

# PROJECT BRIEF



Business Problems  
Challenges  
Deliverables  
Outcomes  
Data Sources  
Technology

## COMMODITIES BROKER

### CUSTOMER:

Commodities Broker  
– Midwest USA

### PROJECT:

Trader Profitability  
Analysis

### BUSINESS PROBLEM

A successful feed ingredients broker was not satisfied with the reporting provided by its commodity trading software. Reconciling estimated costs at the time of transaction for commodities purchased, sold, and transportation versus actual costs could not be done on the brokerage system. The software adequately tracked trading activity and basic financial reporting. However, it did not allow the company to determine profitability by commodity trader, a calculation essential to understanding overall profitability, individual broker performance, trader commissions, and positional risk. In order to calculate profitability, the company used spreadsheets with data extracted from the source system.

This method caused several problems:

- Overpayment of commissions
- Reconciling estimated to actual costs in spreadsheets was labor intensive, prone to errors, and difficult to secure
- Had difficulty in figuring positional exposure
- Ability to analyze history and detect developing trends was very difficult

### CHALLENGES

- Source data was inconsistent and required extensive cleansing
- Existing reports contained errors which made validation difficult
- The customer had no formal business intelligence infrastructure

### DELIVERABLES

- A data mart designed as a star schema with daily extract, transfer, and load (ETC) from source data
- A dashboard with graphs showing key metrics
- An ad hoc query capability that allows users to select data filters, group/sort criteria, and choose metrics from drop-down lists and output to web page, Excel, or PDF

### OUTCOMES

- Fast, accurate calculation of profitability by trader
- Ability to assess sales and profitability at a glance from the dashboard
- Ad hoc "slice and dice" capability to analyze sales, costs, positional exposure, and profitability by many different dimensions

### DATA SOURCES

- Legacy application on SyBase database

### TECHNOLOGY USED

- Microsoft SQL Server 2005
- Information Builders WebFocus reporting

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