

An Interview with Rich Jefferson Commodities COO at Beacon

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By Commodity Technology Advisory LLC

Comtech recently had the opportunity to visit with Mr. Rich Jefferson, Commodities COO at Beacon to get his thoughts about Beacon Growing Rapidly and Finding Fertile Ground in Commodity Trading

ComTech Advisory: Can you give us a quick update on Beacon's activities in commodities?

Rich Jefferson: This is an exciting time for Beacon. We have grown our team and added clients from several sectors – physical energy traders, coal traders, investment banks and hedge funds. We have added back office, downstream and regulatory reporting functionality to our strong analytic framework. We have integrated clients' own validated and approved pricing models to drive PnL and risk output from Beacon. We love working with clients who subscribe to our "buy and build on top" mentality (as we wrote about in our recent white paper), enabling analytic developers to own the full stack. That's critical as markets and regulations continue to change.

ComTech Advisory: We have seen a lot of interest in 'ecosystems' recently, Beacon is an example of a possible platform on which to build a CTRM ecosystem – have you seen much interest in that approach?

Rich Jefferson: The edge our clients get from Beacon is that, in addition to a powerful suite of CTRMS applications, they have access to the underlying Beacon Standard development platform. Instead of extending a vendor system with a collection of loosely-integrated spreadsheets, Beacon clients can extend existing functionality and build new tools in the same environment Beacon's own developers use, with full access to Beacon's source code and flexibility to write their own code that runs alongside ours, accessing the same core functionality and data, and running on the same infrastructure. This "build

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and buy" approach leads to a customized environment that is flexible but remains stable and maintainable years into the future.

ComTech Advisory: With so many disruptive technologies hitting our industry at the same time, it is difficult to keep track and make assessments. What are you seeing in terms of things like blockchain, AI and so on?

Rich Jefferson: We're seeing interest in the application of blockchain technology to ease the operational burden surrounding the management of physical commodities. There seems to be broad consensus that the challenges here lie not so much in the underlying distributed ledger technology but rather in properly defining and implementing smart contracts and in creating an ecosystem with a critical mass of market participants. Today's successful businesses have technology that lets them respond quickly as market structures change, and that change is happening faster than ever before. Beacon's products give our clients cutting edge core functionality that leverages modern technologies like cloud computing and web/mobile applications, but also give them enterprise-class developer tools that let them nimbly evolve their tools along with the market in the ways that fit best with their own businesses.

ComTech Advisory: And what capabilities does Beacon offer in terms of deploying some of these technologies?

Rich Jefferson: Beacon's CTRMS is built on an enterprise technology platform, running in our clients' cloud accounts, which is tuned to make today's cutting-edge commercial developers, quants, and data scientists part of the business. Many AI challenges can be solved by creating teams of data scientists that are more tightly integrated with the business, so that data scientists can help come up with the questions, not just the answers. That sort of tight integration between (data science) analysts, technologists and the business is really what the Beacon platform is all about, and we've seen great success stories with our clients here. Beacon gives them the tools to own the entire stack, including streamlined and controlled production deployment of new functionality, that lets them respond iteratively and commercially to their business partners



ComTech Advisory: We saw you at E-World – how was that for you and what were interest levels like?

Rich Jefferson: e-world was fantastic. What struck me was the range of client engagement from small to large. People are intrigued by Beacon, not everyone knows what we do or what we can do for them; for now, they have heard that we are different. Our challenge is to give meaningful demos to interested clients and showcase the range of solutions we can collaborate on.

ComTech Advisory: Any other initiatives we should be aware of?

Rich Jefferson: Beacon has grown very quickly over the past two years, from a handful of developers to over 60 globally-distributed employees, largely through organic growth and success with new clients. We are continuing to grow aggressively through partnership with investors and partners, both in the CTRMS space as well as in other asset class areas such as life insurance and fixed income. In the the CTRMS space we are focused on extending our strong financial risk and trading functionality into the physical supply chain to give our clients a single platform that covers their whole stack, based on our experience building similar functionality at other leading commodity trading institutions.



Rich Jefferson

Commodities COO, Beacon

Rich is the Commodities COO at Beacon Platform based in London. Prior to joining Beacon in summer 2017, Rich helped build the Commodities and FX businesses at Deutsche Bank. His roles included building the client franchise into a top-tier, award-winning provider included leading Commodities Sales, Energy Derivatives Trading, Global Oil & Refined Products, FX Options Trading and more recently was co-head of Global Commodities and Global Head of Trading. Outside of Beacon, Rich gives time to the education sector with local primary schools, Ambition School Leadership and is a mentor at the University of Bath Innovation Centre.

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