

it.commodity – Commodity Management Solutions

# Next-Generation Commodity Management for a Shifting Global Market

---





In a volatile global market, access to accurate information and making quick decisions are imperative for success.

75%

of metals CEOs are concerned growth will be slowed by exchange rate volatility

## Taking Control of Price Volatility

# Real-Time Visibility For a Rapidly Changing Global Commodities Market

### Changing Needs Require Smarter Solutions

Effective commodity management has never been more critical to manufacturing-related companies than it is today. Fast changes in demand are met with new supply sources from emerging economies, driving price fluctuation and challenging businesses of every size.

Companies that produce and sell commodities, purchase them for components or use them in finished goods are all challenged by price volatility and see an impact on their profitability. These businesses are hit at both the top and bottom line, and they face an enormous challenge to stay afloat in a changing market.



### Seeing Beyond Market Turmoil

With prices changing constantly, businesses across industries need a holistic view in order to make the right choices. Ongoing volatility calls for a complete picture of trends, stock market pricing and risk analysis, all reflecting shifts in market conditions as they occur. Whether purchasing, selling or hedging commodities, decision makers must be able to manage various pricing models and consider potential profitability and risks based on current conditions.

In a complex market, businesses need simplicity. Leaders must be able to rely on their core ERP data in order to make informed decisions, and they need to view fluctuations as they occur to avoid falling behind. To achieve this, businesses need a solution they can trust. To achieve this, commodity management must be directly integrated with their other core systems.

### Make Choices in Real Time

Commodity management solutions from itelligence allow businesses to keep up with a volatile global market. it.commodity supports the entire commodity management process, from master data management through purchasing and delivery, and across sales, procurement and risk management.





### Simplicity from End to End

it.commodity combines full functionality and long-term flexibility with the simplicity businesses need to make fast, more informed decisions.

#### it.commodity Basis Components

- Enable fast deployment in existing SAP implementations
- Enhanced material master with added commodity contents
- Classification of price relevant contents; distinguish between payable and penalty elements
- Define commodity quotations with consideration of respective exchange trading days and define rules for dependent quotations to be calculated

#### it.commodity AddOns

- **Content Related Pricing**
  - Define pricing rules based on delivery dates and commodity quotations as part of the purchase or sales-order management
- **Lot and Analysis Management**
  - Manage and maintain individual analyses without complex batch classification or quality management
  - Integrate pricing based on the agreed final analysis
- **Settlement**
  - Determine and choose different settlement methods for operations in Purchasing and Sales
- **Risk Management**
  - Enable effective commodity hedging
- **Commodity Accounts**
  - Enhance the conventional inventory and valuation view of an ERP system

#### Main Features and Benefits

- Drive efficient business processes across procurement, sales and risk management
- Avoid loss and prevent mistakes by eliminating sources of error
- Manage the decision making process from a single viewpoint
- Understand your risk position and compare against market prices
- See a holistic, real-time view of commodity positions
- Handle individual, industry-specific contracts
- Fast deployment within existing SAP landscape with it.commodity-Basis



# 11%

of companies follow innovative  
hedging practices to defend  
against market volatility

## **Streamlined Commodity Management Processes**

Specialized components allow it.commodity to integrate and efficiently manage your core business processes:

### **Commodity procurement**

- Quickly create purchase orders and contracts
- Support for various invoices
- Eliminate outside calculations for reduced errors
- Advanced commodity pricing on top of standard SAP ERP procurement functionality

### **Commodity sales**

- Commodity-based pricing and invoicing support
- Automate negotiated pricing rules
- Manage commodity quality requirements and integrate pricing formulas
- Integrate stock market pricing from exchanges

### **Commodity risk management**

- Assess and manage commodity risk based on your unique risk approach
- Eliminate spreadsheets and reduce errors
- Capture exposure positions automatically from paper and physical transactions
- Understand commodity risk with risk reporting
- Measure effectiveness and maintain hedging relationships

## **Deep Commodities Industry Expertise**

itelligence experts know your business. We have pioneered SAP commodity management and have more than 25 years of experience as a trusted IT advisor. Our it.commodity solution was first developed in 1999 in cooperation with a customer and is the basis of our product today. We speak your language and bring our in-depth knowledge of the global commodities business to every project.



The commodities market is changing, we can help you keep up.

**Contact us and make  
a personal appointment  
to define your individual  
solution package now!**

» [commodity@itelligence.nl](mailto:commodity@itelligence.nl)