

Proxicom's services enable energy companies to redefine themselves in a deregulated, Internet-driven marketplace.

Using technology in a changing marketplace

Proxicom helps energy companies transform marketplace challenges into opportunities using the following tools.

E-business strategy—Proxicom's approach to developing an e-business strategy enables a client to achieve and sustain overall business goals by looking at new business models, optimizing the supply chain, strengthening relationships with customers, partners and employees, and readying the organization to succeed in the new economy.

What effects will e-business have on organizational structure and culture? Will the industry's traditional structures and attitudes contribute to e-business success, or will they be an obstacle? Proxicom helps clients understand these implications and implement the right organizational strategies that fully leverage their e-business initiatives.

Trading hubs—The new business-to-business exchanges, including e-procurement and energy-trading hubs, are changing marketplace dynamics. They are increasing efficiency and putting greater pressure on margins. Industry players must analyze whether they should jump into existing hubs, start their own, or wait. The decision affects revenue and margin.

Enterprise portals—Energy industry leaders must develop a mixture of online business relationships beyond online marketplaces. They must create information-rich, web-based links with key partners and direct sales at their websites. Proxicom helps build enterprise portals that exploit the capabilities of e-business by streamlining and driving out costs of automated processes, while allowing a company to improve the quality of contact with customers and partners.

Customer relationship management—The energy industry typically has been process and product-focused, but e-commerce gives much greater power to the consumer. Companies must focus efforts on customers to attract and retain them in this new economy. Online billing, call-center traffic, and other integrated online customer care and service strategies are being developed for leading-edge utility companies.

Systems integration—Virtually all energy industry companies have invested in the implementation of various ERP systems over the past five years. Proxicom can web-enable existing ERP systems and integrate those new systems with existing systems. Proxicom's focus on building complete, end-to-end solutions encompasses customer, partner and employee offerings and increases the rate of return on recent ERP implementations.

Wireless technologies—Wireless applications can enable better, more rapid decisions to be made by capturing real-time information from remote locations. The wireless component allows data to be received anytime, anywhere, and through any device.

Benefits could include having the capability to successfully address emergencies through more timely dispatches and faster repairs, or flagging potential breakdowns before they happen. Wireless applications also can promptly inform downstream customers of flow interruptions, allowing faster mitigation, and Global Positioning Services can aid in numerous delivery applications.

Regulatory compliance—Safety and environmental compliance remain big issues in the energy industry. Significant time and cost savings can be realized if the information-gathering and forms-filing processes are taken online. Wireless technology also speeds the process since most reporting and paperwork is done from the field or job site. Proxicom currently helps clients bring these processes online.

The Kinder Morgan story

As government regulations demand more open markets, the energy industry must adapt. Proxicom played a role in enabling gas pipelines to bring their businesses online and in compliance with regulations such as FERC Order 587. Kinder Morgan Energy Inc., formerly KN Energy, represents an example of a company that sought Proxicom's expertise for regulatory compliance.

Kinder Morgan is the nation's sixth largest integrated natural gas company with more than US\$8 billion in assets. As one of the largest pipeline operators, Kinder Morgan maintains more than 25,000 miles of interstate pipelines.

Proxicom enabled Kinder Morgan to have one of the first FERC 587 and GISB compliant systems. Kinder Morgan's business-to-business EDI-enabled Internet site integrates their four pipeline systems while running on a Sybase database.

Also, Proxicom minimized changes to the back-end structure and data processing logic and leveraged data, information storage, business rules and processing logic currently implemented in an existing database.

With Proxicom's help, Kinder Morgan lowered support costs by eliminating software distribution and maintenance to customers. Kinder Morgan also developed an online transaction processing system (ordering, tracking) including nominations, confirmations, scheduled quantities, storage allocations, allocation statements and imbalance statements. ([Back to top](#))

Other Proxicom success stories

Kinder Morgan serves as just one example of the many energy companies that benefit from Proxicom's services.

Mobil Corp., Proxicom implemented the first secure, pure Internet-based EDI solution that enhances working relationships, improves order accuracy, boosts productivity and reduces costs, integrating it with SAP R/3.

Pacific Gas and Electric hired Proxicom to implement a system for managing unbundled transmission and storage of natural gas.

For **Transport4**, an oil industry trading consortium, Proxicom implemented a fully distributed trading and risk-management system for a major energy transporter, enabling accurate, real-time market valuation of the company's energy commodities and trade contracts.

And as a result of a merger, a major pipeline company needed a solution that would integrate its customer information systems across the merged companies. Proxicom provided the expertise.

Under the experienced hand of Proxicom, energy companies are finding creative ways to use the Internet to succeed in a marketplace being transformed by deregulation.

For additional information about the types of services offered by Proxicom, contact Mara VanNostrand, marketing director, 713-513-4804, marav@proxicom.com or Fred Stow, vice president of energy, 713-513-4883, fstow@proxicom.com.