

# Trading Company



# Organization & IT

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# What we are talking about



1. Where I come from
2. Company Build
3. Entrepreneurship
4. Growing process
5. Please note – some incidents and stories
6. Remarks to the IT

# 1. Where I come from



- Coach / Consultant / Mentor / PM
- Business Management / IT
- All sorts of activities in various branches
- IT industry, Banking, Insurance, Tourism, Music, Airport, Airline, Commodity Trading
- Educational activities (University, Companies, Seminars etc)

# 1. Where I come from



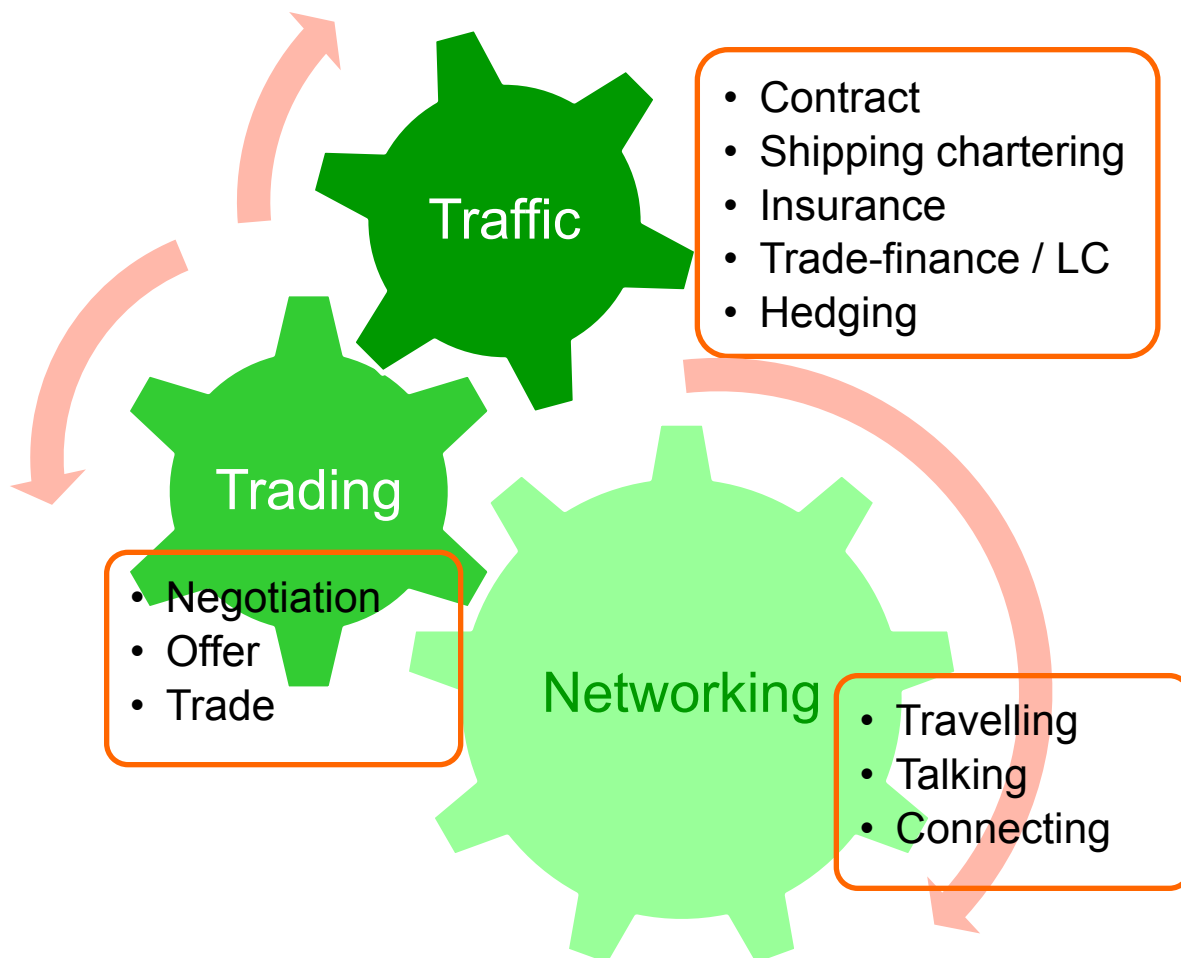
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# 1. Trading in particular

