

CASE STUDY



PRACTICAL TIPS IN YOUR SEARCH
FOR A QUALITY CTRM SOFTWARE



AGROFORCE SELECTS **AGIBLOCKS** TO TAKE THEIR COMMODITY TRADING AND RISK MANAGEMENT TO THE NEXT LEVEL

AN EXCLUSIVE INTERVIEW WITH
ERIK VAN DER FLIER

AGIBLOCKS CTRM SOFTWARE

AGROFORCE

IMPLEMENTS AGIBLOCKS



AGROFORCE COMMODITIES
IMPLEMENTS AGIBLOCKS

TRICKS OF THE TRADE

A COMPLEX MONSTER

BASIC REQUIREMENTS

ADAPTABILITY

ENTER AGIBOO



agiboo

Agroforce Commodities SA is a soft commodities trading company based in Geneva, Switzerland. It is specialized in sourcing, marketing and shipping for the cocoa and chocolate industry. Agroforce has developed strong long-term business relationships with buyers all over the world as well as with suppliers in the producing countries in West Africa and South America. In order to take their commodity trading and risk management to the next level, they have recently turned to Agiblocks as an answer for their CTRM software needs. We sat down with Erik van der Flier, managing director, to find out more about their decision to make the transition to our leading CTRM solution. "Cocoa is a very peculiar, very specific product. In my opinion, Agiboo is the one brand that has captured the challenges of our industry to best approach our daily tasks and operations as commodity traders."

The Agiboo website features several cases or testimonials from the viewpoint of our long-time customers and their extended experience with our software. For the latest addition in our showcase, we would like to turn our attention to a new client who has just taken the first steps into the realm of Agiblocks. Having been granted the trust and entrepreneurship of Agroforce, we set out to gain some insights into the process that led them to Agiboo.

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TRICKS OF THE TRADE

“When I starting working for Agroforce in the spring of 2020, we had a CTRM product of sorts already in place”, explains Van der Flier – who is new at the Geneva offices of the company, but not quite a freshman in the world of cocoa, having worked for Daarnhouwer and subsequently for Barry Callebaut for about the last two decades. “It had initially been developed specifically for Petroforce, a company specialized in the petroleum trade. They were still in the midst of adjusting a previously petroleum-focused system to a solution suitable for the cocoa business, but weren’t quite there yet.”

It’s not an easy task to plug in all the necessary variables of a particular industry into a workable software solution, let alone when your jumping-off point is a different industry altogether – say crude oils as opposed to cocoa beans. “They were given the benefit of the doubt and really went to work on it, so no judgment there.

In fact, as a system for the petroleum trade it is really rather good. However, given that the transition was taking too long and the foundation of the platform wasn’t as future-proof as I would like to see, I convinced the team to start looking elsewhere.”

A COMPLEX MONSTER

In the meantime, Agroforce had been relying on its own system, developed in Excel and set up with the aid of an accountant. “It was manageable, for all intents and purposes, but it got to be rather time-consuming as it grew into a bit of a monster. Editing all those separate files, ever-expanding and growing more intricate, requires a lot of manual modifications. Whenever there’s a small adjustment, say in weight or in price, you have to change that number in every file and hope for the best in terms of linking your Excel sheets together.”

At the same time the practical use for day-to-day needs starts to diminish when you lose sight of the bigger picture. A CTRM system is not just a container for data, you need to be able to quickly access and adjust that information as well. “You want to be able to check your position every day. ‘What is going on with this deal here, what are the various developments vis-à-vis estimates and expectations, how can I quickly and effectively adjust my position’ – et cetera.

In Excel, that puzzle will take you several hours easily – let alone implementing the proper adjustments. In other words, we basically got to the end of its efficacy. Moreover, it had become an overall impediment to growth – we needed to cut at least 20 or maybe as much as 30 percent of that daily workload. When faced with those numbers, you have to find a solution that allows for the same scale of efficiency gains.”

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BASIC REQUIREMENTS

Now, before we get into the specifics of Agiblocks and its solutions to some of the aforementioned problems, it's interesting to take a step back and zoom out a bit: what is it you should be looking for in CTRM software in general?

