The **Commodity Trading** solution combines powerful Contract, Logistics and Risk Management tools which integrate seamlessly into the Microsoft Dynamics 365 Finance and Operations platform.

Manufacturers and traders can better manage contracts and reduce risk thanks to:
- more accurate costing
- multiple methods of commodity pricing and invoicing
- visibility across all departments, improving efficiency and accuracy across the supply chain.

**Contract management**

**Scalable Commodity** centres on Contract Management. Once recorded, contract information is immediately visible across the organization, enabling financial and quantitative details to be updated and tracked.

As it progresses through its life cycle – logistics, finance and risk – the contract acts as the central repository for all transactions. Users can interrogate **Scalable Commodity** at any stage for a contract status snapshot, drilling down on transactions for details.

**Scalable Commodity** gives immediate, accurate answers to commonly asked questions:
- what is still to be delivered?
- how did we satisfy this contract?
- what costs have been accrued/incurred?
- when were changes made?
- when were prices fixed?
- all invoices have been processed?

**Logistics and shipping**

Timing is everything, whether shipping globally or arranging receipt of a commodity to meet just-in-time production demand.

**Scalable Commodity** offers a central repository for all transport instructions, giving trading, logistics and production departments’ complete oversight into what has been planned – and more importantly, what is still to be done.

- Automatically identify the transport carrier which offers the most cost-effective option, based on delivery charge rates, transport type and commodity data
- Record individual truck/rail car details
- Provide movement instructions for all parties involved in the transportation of a commodity
- Calculate quality bonuses and discounts, both price and weight, at a load level
- Allocate transport costs to contracts, including:
  - delivery spreads
  - commodity loads
- Multiple methods of calculating freight delivery charge rates, including:
  - from and to location combination matrix, or zone
  - charge by transport type
  - charge by weight, volume, container
  - sliding scales
  - date effective rates.
Invoicing

**Scalable Commodity** builds on the standard Microsoft Dynamics 365 Finance and Operations functionality used to generate invoices and check the values of invoices received.

By using the on-cost information recorded at a contract level and updated at each stage through shipment logistics, **Scalable Commodity** ensures more meaningful accrual values are captured and eases reconciliation of expense invoices.

**Scalable Commodity** supports:
- producers and supplier’s invoices
- customer sales Invoices
- RCTI/self-bill invoices for producers and suppliers
- invoice reconciliation routines for supplier commodity invoices and on-cost invoices
- provisional invoices required before delivery/shipment takes place (e.g. customs invoices) or adjustment invoices e.g. where final analysis results are known
- prepayment routines for both purchase and sales contracts
- multiple prepayments for each contract (e.g. pay grower in advance for grain while in field).

Storage contracts

**Scalable Commodity** tracks third-party commodity held in company-owned storage facilities, including invoicing of storage and handling charges, by:
- defining storage and charge schedules
- identifying third-party commodity in store
- managing and recording transfer of commodity ownership to other third-parties or converting to purchase contract
- periodic storage invoicing based on storage schedules.

Manufacturing – production demand

**Scalable Commodity** builds on Microsoft Dynamics 365 Finance and Operations Master Planning to link commodity contracts or inventory holdings to production. The enhanced solution allows users to:
- allocate demand for raw materials to specific customer production orders or for planned inventory holdings
- use standard **Scalable Commodity** processes to arrange transportation of commodities (raw materials) to the production plants
- ensure production demands are visible to shop floor planners at all times
- ensure orders are visible throughout production to aid shipment planning and logistics.

Risk management

**Scalable Commodity** provides a risk strategy framework through:
- real-time reporting of open commodity positions
- hedging of exchange traded commodities
- management of foreign currency exposure
- workflow escalation procedures and alerts for contracts, shipping, logistics and financials
- mark to market reporting for commodities.