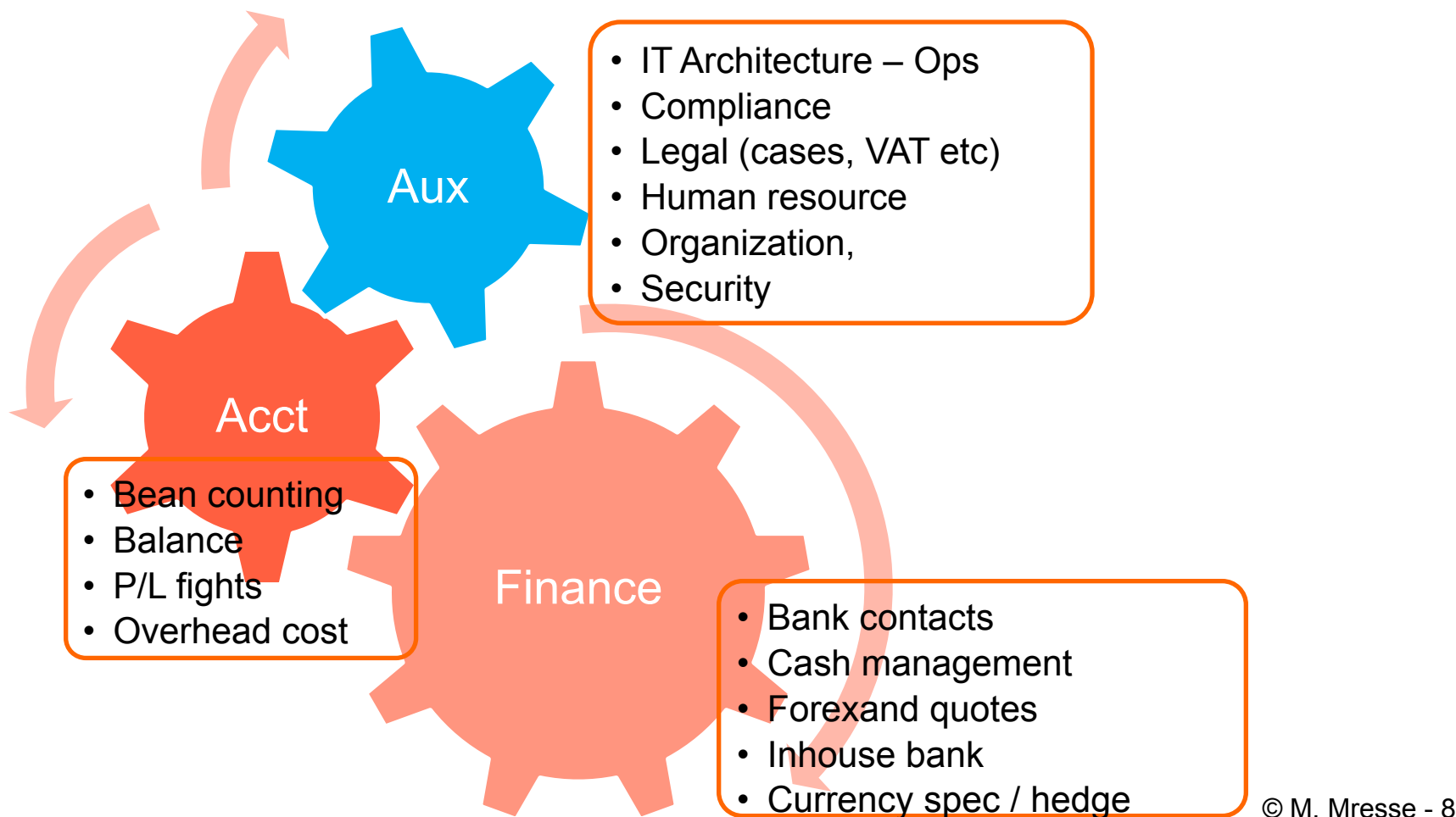


- 1984 Old Marc Rich (Glencore)
- 1997 CIO Marc Rich Holding (new MR)
- 2006 Kolmargroup

