

Looking for an innovative CTRM solution that evolves as your needs change?

As seen in...



Before you select a CTRM solutions provider, you need to ask them:

Is your solution flexible?

Did you develop your technologies or buy them?

How often do you deliver new functionality and system upgrades?

How strong are your logistics and supply chain capabilities?

How much will my employees have to change the way they work to use it?

See things more clearly.



Generation 10

Bringing transparency, sustainability & value to the Commodity Supply Chain



Five Questions You Must Ask Before Choosing a CTRM System

By Richard Williamson, CEO, Generation 10

FEW ACTIONS WILL impact the future success of your business more than how well you manage your information and collaborate with colleagues and your supply chain. The performance of the Commodity Trade and Risk Management (CTRM) system you choose plays an integral part in this. It won't matter how good your risk management strategy is if traders don't follow the guidelines you set. By the same token, you could run your own business brilliantly but still suffer if your suppliers and business partners throughout the supply chain are subpar performers.

On the bright side, if you choose the ideal technology partner, your business will achieve levels of control, efficiency and transparency that you didn't even realize were possible:

- You won't need to search through folders and file cabinets because the information you need will be at your fingertips.
- Your team members will be able to collaborate more often, and more effectively, due to streamlined workflows and having access to the same data.
- You will only work with the best suppliers and business partners, because your CTRM system will be able to identify which ones are the top performers.
- You will be able to adapt to changes in the marketplace and take advantage of new opportunities as soon as they arise, because your system will grow and evolve as your company does.

The challenge is determining which CTRM systems provider will serve your business best. There is plenty of information available for you to research, but how useful is it when making this critically important decision? After all, poring over case studies and speaking with a company's reference customers are important steps to take, but you want to ensure you get the best possible solution for your company, not determine which one worked well for someone else's. Analyst opinions and media outlets can be very helpful in the early stages of your search, but by their very nature are geared toward a broad audience and can't specifically address

your needs.

That's why the first step in your search is to identify the unique needs of your business, rather than the features and functionality the various systems have to offer. In what areas does your company perform well, and where does it need to improve? What capabilities do you wish you had but don't due to technology limitations?

Perhaps more importantly, don't just focus on today – think about the future. Ask yourself where you want your business to be in five years, and work backward to determine the steps you need to take to get it there.

Once you complete that internal analysis, it will be time to create one last set of questions. But this time, you won't be answering leading questions from the vendor. You'll be asking them. And the answers you get from your potential CTRM systems providers will determine which is the best choice for your business.

A Sad (But All-Too-Common) Tale

Which set of questions you should be asking might vary somewhat, depending on the type of business you're in and your current technological capabilities. But there is one question every company absolutely must ask:

"How agile is the platform and the after-sales service? In other words, how versatile and configurable is the software without reliance on customization, and then how quickly and cost-effectively can you add new functionality after the system has already been implemented?"

You must be 100% sure that you get a straight answer to that question, and that you understand what the implications are if you don't. This is how a disastrous – but extremely common – scenario plays out for many buyers of CTRM systems.

... the first step in your search is to identify the unique needs of your business, rather than the features and functionality the various systems have to offer

The proliferation of spreadsheets throughout your company has gotten out of control. People aren't able to collaborate effectively because

they are all working on their own documents, which no one else is able to securely update. There's no central location where information is stored, so answering even the simplest of questions can turn into a wild goose chase, and because those documents exist outside of the system, there is minimal security. You may bolt on a stand-alone DropBox or other cloud-based document storage system, which while addressing the immediate need, is not an integrated long term solution.

If your system can't adapt when changes occur, what you thought was a comprehensive solution yesterday is an incomplete solution today

One day, you realize you need a single system that can handle all of your business's needs in a coordinated, integrated, orderly fashion. So you go through a vendor selection process, choose the company that you think

is the most likely to provide a workable solution, and move on to creating an implementation plan. You and the vendor agree on a list of deliverables and the implementation begins.

Months later, your system is fully installed and ready to go live. In an ideal world, when you go back and look at the deliverables you agreed on previously, you are able check every single item on the list and as a result, you deem the implementation a rousing success.

How Quickly Things Can Change

But the story doesn't end there. Today's business environment is always in flux, especially when your company operates in the global marketplace, so you cannot depend on a static, rigid system to help you manage your business information and processes.

