some data is actually emailed to LIM. "Even if just one customer wants it, we'll source it and send it to them," he says. "This is what makes us sticky."

Through LIM, customers can access to all the energy data they need to operate in the energy markets, manage the data – on an enterprise-wide level through to individual user level – and analyse data to extract bespoke market intelligence.

LIM operates a world-class data warehouse, which gathers and distributes data from 120 different sources in the power, oil, gas and weather markets. Sources include all the major energy exchanges, the electricity system operators (ISOs), price-providing services such as Platts, major commodity brokers, and key data from organisations such as the US Energy Information Administration. Some 12 million data points are sent out every week.

"The robustness of our data is second to none," says Fielden. Every piece of data goes through a quality assessment process before being sent to customers and the warehouse is monitored 24 hours a day. "A team of people work day and night, watching a dashboard of data," Fielden explains.

The warehouse is fully mirrored off-site as well. Every piece of data is archived in its original form so it can be accessed as historical data, or re-supplied to customers if they should have any technical problems at their end. This also provides companies with a means of tracking back data should they need to.

The data interfaces to Microsoft Excel, or other systems as required by the customer. "Most of our bigger customers want the data to be integrated into their risk management systems," says Fielden.

As well as distributing data and providing data management tools, LIM also provides data and analytics tools. In addition to straightforward graphical charting tools, LIM's X-MIM is a very sophisticated query tool which can be used to input lists of pre-defined events or patterns to analyse market movements.

"The user can set it so that an email pops up every time a particular set of conditions occurs," says Fielden.

The influx of new players to the energy markets has been a big boost to LIM's business, as has regulation such as Sarbanes-Oxley, which has specific data management requirements. All LIM systems are set up to ensure customers are meeting SOX data requirements.

Market conditions have certainly moved in LIM's favour, but it is the company's attitude that has allowed it to capitalise on them. As Fielden says: "We're passionate about it. We move quickly to help people and once we've made customers we keep them. We pride ourselves on the customers being satisfied." 