# 2. Company Build I

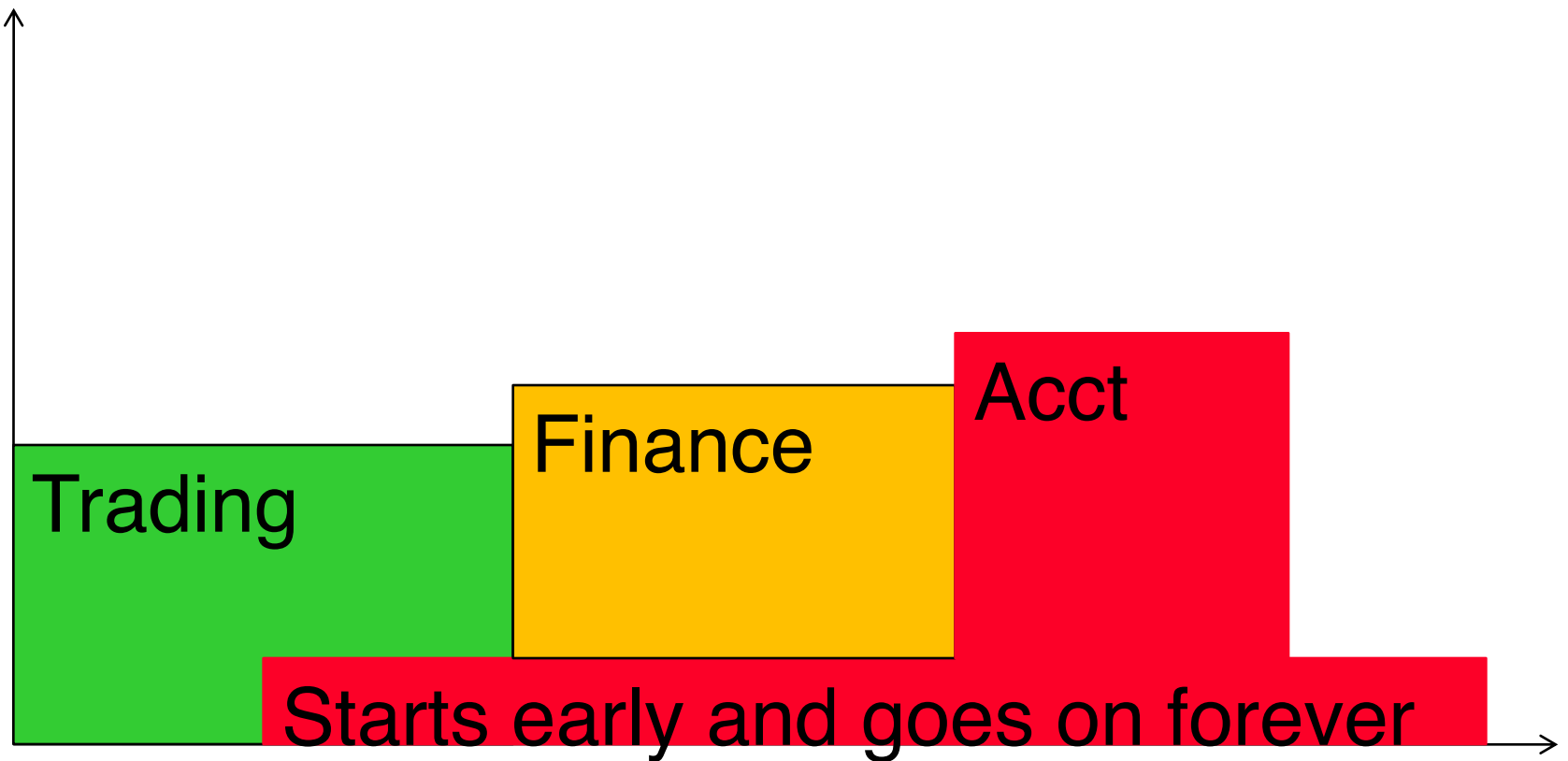


# 2. Company Build II





# 2. Company Build III

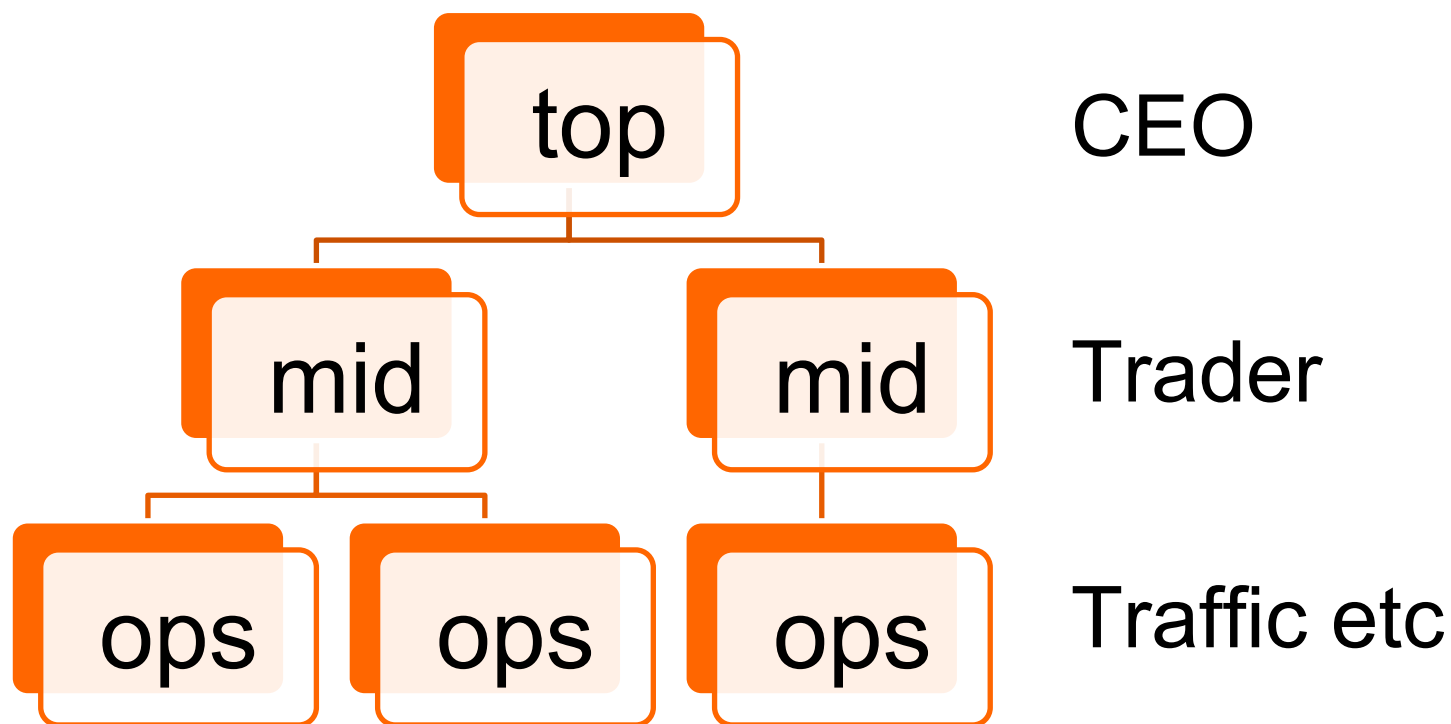


# 3. Entrepreneurship



- *Our company consists of a loosely coupled cooperation of independent entrepreneurs*
- Quick and flexible: the word counts
- *We don't want to be hindered by admin*
- Concentrate on future and not on past
- Prototype: *how much can you recover?*