Your needs might change the day after your implementation is completed. Perhaps there are new requirements for your corporate governance, or new regulations are passed that necessitate a change in your business processes. Suddenly, that shiny new system – which you deemed to be a big success just one day prior – doesn't have the functionality you need to run your business properly. If your system can't adapt when those changes occur, what you thought was a comprehensive solution yesterday is an incomplete solution today.

Commodity Supply Chain Software Solutions



Generation 10

Bringing transparency, sustainability & value to the Commodity Supply Chain



If you chose a rigid and inflexible CTRM system, the vendor likely won't be willing to make any changes to accommodate your new requirements, period. No matter how long you're willing to wait, or how much money you have in your budget, many companies consider their systems "closed solutions" and are unwilling or unable to change them at all. What you see, in other words, is what you get – no more and no less. You can submit a request that certain functionality to be included in a future update, but there's no telling how long that might take, or if the new capabilities will be included in the next release.

Time elapsed between your system's "successful" implementation and its subsequent failure: One day.

Now you have two choices:

- 1) Figure out some way to create a workaround for the shortfalls in your system, or;
- 2) Engage third-party consultants and systems integrators to do it for you.

Either way, you'll incur significant unbudgeted expenses and have to wait weeks or months to get the capabilities that your business needs right now. Furthermore, CTRM systems are extremely complex, and trying to integrate external applications can introduce the possibility of new bugs, broken links and time-consuming troubleshooting. Can your business afford to serve as a guinea pig every time you need to add functionality?

Worst of all, remember that using spreadsheets and workarounds that aren't integrated into your CTRM system is the reason you needed a new system in the first place.

Getting It Right the First Time

If you invested in a flexible system that offers a high degree of user configurability, many of the new capabilities you need can be handled very quickly in-house. Your team members should be able to create new fields, grids, business processes, reports, and analyses as they need them. More demanding tasks should be left to the system provider, if they provide that service – just be sure that whatever

Agile vs Rigid Development Model



When software companies grow organically, the products they create are designed to work together, seamlessly, from the concept stage forward

new functionality they add for you is 100% web-ready and seamlessly integrated into the system.

But ensuring that your system is flexible is only the first and most important hurdle to overcome – it's far from the only one. Getting clear answers to the following four questions will ensure that the investment you make in a mission-critical CTRM system is a good one:

1. "Did you develop your technologies in-house, or through acquisitions?"

When software companies grow organically, the products they create are designed to work together, seamlessly, from the concept stage forward. The user interface should be consistent and access rights and permissions should be centrally administered. There should be no need to develop workarounds or find ways to retrofit different parts together. A provider that has "gone shopping" for solutions may give the impression they have a comprehensive portfolio but it soon becomes the same old story the moment you need to integrate and collaborate between departments and business units.

2. “How often are system upgrades and new functionality delivered to your customers?”

Some software companies choose to provide a single, large upgrade every 18-24 months, delivering a large batch of new functionality all at once. That model is a headache for all concerned. It simply isn't very effective or efficient for the end users or the developers. In addition, with such a large update to install, there might be concerns about downtime and reduced productivity as the users get up to speed on the updated system. It's preferable to choose a CTRM system that receives a steady stream of smaller updates, allowing you to maintain optimal efficiency at all times and take advantage of new functionality as soon as it becomes available.

3. “How strong are your logistics and supply chain capabilities?”

Although the term “smart commodity management” is new to some, the concept has actually been around for quite some time. Traditionally, CTRM systems focused almost exclusively on the functions that gave them their name: trading and risk management. But the risks they focused on were trading and

People in the ‘Facebook generation’ demand intuitive, flexible tools to help them do their jobs with a minimum of fuss and a maximum of cool

financial risks, leaving operational risks somewhat neglected. For some reason, they were not perceived as being worth the trouble. Companies that focused on the trading and risk management aspects of their business, at the expense of their logistics and supply chain operations, missed a huge opportunity to improve their internal business processes, choose the best suppliers and partners, and provide better service to their customers.

Fundamentally, if you choose a CTRM system with strong logistics and supply chain functionality, you'll



be in a better position to gain competitive advantage, optimise your workflows, establish metrics, set benchmarks, and identify trends by analysing performance over the long term.

4. “How much will my employees have to change the way they work to use your system?”

