Baringa

The Trading Business of Tomorrow

Two dimensions to transform
the cost of change

Transformational change has two key drivers of cost

The complexity trade-off

As change programmes scale across dimensions such as products, locations, functional complexity, integration needs, and real-time requirements, costs increase exponentially, and delivery risk rises significantly. The challenge is identifying how to reduce complexity of any given change phase whilst being able to deliver the right business outcomes.
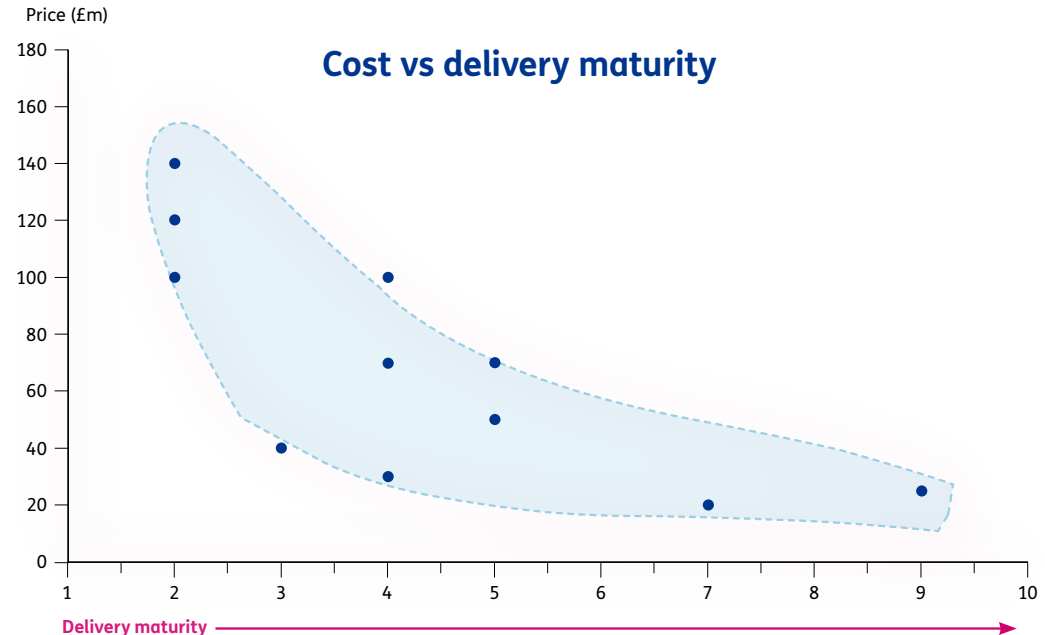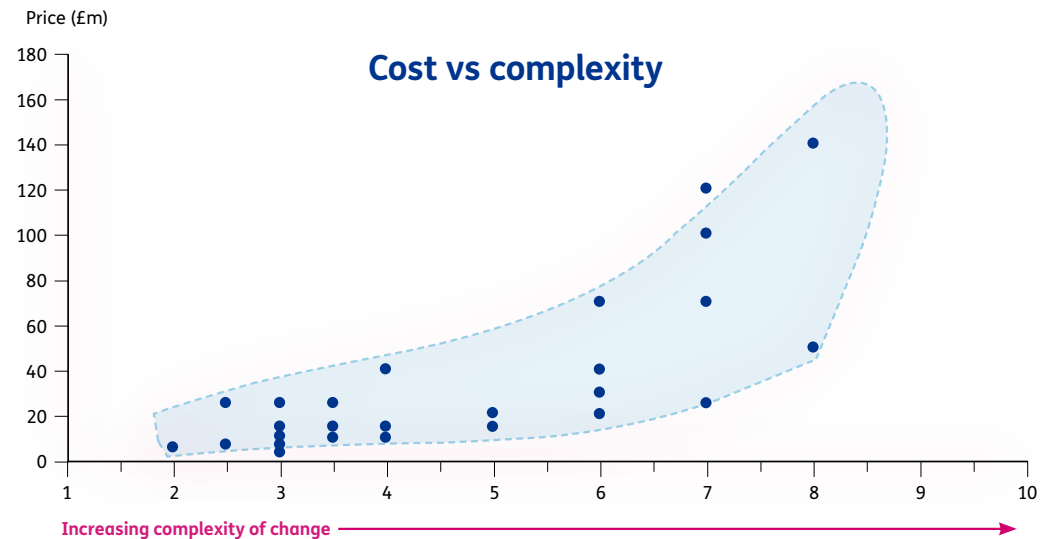
The delivery maturity trade-off

Organisations with lower delivery maturity incur higher costs to deliver change. An organisation's ability to empower teams, make rapid decisions, and adopt change has nearly as much impact on cost as the scope and complexity of the change itself.

What can be done before and during delivery to ensure your organisation is mature about adopting change and reduce barriers to progress?

Baringa is best positioned to reduce these trade-offs by focusing on understanding the right level of detail to get into at the right time. In turn, this enables you to plot a path to move your project down the complexity curve.

In parallel, both during project set-up and throughout delivery, Baringa will work with you to build delivery maturity, moving your organisation up the maturity scale. This will reduce the cost of change, accelerate delivery, and position your business for future transformation success.

