

OpenLink's Henry Bonner on the Ags & Softs Market

An Interview with Henry Bonner, SVP Commodities at OpenLink

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By Commodity Technology Advisory LLC

Commodity Technology Advisory: What do you see as the issues driving procurement in ags and softs right now?

Henry Bonner: As many companies watch growth in sales, general, and administrative (SG&A) costs outstrip increases in revenue, controlling expenses has become an even greater priority. As a result, executives are under ever-increasing pressure to deliver productivity improvements, and almost all companies have sought to reduce costs, whether through traditional programs such as outsourcing, offshoring, and strategic sourcing or other one-off cost-reduction events.

One of the hottest topics being discussed right now is around Zero Based Budgeting (ZBB). ZBB allows top-level strategic goals to be implemented into the budgeting process by tying them to specific functional areas of the organization, where costs can be first grouped and then measured against previous results and current expectations.

We see continuing interest from organizations seeking to improve the quality of their position analysis across various parts of their organization, moving away from disparate systems and towards single solutions. Single platform solutions like OpenLink's are better able to capture all of their exposures and support their operational and financial accounting needs. This functionality leads to improved transparency and better risk management.

Commodity Technology Advisory: What effect is the regulatory environment having on the sector?

Henry Bonner: Feed, food, and bioterrorism regulations have increased traceability requirements for our clients. CTRM systems such as ours support the management of these products and their associated regulations. Also, the ability to manage government recalls for these sectors has

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reached an all-time high. Additional record keeping and compliance have increased demand for software solutions that monitor and report that compliance. We continue to monitor regulatory requirements to provide solutions in a timely manner.

Commodity Technology Advisory: With the collapse of many commodity prices, how is that impacting the sector?

Henry Bonner: It is no surprise that there is a general slowing in capital purchases and incurred IT expenses, but some sectors continue to flourish. In particular, manufacturers, such as those in the milling industry, are doing very well in this climate. OpenLink has a number of clients in these sectors who use our solutions for execution and process management, including ingredients management and formulation. These clients are experiencing continued growth even in this market. However, due to the collapse in prices, all producers are forced to squeeze every penny they can out of each bushel they produce. Having visibility across their supply chain will help them accomplish this.

Commodity Technology Advisory: How do you see the evolution of Commodity Management progressing? How do you see the dividing line between ERP and CTRM in the space?

Henry Bonner: ERP and CTRM systems can happily coexist. In fact, a large number of our clients have dedicated ERP solutions, such as SAP or Oracle. Typically, we see the differentiation between the two in that CTRM solutions enable the direct management of commodity purchases and sales but particularly enable deeper support for complex transaction types—in particular hedging and derivatives. OpenLink’s solutions in the Ags and Softs sector do have some ERP components, and some of our smaller clients will use our products exclusively to manage their entire value chain from origination through to physical and financial settlement, including financial accounting. CTRM solutions tend to be much stronger when forecasting compared to ERP systems and, hence, are more useful during planning and execution.

Commodity Technology Advisory: How is OpenLink doing in the sector? Any new products or announcements?

Henry Bonner: OpenLink continues to grow in the Ags



and Softs sector, as well as the other markets we serve (Energy and Capital Markets/Treasury). In Ags and Softs, we had a very strong 2015, adding 15 new named clients with some of these implementations going live in less than six months. This is an area of focus for us, and we are seeing both a market need for our solutions as well as success with our solutions in the market.

Commodity Technology Advisory: Do you foresee any other needs in terms of functionality or requirements emerging?

Henry Bonner: Our products continue to evolve, driven mainly by our large customer base. We have a number of new products emerging in the mobile space, giving our clients the ability to interact with their own clients by sharing data on position, price, contracts, etc. Additionally, we can use mobile devices for sales order processing. We also continue to work on closing the gap on the previously segmented activities mentioned above. For example, we now have a complete solution for organizations who both originate commodities as well as sell crop input/crop protection products. This functionality allows our clients to be a 'one stop shop' for their clients, and our solutions can facilitate this.



**Henry Bonner, SVP,
Commodities at OpenLink**

Henry Bonner is responsible for OpenLink's global non-energy commodity sector, covering Agribusiness, Food & Beverage, and Consumer Packaged Goods.

Mr. Bonner joined OpenLink in 2009 as SVP of Corporate Development, managing two key company acquisitions to create the Agribusiness Division, of which he became the Managing Director, merging and integrating the two businesses. As well as company acquisitions, Henry contributed to the private equity sale to the Carlyle Group and the subsequent sale to Hellman and Friedman. Prior to OpenLink, Henry was Principal at Fairlead Capital Management, responsible for strategic advisory to energy and financial services technology companies on areas such as capital raising, M&A, revenue growth, product positioning, and exits. Prior to Fairlead, Henry was Managing Director at SunGard Energy for eight years, where, as a founding team member, he was instrumental in

developing the business from its beginning by driving both organic and acquisition growth strategies.. Earlier in his career, Henry was the general manager of leading risk management software company, Sailfish Systems Limited, which was sold to Reuters in 1995.

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