# 3. Entrepreneurship

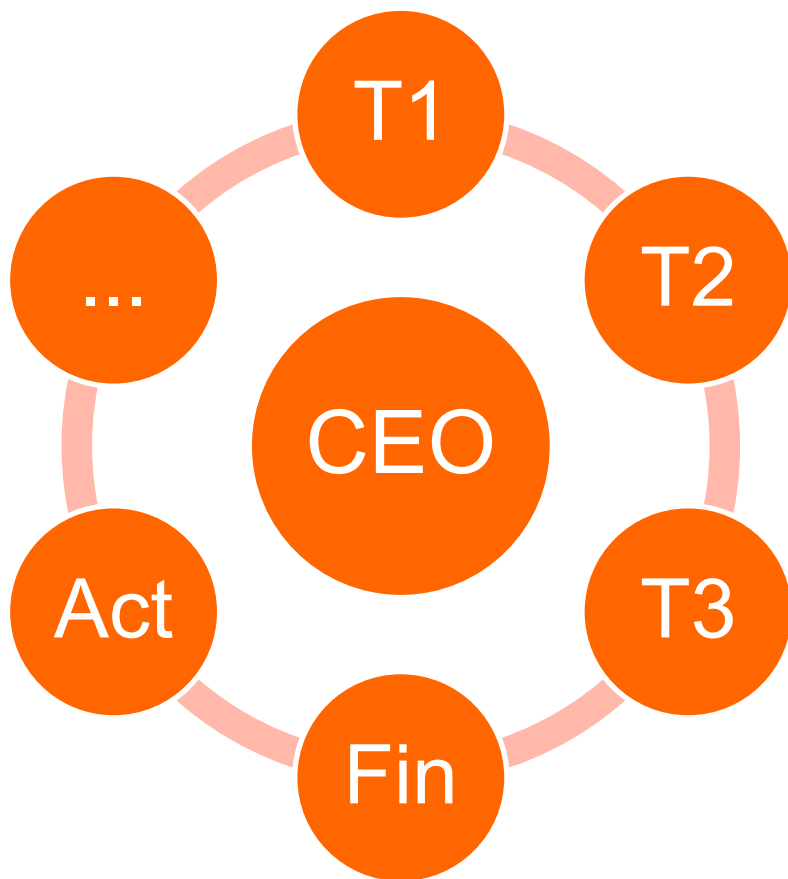


# 3. Organization guideline



- Flat organization
- No middle management
- No „manager“
- Trader manages his growing department  
→ too big? → split (2-30 pers)
- Ideally in a circle around the trader
- *Is the trader the best manager  
or a manager at all?*

# 3. Famous Traders Meeting



T1 Trader rep Alu

T2 Trader rep Co

...

Discussion:

- Market
- Position
- P/L
- Company

# 3. Independant – how far?



- Trading – reporting in TM or direct
- Internal organization incl HR
- IT (!)
  
- Constant P/L fights
- Competition and fights about finance
- Hidden speculation to improve results
- Scream for integration but don't allow

# 3. Some secrets of success



- Extremely flat structure
- *If there is no other way – let's shrink*
- Success / failure are immediately felt
- *Happy traders make better deals →  
If they need that to feel happy let'm have it*
- Human behaviour  $\leftrightarrow$  tough business
- Safety net thinking  $\rightarrow$  demurrage in LDN
- *So why was/is there failure?*

# 3. Failure is around the corner



- The LDN reorg: *bring us E-Mail!*
- Some burglars– and IT knows
  - The big hiding game – money corrupts
  - Traders will always do *what they can* not what they are *allowed* to (big boys game)
  - Some Commodity traders
  - Agro trades
  - Terrano the finance trader



# 4. Growing process



- Bonus fight → Buddies → startup
- „Let him play around“
- Credit lines up, trust up, trades up
- Horizontal: by trading groups
- Vertical: buy into the chain

# 5. Please note: quotations



- We made our money without the computer we are not going to lose it because of you
- Never dare *not* to make mistakes
- Now you have to perform!
- Easy letterheads
- We badly need your oil! The big game

# 6. IT (philosophy)



- Office:
  - How much does a Trader need to know?
  - Laymanship – Excellitis – a contagious illness
- Communication
  - Tel – Fax – Mail – Chat – Face-to-Face (F2F)
- ***We do not earn our money doing IT***
- ***IT is an enabler – it never solves problems***
- ***Bean counting breaks it all***

# 6. IT (small)



- Small Projects & Tasks
- New feed, chat channel, commodity ...
- → The triage process

# 6. „Just a little DB“



- Example: **funds management**
- The trader thinks it's done in 2 weeks
- IT thinks they need 18 months
  
- How to trade with a trader!
- What makes a successful project?
- The „expectation game“

# 6. IT (big) → Ask questions!



- What do you need?
  - Applications, Feeds and Interfaces
  - Architecture of an integrated system
- How do you work?
  - Process, workflow, service
  - Locations, commodities etc (blue print)
- How long can „it“ be down?

