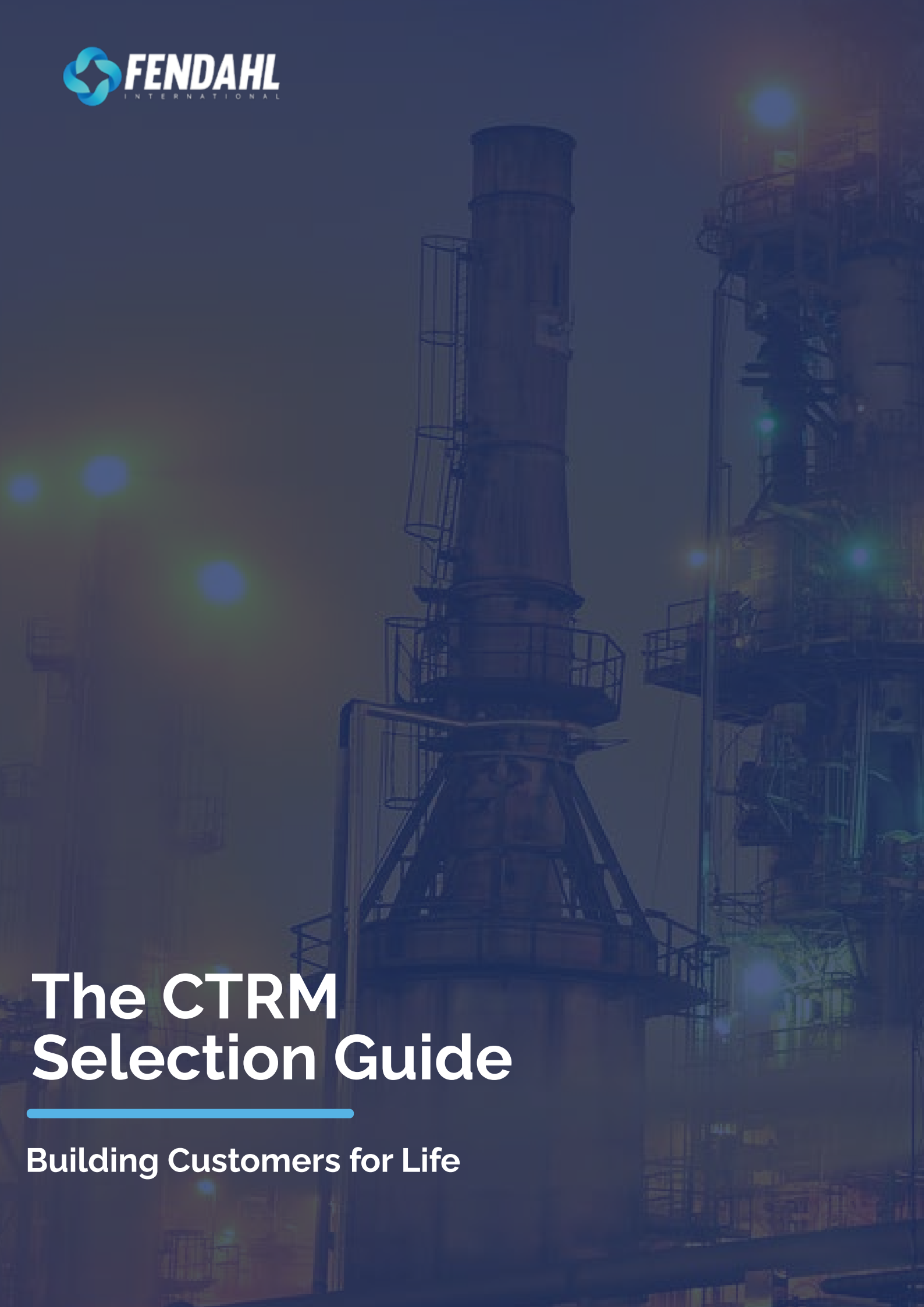

The CTRM Selection Guide

Building Customers for Life

Unified Platform for Smarter Commodity Trading

Commodity Trading & Risk Management (CTRM) software is the digital nerve center of modern trading that links commodity movement, risk, logistics, valuation, and compliance into one integrated platform. As markets evolve, fragmented tools can't deliver the speed, control, and regulatory readiness required. CTRM software delivers control, scalability, and real-time insights needed to operate efficiently in volatile environments

Here's when to consider a CTRM System

- **Expanding into new commodities or geographies**
- **Increasing trade volumes and operational complexity**
- **Outgrowing legacy systems**
- **Strengthening compliance and risk controls**

Selecting the Right CTRM System: 6-Stage Process

CTRM selection is not just about features; it's about strategic alignment. The right solution transforms your operations, but success begins with a disciplined, business-driven selection process. This sets the foundation for operational efficiency, risk management, and future growth.

Here's a proven 6-stage roadmap to help trading organizations navigate complexity and make the right decision

Stage 1

Define Project Scope & Requirements

Once the scope and requirements are documented, start engaging vendors. Share a concise summary of must-have capabilities to create a preliminary list of potential solutions.

Present Summary-Level Requirements

Time

Don't underestimate how long this process takes. For smaller or less complex businesses, plan for at least 6 months. Enterprise businesses hould expect 9 to 18+ months to reach a well-informed decision.