An alternative to this question is, “How much hands-on experience do your developers have in the commodities industry?” Either way, what you want to hear from your CTRM system provider is that they understand how your employees perform their jobs on a daily basis, and can easily configure their system to accommodate those practices. The system must be built with “the job” in mind, and not just the bean-counting at the end of the process. One of two things is likely to happen if your team has to change the way they're accustomed to working to accommodate a new system:

- 1) Productivity will drop precipitously until users get accustomed to the new way of doing things and slowly regain efficiency and their comfort level with the new processes.
- 2) More likely, your team members will grow frustrated with the delays caused by the learning curve, and will figure out ways to bypass the new processes by doing things their own way, outside of the system.

Furthermore, on a topic that has been widely covered, people in the “Facebook generation” demand intuitive, flexible tools to help them do their jobs with a minimum of fuss and a maximum of cool. They need to engage with the system if you are to get the most out of your team. Grey screens with white, static boxes will no longer be able to cut it.

Choosing a CTRM system likely will be a transformative moment for your business, either in a wonderfully positive way or in a horribly frustrating one. By taking control of the conversation and asking the right questions, you can ensure that you're choosing a true technology partner that will equip you with a powerful tool to get the most out of your data, optimise your efficiency, improve the transparency and traceability of your operations, and ultimately, increase your profitability in a sustainable way. •

Richard Williamson is CEO of Generation 10. Established in 2000, Generation 10 has a proven track record of delivering innovative, high-value, flexible commodity management software designed to help clients manage their operational and financial risks, optimise supply chains, and improve business transparency.

www.generation10.net



About Generation 10

Companies that partner with Generation 10 benefit from the industry's most complete commodity management solution. We've spent 15 years building a combination of technologies, professional services and commodity industry expertise that ensures our customers are positioned for success today and for continued growth into the future.

G10 Commodity Manager is a multi-commodity, multi-origin, multi-currency solution for trading, logistics and risk management. The system was built with flexibility at the core of its architecture, vital to handling the nuances of different commodities, origins and business processes. There is no standard operating procedure that applies across the board, and this is where many implementations fall down. The same principles have been applied to the user interface, allowing individuals to set up their personal preferences so screens and reports are displayed just as they need them.

Suitable for any type of physically traded commodity that is shipped in containers, tank or break-bulk, the system helps you integrate and control your global operations on a single, intuitive and flexible platform:

- **Risk Management:** Proactively manage all types of risk (market, counter-party, operational and liquidity) from a single dashboard command and control center. It is designed to monitor, measure and report on risks according to your own specific definitions and requirements. What makes G10 Commodity Manager so effective is its ability to ensure that the appropriate people are taking the correct actions, at the right time.
- **Supply Chain Optimisation:** We equip you with tools that help you measure and improve company processes, more effectively manage interactions with suppliers, build customer loyalty, and strengthen relationships with business partners. Innovative tools such as the G10 Pipeline and the G10 CostMatrix analyse all available rates, routes and processes to shorten the transaction life cycle and improve your cash flow. In addition to getting paid more quickly and making the most of your credit lines, you'll get the lowest possible costs and shortest transit times on every single shipment you make.

d³ Analytics {Dynamic Data Display Cubed}: Designed specifically for people in the business of managing commodities, Generation 10's **d³ Analytics** arm you with visualised data so you can make decisions based on facts rather than hunches. Our interactive tools help you identify trends, increase operational transparency, set benchmarks and achieve goals. **d³'s** intuitive, highly visual user interface allows you to locate, understand and act on information much more efficiently, making your company more agile and positioning it to capitalise on opportunities as they occur, and identify and address risks before they happen.

All of our technologies are built on the **G10 Framework**, our proprietary web application architecture. This allows us to combine our core product offerings with integrated peripheral and complementary data management and intelligence applications, challenging the need for off-line spreadsheets. Using our library of web-enabled components, it allows us to quickly provide and combine the exact capabilities you need, on a platform built for change, at the lowest total cost of ownership.

Generation 10, as your technology partner, is about **total service** and **innovation**, not just software sales. Our tools, products and services are provided by a **skilled team of professionals** who will work with you regularly – face-to-face, in your own facilities – to ensure that you continue to derive maximum value from your data. We quickly and cost-effectively add peripheral and integrated functionality in the front-end that gives you more than just a commodity management solution. We bring technology and data expertise to your strategic efforts, breaking away from the traditional software plus support model and bringing transparency, sustainability and value to your supply chain.

Website

generation10.net

Email

info@generation10.net

Telephone

+44 151 709 0005