# 6. Kolmar IT Requirements



Kolmar's IT departments mandate is to provide the business with the necessary means to conduct business and track the business

**Uninterrupted 24/7 service**

# 6. Areas of interest



- Communication
  - Email → Outlook / Exchange
  - IM → in evaluation
  - Phone → xyz PBX (old)
  - Fax → Fax to E-mail
- Tracking the business & accounting
  - Trading system → Solarc
  - Accounting → JDE
  - Word etc.

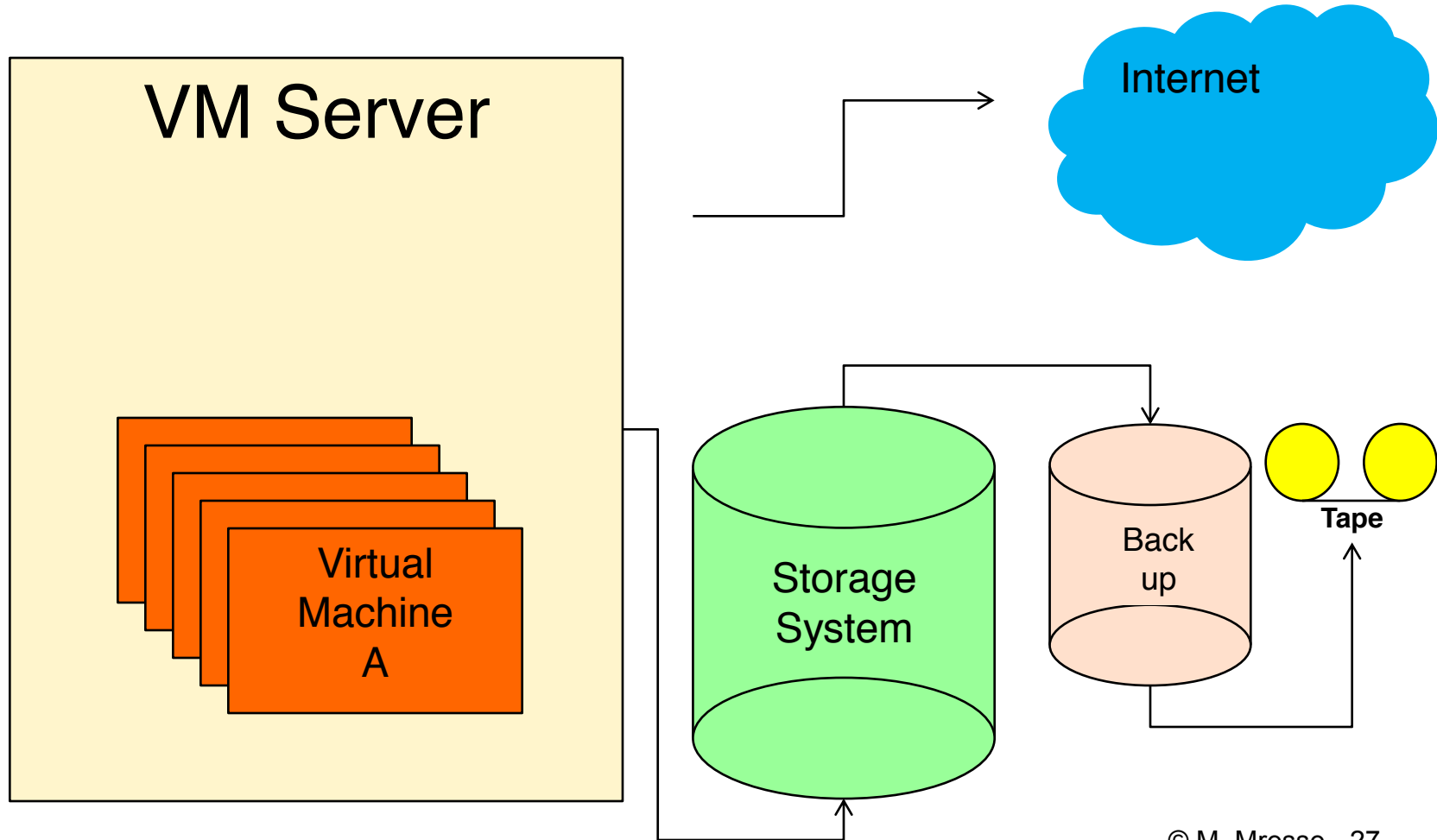


# 6. Infrastructure objectives



- Offsite active disaster recovery location
- Redundancy
- High availability
- Resilient
- Secure
- Highly scalable

