

CASE STUDY

TELF AG

"We wanted to introduce an integrated solution to strengthen our management capabilities, to process information and to reduce the time required to make financial statements available. With Brady's FINTRADE application, we have installed a technologically advanced solution that is well adapted to petroleum commodities trading and meets many of the challenges associated with tracking logistics."

Pierre-André Brouze, CFO, TELF AG



STAYING AHEAD OF THE GAME

The Challenge

TELF AG is a Swiss company specialising in the trading of coal and various petroleum commodities, mainly from Russia and the Commonwealth of Independent States (CIS). This complex business requires precise logistical management in order to optimise profit margins, so TELF AG wanted to implement an integrated solution to manage its business.

Pierre-André Brouze, CFO, TELF AG, explains, *"Our business is about ensuring the correct transportation of coal or various petroleum commodities such as gasoline, fuel oil or gasoil, from various refineries in the CIS to ports for export. We deal with embarkation and reselling. We primarily acquire our commodities in Russia, Belarus, the Ukraine and Kazakhstan, and then we oversee their transportation to ports located in the Black Sea, Far East of Russia or the Baltic Sea. The challenge for TELF AG was thus to integrate logistical constraints into its information system."*


The company had experimented with a number of other solutions, but the highly complex nature of the petroleum industry proved to be an obstacle to the success of these various projects. Pierre-André Brouze continues, *"We installed a package that, although integrated, was not satisfactorily completed – we were forced to abandon the project. Then we thought about developing something in-house, but that turned out to be too complicated and time-consuming, in spite of the cost advantages associated with a potential location of our IT Department in Russia."*

In its quest for an integrated solution capable of tracking transactions costs and providing a snapshot of volumes and margins, TELF AG eventually chose Brady's dedicated suite of applications for firms trading in commodities: management (FINTRADE), accounting (FINACCOUNT) and document exchange (FINCOM).

The Solution

Brady is a market leading supply chain and risk management software solution. It combines management of the physical supply chain with market-based financial valuations and corporate treasury requirements in an integrated and scalable platform. As a result, Brady streamlines business processes and procedures and provides a single, real-time view of the client across the enterprise.

TELF AG chose to work with Brady based on its market credentials and track record. Pierre-André Brouze says, *"Brady's solution emerged as the most appropriate and compliant solution for our business. It was already used by many companies that specialised in steel and cotton trading – businesses close to our own. We were also happy with the structure of the product, because it allowed us to incorporate the challenges associated with logistics in the CIS, as well as having an accounting interface. Last but not least, we welcomed its 'universal platform' feature enabling us to track costs and transactions, check trading volume and profit margins at a glance and share a common database with all our colleagues."*



"We really appreciated the reactivity and availability of Brady's teams," explains Pierre-André Brouze. "In addition, one of the group's strong points is its consulting team. They're not just IT specialists, but people who speak the same language as us and who understand our business."

Brady's solution is also highly customisable and backed-up by the strong industry knowledge and expertise of Brady's team of experienced business consultants.

Installation of the solution began in 2007 and FINTRADE and FINACCOUNT were rapidly rolled-out. Pierre-André Brouze states, *"We thought that a sustainable solution meant putting it into production in real life. All transactions are now entered into FINTRADE and controlled. Even if we haven't yet made use of all of the data, we know that we have an up-to-date package that allows us to stay one step ahead of the market."*

The good working relationship with Brady also proved to be a real asset during the implementation of the project. *"We really appreciated the reactivity and availability of Brady's teams,"* explains Pierre-André Brouze. *"In addition, one of the group's strong points is its consulting team. They're not just IT specialists, but people who speak the same language as us and who understand our business."*

TELF AG has subsequently modified its organisation in order to take full advantage of the software's best practice approach. Pierre-André Brouze comments, *"With FINTRADE, our objective is to reduce the time required for producing our financial statements and to obtain quarterly figures as the end of the following month. We know this can be done! We will also be undertaking further developments that will enable user to customise their business process."*

The Benefits

The use of Brady's FINTRADE, FINACCOUNT and FINCOM suite of applications enables businesses to rationalise and drive their daily business so that they can:

- **Improve profitability**

Timely access to accurate and consistent information supports the informed decision-making needed to capitalise on evolving market opportunities and optimise margins

- **Reduce risk**

Enable businesses to proactively track, measure, evaluate and manage trading positions in order to minimise the associated risks

- **Increase productivity**

Streamlined processes and centralised data, document and communication capture and retrieval help to maximise efficiency, save time and resources, and reduce errors

- **Minimise costs**

Provide the tools to identify the most cost-effective way to finance activities and closely align revenue and associated costs to ensure tight fiscal control

- **Strengthen business relationships**

Enhanced contact and communications management enable the depth and breadth of customer and partner relations to be proactively enhanced and exploited

- **Ensure compliance**

Advanced deal tracking, auditing facilities and sophisticated reporting tools help improve regulatory/accounting compliance and business control.

Brady's suite of fully compatible and proven solutions is also easy to use and removes much of the risk associated with in-house or bespoke trading solutions – minimising costs and complexity, increasing reliability, scalability and security and simplifying ongoing maintenance and enhancements.

By implementing a trading and logistics management solution that is adapted to the unique characteristics of its business, TELF AG has been able to create an efficient, shared information database that also takes into consideration the very specific constraints associated with coal and petroleum commodities trading. As a result, all teams involved in a transaction can track costs and transactions, check trading volume and profit margins at a glance.

Pierre-André Brouze concludes, *"Brady's solution allows our company's accountancy to be replicated across the management information system, so all of our users have the same picture of a transaction from one end of the chain to the other. With the solution TELF AG has a common database for all employees in all offices, as well as a better idea of profit margins."*

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