"Of course, there are the obvious characteristics; any software solution should feature any and all variables and properties related to commodity trading; it needs to be auditable, which is to say banks should be able to verify it as a reliable product; and you should be able to link it, directly or indirectly, to your accountancy system in order to reduce manual maneuvers there as well. But the key component for me is that the system matches all the intricacies of the industry, in much the same way that our previous software does not. The cocoa trade – the beans and the products – is very peculiar and very specific. Your software should reflect that and have all those variables and requisites built-in to allow you the freedom and flexibility necessary to do your job as a commodity trader."

ADAPTABILITY

"As a corollary, the system needs to be adaptive to the complex landscape of our industry as well. The cocoa industry has a very rich history and heritage" – something Agroforce respects, as demonstrated by the focus on sustainability and origination – "and a quintessentially dynamic future. Any software solution should reflect that by being able to adapt to new developments and conditions.

So many things have changed over the years, and I feel Agiblocks is unique in the continuous processing of all those variables."

"In my years at Daarnhouwer I've seen quite a few solutions, and none of them were quite sufficient in the end. It's no surprise to me that they have already turned to Agiblocks. In the end you come to a crossroads, as with any business decision."

"Do I invest amount X in a supplement to my current solution as an easy fix, say 'Excel-plus', keeping expenses low but risking that my newly implemented solution will be outdated within the next few years? Or do I take the leap by turning to an innovative business solution that has already been tried and tested by other firms, and has become the go-to solution for cocoa traders?"

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ENTER AGIBOO

"It shouldn't come as a surprise then that Agiboo has been on our radar for a few years now. We've been trying hard to break Agiblocks down", jokes Van der Flier, who knows quite a lot of people in our industry and has been asking around, testing for cracks in the system before committing. "Luckily, it seems everything is in order and your solution does what it's supposed to do. The traders that Agiboo already has on the books have unanimously turned out to be valuable ambassadors for your services, which has made our decision easier still."

Agiboo's personal approach to clients and potential new customers has helped as well. "Of course, the product comes first, but personal relations always count for something and I feel we can really see eye to eye. Jan has been approachable and available, especially given these strange and trying times, and has offered valuable assistance at every step. And it was nice to see your HQ in Almere is a real company, not just two IT-guys working in a garage!"

EXPECTATIONS

My hopes for the near future? There will be an interesting decrease in overall cost, no doubt. Just looking at the amount of time wasted on adjusting and readjusting odds and ends in our current system leaves me cautiously optimistic for good synergies. I expect scalability has more benefits to offer, as being able to familiarize future traders with a far more practical software solution will go a long way in recouping our investment as well."

"Personally, I look forward to being on the road again. If and when – fingers crossed – we get past the current pandemic and find ourselves back out there, visiting producers, supply chain relations and customers, that'll be another test: being able to reap the benefits of accessing just-in-time information anywhere from Geneva to Africa. I guess we'll have to reconnect in a few months and find out!"

AGROFORCE

ORIGINATION & SUSTAINABILITY

Agroforce Commodities has offices in Ivory Coast and Nigeria as well as representatives in Ghana and Ecuador. Headquarters are in Geneva, Switzerland, where it was spun off from Petroforce Trading & Shipping, a successful oilproducts and metals trading company.

Agroforce boasts many years of management experience in cocoa from origin sourcing, trading and buying for large chocolate companies. The team understands the whole flow as well as the expectations of suppliers and customers, but never loses sight of two pillars of its corporate philosophy – origination and sustainability – in order to look out for farmers and producers in West Africa and South America. The company works with trusted partners on certified cocoa, catering for the needs of the customer from mass balance certification to segregated traceable cocoa from long-term projects.



AGIBLOCKS DEMO

AGIBLOCKS IS THE FIRST CTRM SOFTWARE SOLUTION THAT SIMPLIFIES THE DAILY PRACTICES OF COMMODITY TRADE PROFESSIONALS.

It has been developed with the single goal of making your fixed routine of commodity trading and risk management more efficient. Its clean user interface is simple with fast access to key functions. For every task, from creating a contract to evaluating your risk, all required information is readily available. It is as powerful on smartphones and tablet computers as it is on the desktop, so it's accessible anytime, anywhere.

Experience our CTRM software solution for free and get a front-row seat to all the benefits Agiblocks has to offer with our free demo. The full range of Agiblocks functionality is available within the demo environment for your browsing leisure. Familiarize yourself with the tools and features of our powerful and agile software solution and find out how you can make the daily practices of commodity trade and risk management more efficient. Fill out the form on agiboo.com/demo and we will get back to you.