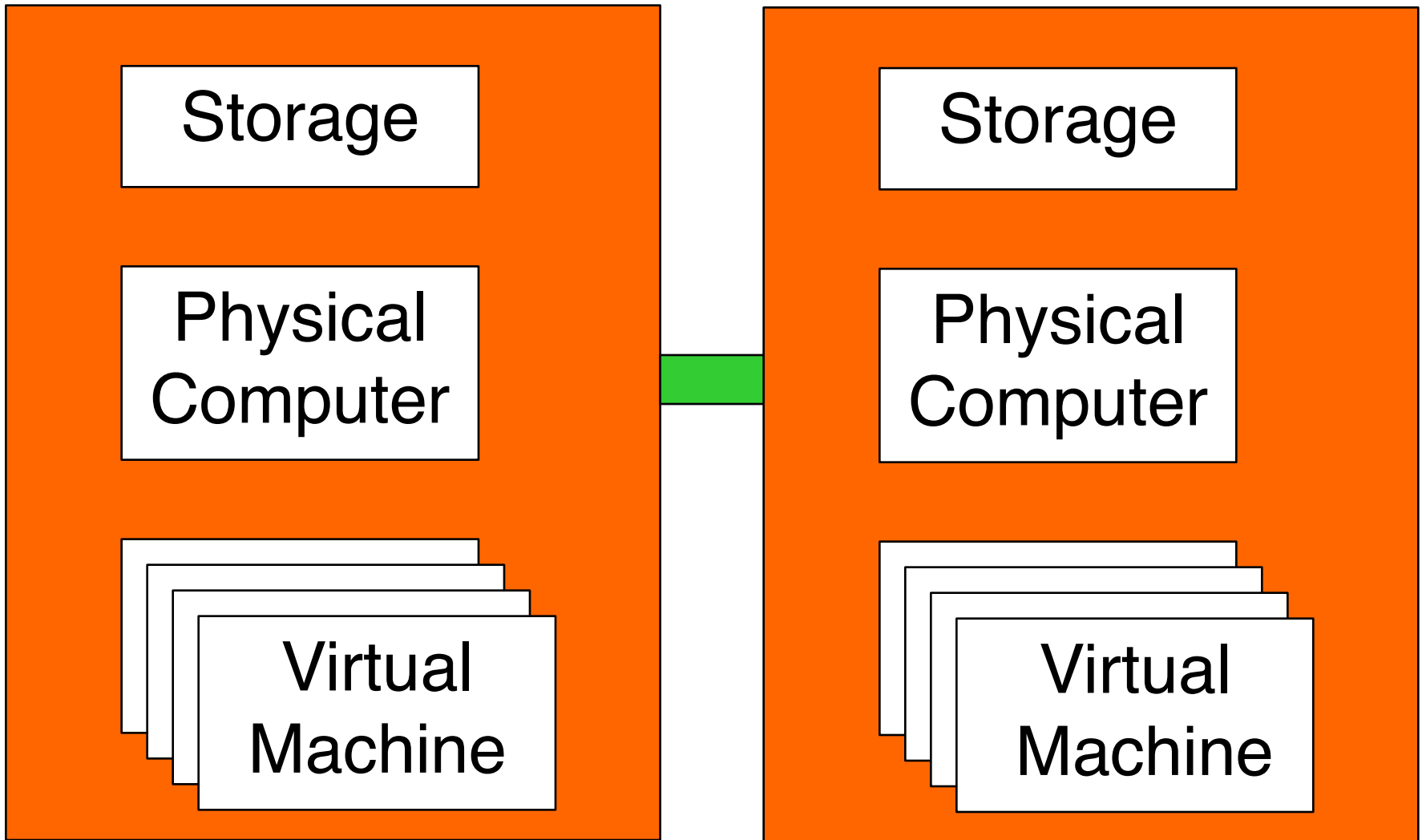
# Site A



# Layout

Site A

Site B



# 6. Redundancy



- Between redundancy and complexity
- The Twin Engine syndrome