



AGIBOO
CASESTUDY



DAARNHOUIER
&
CO.

PROFILE ▼

FOUNDED IN

1908

CLIENT SINCE

2012

EMPLOYEES

35

OPERATING IN

THE NETHERLANDS, USA, INDONESIA

PRODUCTS



WWW.DAARNHOUIER.COM

René Strik (Financial Director):

“AGIBLOCKS’ MODULARITY

MAKES IT EXTREMELY FLEXIBLE”

An introduction to the Daarnhouwer & Co.

Daarnhouwer is an established brand name in originating and supplying specialty cocoa, tree nuts and coffee, and is the European market leader for specialty cacao. René Strik, Daarnhouwer's Financial Director, emphasizes the company's focus on specialties: "Daarnhouwer Cocoa offers 27 cacao varieties from approximately 16 different countries. Our cacao clients are specialized chocolate manufacturers who look for particular flavors or qualities.

They know that we have everything we sell in stock and that they can order any quantity they want. For coffee and tree nuts we work exactly the same way."

This unique business focus creates administrative challenges for Daarnhouwer that are equally unique. Mr. Strik mentions a few: "While we usually buy our products as container loads, we mostly sell them in smaller quantities - think of bags or, in the case of nuts, even boxes. But these less-than-container fractions don't all sell at the same time, nor at the same price.

To manage our risks, we must be able to hedge each of them separately - both currencies and terminal markets. Also, for a customer ordering five types of cacao, each in a different quantity, we will consolidate his order into one shipment. The logistics of that translates into requirements that most bulk suppliers will never encounter. And then the quality, safety and environmental certifications for each of our commodities all come with their associated administrative processes."

The long search for a complete CTRM solution

For Daarnhouwer, finding the right trade management system has been a lengthy process. "When I joined the company in 2002, we used a proprietary system that we all knew was hopelessly outdated," recalls Mr. Strik. "After intense market research we had a solution developed that was based on standard ERP software. It worked, but with many limitations. To our large frustration, until now there simply was no solution on the market that matched our requirements. Any form of commodity trading is quite complicated, and the way we run our business adds quite a few extra demands.

We want to be able to split a container into smaller units that we then can trace individually. We also want to know for every single contract what the result was, based on a comparison of our initial calculation with the final outcome. We got nowhere with those specifications. The right solution simply didn't exist."

The tide turned when Daarnhouwer learned of the existence of Agiboo and Agiblocks. The decision to become a development partner was made by the then General Director of Daarnhouwer, Jan Kips, who also contributed his 40-year experience in the cacao trade to the development team.

Mr. Strik: "We were able to obtain a solution that could cater to our wishes and demands completely. All the knowledge we have about our business - trading, logistics and finance - is embedded in Agiblocks. I really think that programming software for commodity trading is one of the most difficult IT challenges one can imagine. But Agiboo managed to develop Agiblocks in such a way that it will do everything a cacao or coffee trader can think of, including administration and profit & loss per individual contract. Which, like I said, is completely impossible in most other CTRM systems."

AGIBLOCKS according to Daarnhouwer

Daarnhouwer's cacao department went live in January of 2015 and the nuts and coffee departments are expected to follow in March. Mr. Strik comments: "Those dates are later than what we initially aimed for, but then this has been a development process, not only an implementation of off-the-shelf software. One powerful advantage of Agiblocks' modularity, which has become very clear, is that we were not forced down a one-way street because of choices we had made earlier. Agiblocks is so flexible that it could always be adapted to new insights that came up during the implementation.

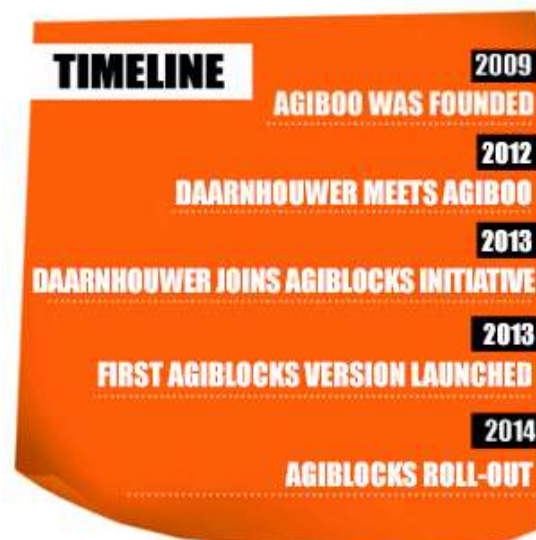
Much has happened since the first release was offered for feedback. We have seen a succession of releases, with significant functionality extensions between them. The software truly supports our trading and risk management processes whilst maintaining flexibility." "A risk of that degree of flexibility," warns Mr. Strik, "is that a system can become hard to manage. Agiblocks contains various checks and balances to prevent that. In July of 2014 we have had an external accountant perform an audit on an earlier version of the system, and they had only some minor comments.

In the meantime we have integrated Agiblocks with Microsoft Navision, so I am sure we will pass a next financial and IT audit without a hitch."

Mr. Strik concludes: "In our office, everybody is enthusiastic about Agiblocks. The software fully supports trading and retailing processes, is fully integrated with the accounting system and is fun to work with. I really believe that it can become the leading trading software solution for the commodity world. From what I have seen, Agiblocks offers more possibilities than any other system currently on the market in Europe and America."

About AGIBLOCKS

Agiblocks represents the next generation in CTRM software solutions. It combines a detailed understanding of commodity business and risk management processes with an agile information technology architecture, enabling its users to successfully manage their commodity trading and risk management. Agiblocks is a truly revolutionary CTRM solution for commodity purchasers, brokers, traders and commodity industry service providers. For more information on Agiblocks and Agiboo, the company behind it, please visit www.agiboo.com.



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