

Acquisition/Merger Should Benefit SPL's Utilities Customers

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The merger of SPL WorldGroup with Synergen should eventually give utilities a strong integrated customer care and asset management solution. But customers, especially those outside utilities, should demand details.

NEWS ANALYSIS

Event

On 19 October 2004, GFI Energy Ventures announced a definitive agreement to acquire SPL WorldGroup, a provider of customer information system (CIS), outage management and distribution software. SPL will merge with another company that GFI controls — Synergen, a vendor of enterprise asset management (EAM) products and the Mobility line of mobile workforce management applications. The merged company will operate under the SPL name.

Analysis

This acquisition/merger will strengthen SPL's offerings for its primary market, energy and water utilities, by adding workforce and EAM functions. The ongoing integration of support and fulfillment in utilities is driving demand for business process fusion. This is best supported by applications that are integrated across processes but offer the same functions as those from best-of-breed vendors.

This deal brings SPL closer to that goal, but its success will depend on the timing and transparency of product integration. SPL has not defined its integration plans, but plans to continue to support Synergen's installed Synchro and REACT customers for at least the short term and will eventually offer them an SPL replacement.

The deal will not damage SPL's strong partnership with PeopleSoft. (It may become more complicated after PeopleSoft releases Enterprise EAM in 2005, because SPL will be able to offer an overlapping set of solutions.) The generic capabilities of SPL's customer care and billing products should enable PeopleSoft to target vertical industries outside utilities. SPL will also inherit a wide range of non-utility customers, and will need to maintain functions for a much more diverse set of industries than before.

Utilities that use SPL's CorDaptix billing and customer care product, but do not yet have a defined EAM strategy, may benefit when an integrated option becomes available. Synergen's customers should also benefit from the company's integration into a larger company with greater financial and development resources.

Recommendations:

- **Utilities seeking customer care and asset management applications:** Consider SPL's integration plan when it becomes available. If the integration timeline is acceptable, include SPL's products on your shortlists.
- **Synchro customers:** Plan and negotiate for an upgrade to CorDaptix.
- **Synergen customers outside the utilities industries:** Watch the merged company's orientation toward, and support of, vertical industries and document industry-specific commitments from its management.

Analytical Sources: Kristian Steenstrup and Cynthia Moore, Gartner Research

Recommended Reading and Related Research

- "SPL WorldGroup to Expand Outage Management Offering With CES Buy" — An earlier acquisition strengthened SPL's CIS offering. **By Kristian Steenstrup and Cynthia Moore**

- "Hype Cycle for Utility Technologies, 2004" — Industry reforms are driving the adoption of new technologies and outsourcing by utilities. **By Cynthia Moore and others**

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