

## FIS Gear Up to Launch Multiple Product Strategy into Commodities

20 Feb 2018

By Commodity Technology Advisory LLC

Commodity Technology Advisory asks Dr. Markus Seiser, COO, FIS Energy, about FIS's strategy and plans for Energy & Commodities

**ComTech Advisory:** FIS now markets its solutions for energy and commodities markets under one umbrella. What products and services is FIS selling and to whom?

**Markus Seiser:** Overall, FIS offers several multiple software products for various industry verticals, tailored to each client's needs. For example:

- Our classical solutions for energy and commodities markets focus on asset-backed traders, producers and generators, utilities and LDCs, and others. Here, we serve our clients with extended transaction lifecycle management capabilities, starting with market data services (MarketMap Energy), our portfolio management, trading and risk management platforms (Aligne and XDM), including forecasting, optimization and logistics, and extending to treasury capabilities via our Quantum solution.
- We also serve merchants and proprietary traders, investment banks and hedge funds. For larger players that trade more asset classes than just energy and commodities, we offer Front Arena as our flagship product. We also offer Kiindex for energy and commodity traders and hedgers, along with our market data and forward curves offerings, provided by our MarketMap and Kiindex solutions.
- We also help energy-intensive industrials and manufacturers source and hedge commodities, as well, provide corporate treasury capabilities through our Kiindex and Quantum products.

We appreciate the support of our ComTechAlert sponsors



Generation 10



Across these verticals, we offer tools for real-time enterprise market and credit risk management, from our Adaptiv Analytics suite. This enterprise risk-layer, which can be implemented independently from any trading system, has been already implemented at multiple clients in the energy and commodities space.

**ComTech Advisory:** With so many software solutions and services covering different industry verticals, what's new in how FIS markets its solutions for energy and commodities markets?

**Markus Seiser:** We are moving away from marketing single products. In the fast-paced world, nobody has time to sift through hundreds of webpages and brochures to find what they are looking for and then look for information about solution integrations and worry about managing multiple vendor relationships. That's why we're looking at our own software solutions and services from our client's point of view, to make it easy for them navigate our complex solution portfolio, based on their industry vertical, function, asset classes and specific requirements. This way we can empower our clients, by solving needs around energy and commodity trading, and tailoring our solution to our client's size, business model, and organizational structure.

Focusing on products is down-playing our size – aggregating our solutions, expanded offerings and revenues in the energy & commodity space makes us one of the largest players in the industry.

**ComTech Advisory:** What do you think are the most compelling challenges facing European energy markets right now?

**Markus Seiser:** We currently see three main trends based on our conversations with clients and industry analysts attending E-world 2018 earlier this month.

- Short-term- and intraday trading are reshaping the dynamics in European power markets. Not only are they among the biggest business drivers in Europe, they are also accelerating the evolution of supporting technology, including the rise in tools that support proprietary algorithm development for programmatic trading. The tools help capitalize on opportunities in continuous markets at EPEX and



Nordpool. We will see even more liquidity with gas growing into this space, as well as XBID boosting pan-European trading.

- Besides these business drivers, we see a rush among European energy companies to replace some of their legacy vendors and platforms. Mainly this trend is influenced by all the M&A activity that we've seen in the last few years. It forced many firms to make tough strategic and investment decisions and decommission their established platforms. On the other hand, emerging disruptive technologies, automation, cloud, web-connected applications, and new requirements to mitigate cybersecurity threats are making this shift even more urgent.
- In the last few years, we talked about low commodity prices and their impact on trading. This is less relevant these days – however unreasonably high trading fees are challenging market participants – so, it is not surprising that they look for new ways and platforms to trade with each other. Therefore, I assume that technologies, such as blockchain, will be an interesting way to create new market opportunities that will impact well-established market places and brokers.

**ComTech Advisory:** I heard you recently describe true cloud in a very succinct way. Can you please repeat that here and explain why you think true cloud isn't yet really an offer in our industry?

**Markus Seiser:** Sure. For most people cloud is just a way to lower the total cost of ownership compared to their on-premise installed solution. We are sure that the value of the true cloud transcends well beyond the commoditization of infrastructure. Unleashing the power of the cloud means embracing the capabilities afforded through true cloud delivery, including massive scale, availability, recoverability, and elasticity. In order to benefit from the (real) true cloud offerings – where elasticity and continuous delivery are the most relevant benefits – products must become “cloud native.” Only then can you take advantage of cloud computing frameworks, where applications are designed to be decoupled from any specific physical resources. This is a big paradigm shift, but super-exciting.

**ComTech Advisory:** What disruptive technologies are you looking to bring to energy and commodities markets?

**Markus Seiser:** We are seeing a big shift from classical spot and term trading to continuous trading. This means trading systems need to be up-and-running, 24x7 – and down-time, especially on algorithmic trading solutions, needs to be minimal-to-zero. Therefore, we have invested a lot in making our trading solutions cloud-ready, and we will launch the first version, with so-called continuous delivery, in the first half of 2018.

We are also working on potentially using machine learning and AI for our algorithmic trading solutions and will certainly be one of the first firms connecting to the new blockchain marketplaces.

**ComTech Advisory:** Where and when do you think blockchain will truly find a commercial presence in the industry?

**Markus Seiser:** While our industry is more risk-averse and careful with adopting new technologies, we believe that there are a couple of potential applications for blockchain in the energy and commodity trading space:

- **Back-office:** We assume that blockchain will have a big impact on the back-office of energy trading, especially in confirmations, settlement, and reconciliations. Blockchain may even be used in regulatory reporting in the long-term. We are planning to connect and integrate those data streams using straight-through processing between different applications.
- **New marketplaces:** We see quite a few initiatives, led by energy firms and utilities, to use blockchain to build marketplaces in parallel to exchanges and brokers. They intend to use blockchain technology to run the marketplace, front-to-back. FIS is looking into how our solutions could connect to these marketplaces, and integrate trades, prices, and other transactional data.

Besides that, I am convinced that blockchain will become an increasingly used technology in the retail space, smart grids, and other areas that could benefit from the distributed ledger approach to recording transactions.

---



## Dr. Markus Seiser

Chief Operating Officer, Energy,  
Global Financial Services, FIS

Dr. Markus Seiser is chief operating officer for the energy business in our Global Financial Services business at FIS. Based in Vienna, Markus is responsible for helping clients streamline and digitalize their trading and operations in the energy and commodities markets.

Markus previously worked for Landis&Gyr, a large Swiss company that is now owned by Siemens, in the area of network management and optimization as a project engineer and project manager. He was founder and later CEO of European energy solution provider IRM (Integriertes Ressourcen Management), where he was responsible for establishing the product and project management teams, focusing on physical trade and risk management; defining the product strategy; and developing the IRM trading software. In 2007, IRM was acquired by OpenLink, and Markus became managing director of OpenLink's EMEA region in addition to his ongoing responsibilities as CEO of the IRM subsidiary.

Markus majored in electrical engineering at the Graz University of Technology in Graz, Austria and holds a Ph.D. from the Technical University in Vienna as well as two post-graduate degrees in economics and social science.

You may also be interested in [Interview with Metafused](#)

## Programs



CTRM Center



CTRM Conference



CTRM Thought Leaders

## About Commodity Technology Advisory

Commodity Technology Advisory is the leading analyst organization covering the Energy and

Commodity Trading and Risk Management (E/CTRM) technology markets. We provide invaluable insights, backed by primary research and years of experience, into the issues and trends affecting both the users and providers of the applications and services that are crucial for success in markets constantly roiled by globalization, regulation and innovation.

## Follow Us