People

The system will impact everyone, including traders, risk, ops, finance, compliance, and IT. Each department must contribute to the selection. Appoint a board-level sponsor and involve cross-functional leads.

Planning

Define clear functional requirements and build a structured evaluation plan. It is required to outline roles, responsibilities, and timelines. External consultants can help guide the process, but ownership must stay with the business.

Structure the Project for Success

Break the project into manageable phases instead of "Big Bang" implementations.

Define business-critical features clearly for every team.

Secure early buy-in to minimize resistance later.

Allocate realistic time and resources based on availability.

Stage 2

Engage Vendors & Produce a Long List

Once the scope and requirements are documented, start engaging vendors. Share a concise summary of must-have capabilities to create a preliminary list of potential solutions.

Present Summary-Level Requirements

- Commodity coverage
- Scalability and architecture
- Integration capabilities
- Licensing model preferences (SaaS vs. perpetual)
- Critical workflows and reporting needs

Build a Targeted Vendor List

- Be targeted in your outreach, and avoid casting the net too wide.
- Use high-level overviews and Request for Information (RFI) responses to filter options.
- Record initial impressions and eliminate vendors that clearly don't fit early on.

Stage 3

Shortlist Vendors & Conduct Initial Demos

The next step is to narrow the list to 3–4 vendors based on the responses and demo presentations, for a deeper evaluation.

Evaluate with Purpose

- Assess the user interface and ease of navigation.
- Review how each system supports core workflows.
- Confirm domain knowledge through relevant industry examples.

Focus on Business Relevance

- Avoid scripted sales demos. Request scenario-driven walk-throughs.
- Focus on real use cases and daily challenges your team faces.

Stage 4

Scenario-Based Demonstrations

Provide short-listed vendors with sample business scenarios that reflect actual or representative activities. Ask them to demonstrate end-to-end handling of these scenarios in their system.

Provide Clear Scenario Instructions

Example scenarios may include:

- Capturing and managing physical trades.
- Calculating risk and exposures.
- Developing P&L and mark-to-market reports.

Standardize Evaluation

- Align demos to your unique business flow.
- Prioritize reporting and decision-support capabilities.
- Use standardized evaluation criteria to score each vendor fairly.

Stage 5

Pilot & Vendor Assessment

With one or two finalists identified, conduct a hands-on pilot to test software functionality and vendor suitability.

Stimulate Real-World Usage

- Model real trades and workflows across their lifecycle.
- Test for performance, reconciliation, and scalability under realistic conditions.
- Run full reporting cycles and confirm data accuracy and timeliness.

Perform Vendor Due Diligence

- Review the vendor's implementation methodology and support structure.
- Assess their domain knowledge and responsiveness to your team's questions.
- Examine system architecture, integration flexibility, and SLAs.
- Request client references, financial records, and proof of past performance.

Align with Organizational Culture

- Observe how well the vendor's team works with you.
- Involve end-users early to gauge usability.
- Confirm that the vendor can deliver timely and support growth plans.

Stage 6

Final Selection & Project Launch Prep

After final vendor negotiations and approvals, it's time to prepare for implementation.

Finalize All Commercial and Technical Terms

- Confirm licensing and deployment model (cloud, on-premise, hybrid).
- Finalize contract terms, pricing, and SLAs.
- Align internal resources and finalize project governance.

Mobilize Internal Project Governance

- Ensure legal, procurement, and IT departments are fully aligned.
- Use early planning momentum to drive a successful project start date.

Pricing Models Software as a Service (SaaS) vs. Perpetual Licensing

Licensing and deployment decisions can have a long-term impact on your total cost of ownership, internal resource commitments, and system flexibility. Different pricing models also come with different support structures, upgrade paths, and infrastructure needs. Here's the following comparison to understand these models:

Feature	SaaS (Subscription)	Perpetual (License)
Pros	Lower upfront cost, no hardware required	Full ownership, lower long-term cost
Cons	Higher cost after 3–4 years, no control over updates	Higher initial cost, IT infrastructure needed

Here are some of the aspects that need to be considered:

- SaaS offers flexibility but may cost more over time.
- Perpetual licensing requires capital but lowers total cost over time.
- Choose based on your financial model and IT capabilities.

Deployment Options: Choose What Works for You

The CTRM platform should not only fit functionally, but also be deployable and manageable within your organization. Here are the common deployment models:

SaaS (Cloud-Native)

- Subscription-based with minimal IT management.
- Ideal for companies seeking rapid deployment and scalability.

Hosted (Managed Cloud)

- Managed by a vendor or third party in a private cloud.
- Balances flexibility with reduced infrastructure overhead.

On-Premise

- Installed and run within your organization's IT environment.
- Suitable for firms with stringent security or regulatory requirements.

Key Considerations for Choosing the Right Model

- Evaluate your internal IT architecture, disaster recovery capabilities, and cloud-readiness.
- Ensure the deployment model supports future expansion, integrations, and business continuity.
- Consider regulatory restrictions, particularly those related to data control and hosting location.
- When evaluating a SaaS based solution, consider whether a multi-tenant or single-tenant model best fits your needs.

About Fendahl

Fendahl is a global CTRM solutions provider with over 110 experts supporting clients in oil, petrochemicals, metals, fuels, biofuels, and agricultural commodities. With offices in London, Houston, Dubai, Singapore, and Nagpur, we bring expert domain knowledge and proven technology to your digital trading journey.

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