

For emerging markets you need to **plan capital expenditures** and for established markets you need to **modernize aging systems** to meet environmental protection regulations.

The energy industry faces unique challenges today. Costs of development and delivery keep rising. Deregulation has sharpened competition while new regulatory requirements loom. Finite oil resources are harder to replace. Parts of the transmission infrastructure need upgrading. Renewable alternatives require expensive new equipment and their profitability is unproven. The industry's well-known boom-and-bust cycles are hard to predict and play havoc with stock prices.

To compete successfully, you have to understand both long-term demand and short-term fluctuations. You need to control supply costs, protect delivery systems, minimize regulatory disallowances and sustain good credit ratings. As new markets emerge, you must plan capital expenditures for plants and transport lines in new places. And you'll have to modernize aging systems to meet environmental protection and sustainability regulations in established markets.

The role of Finance is more central than ever. Today it extends beyond managing spending and preparing the budget to providing analysis of the financial implications of actions across the business and advising decision-makers at all levels and departments.

Host Analytics can help. For more than 10 years, we have been working with dozens of energy organizations such as yours to improve these and other processes and realize significant benefits by using our Host Analytics Corporate Performance Management (CPM) suite. The suite includes fully integrated modules for budgeting and planning, revenue planning, reporting and analysis, financial consolidation, and scorecarding and dashboarding. It can help you improve performance in many critical tasks including these:

Distribution Cost vs. Rate – Aggregate all costs for delivering power to customers and determine which can be charged back to customers. Model impacts of reducing these costs or increasing rates charged for them.

Rate Adequacy – Track all factors that erode profitability of current rates charged to customers. Forecast points at which a rate increase may be needed and justifiable to regulators.

Peak and Off-Peak Utilization and Leveling – Compare consumption and pricing at different periods of the day. Model impacts of changes such as reducing consumption or sourcing electricity from third parties during peak periods.

Cash-Flow Interest Coverage and Hedging – Determine ratio of earnings to liabilities and ability to cover cost of borrowed capital. Model the impact of hedging on cash-flow volatility.

Capital Expenditure Allocation – Track production of various wells, fields, plants and other assets. Model how changing allocations of capital spending to different assets would impact short- and long-term profitability.



pains

- Production and delivery costs rise while demand and customer rates fluctuate
- Global consequences of deregulation produce intensified competition for resources and customers
- Existing assets are being depleted, and aging systems must be modernized to meet new regulations
- Alternative power sources are unproven but will require major startup investments

benefits

- Forward-looking plans and forecasts help project long-term demand and short-term fluctuations
- Revenue planning facilitates forecasting to determine productivity of facilities and adequacy of rates
- Automated consolidation speeds the financial close and makes the latest information immediately available to decision-makers
- Reporting and analysis turn data into actionable information to support key

Host Analytics CPM helps you get the information you need to make decisions that determine the success of your business. Finance professionals can take charge of their key responsibilities and provide valuable input into operations and executive strategizing and decision-making.

Budgeting and Planning enables forward-looking plans and forecasts so you'll be ready for market changes. You can compare actuals vs. budget, reforecast easily as necessary so the budget is always timely, and track costs, cash flow and other variables.

Revenue Planning facilitates forecasting of production, power usage, the adequacy of rates and other factors so each contributes to efficiency of operations and maximum profitability.

Financial Consolidation automates and speeds the financial close, reduces the cost and effort of closing and lets you put the latest information in the hands of executives at once to prepare them better for decision-making.

Reporting and Analysis turn your data into actionable information to support key decisions in finance and operations. You can model the impacts of changes in peak and off-peak usage and keep up with regulatory requirements.

Scorecarding and Dashboarding provide the visibility required for employees, managers and executives to understand and track their performance and that of their reports. These easy-to-use tools keep everyone focused on the right objectives and provide direction for performance improvement.

Delivered through Software-as-a-Service (SaaS), Host Analytics CPM allows you to avoid significant costs for new hardware purchases, software licenses and IT staff, and its rapid implementation enables you to begin improving processes and performance right away.

Host Analytics knows what matters to finance professionals in your business and industry. With our help you see the full implications of decisions, both risk and reward. You ensure that decisions are made on a sound financial basis that spends money and resources wisely. You gain confidence that your operational processes are efficient – from production and recovery methods in the field, to comparing cost-to-serve vs. rates, and finally to superior financial results in cash flow, revenue growth and greater profitability.



Forward-looking plans and forecasts help you understand long-term demand and short-term fluctuations. This enables you to control supply costs, protect delivery systems, and plan capital expenditures.

hostanalytics
— decide