Drivers of change costs

Cost vs complexity

Price (£m), axis values: 0, 20, 40, 60, 80, 100, 120, 140, 160, 180

Increasing complexity of change →

Cost vs delivery maturity

Price (£m), axis values: 0, 20, 40, 60, 80, 100, 120, 140, 160, 180

Delivery maturity →

● Energy & commodity trading transformation projects
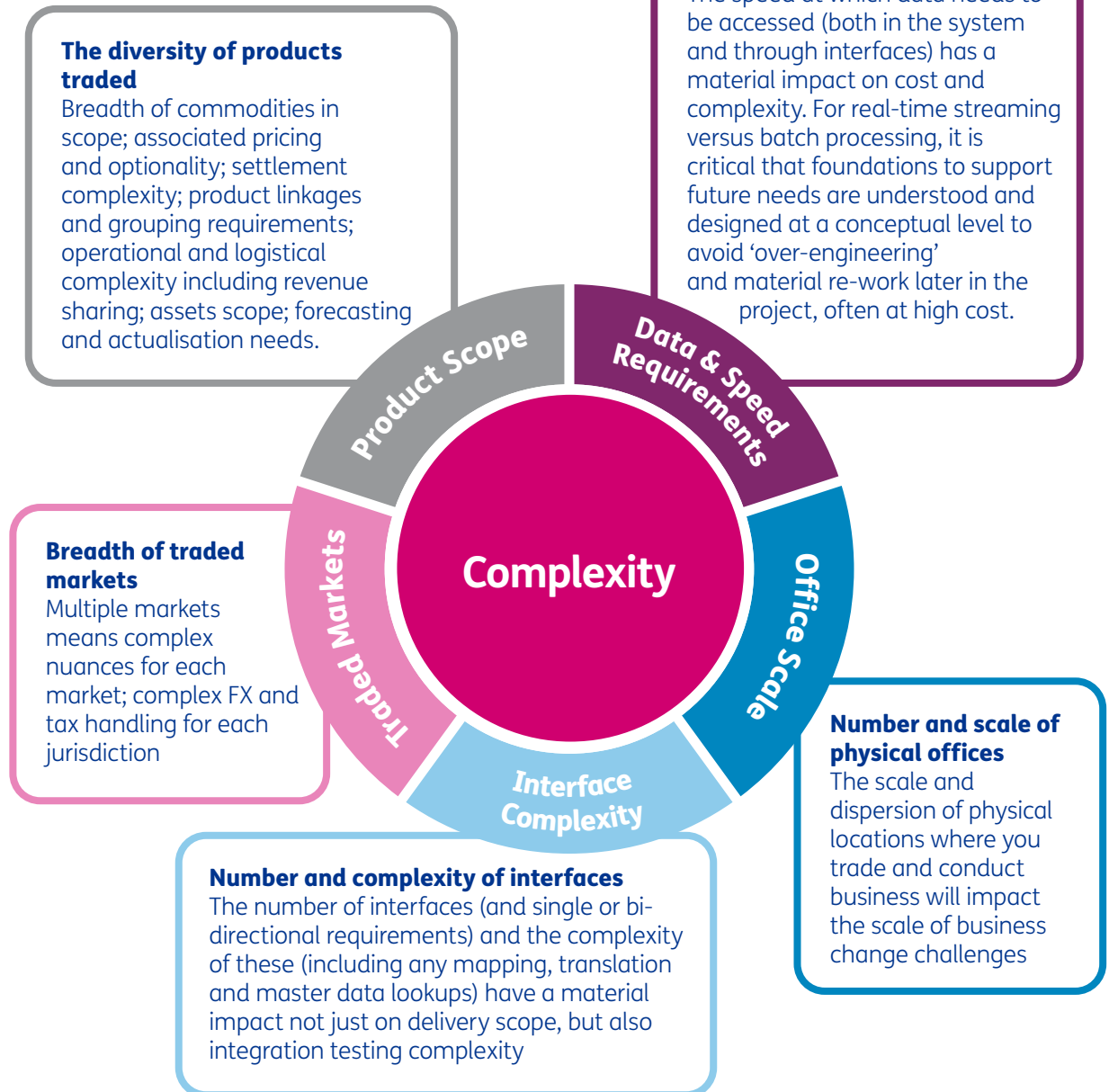
Defining and assessing complexity

How do you define a phasing strategy that balances the complexity of multiple go-lives against the increased complexity for each of fewer releases?
How do you ensure that each release builds on the prior in a logical way to deliver value incrementally and efficiently?

For most organisations, complexity stems from five key dimensions. They include the diversity of products traded; breadth of traded markets; number and scale of physical offices (and therefore people) that will be impacted; number and complexity of interfaces; and data and non-functional requirements.

The key to delivering efficiently is not just identifying that the programme is complex but plotting a logical path to building up complexity through multiple releases in a logical and efficient way.

Organisations should focus on delivering incremental value rapidly, whilst ensuring the foundations are in place for future releases. It is often about going slower at the start of the programme to shape the right vision, conceptual design, and suitable phasing strategy. This helps to ensure that value can be released faster and at lower cost and risk.

Drivers of complexity

The diversity of products traded
Breadth of commodities in scope; associated pricing and optionality; settlement complexity; product linkages and grouping requirements; operational and logistical complexity including revenue sharing; assets scope; forecasting and actualisation needs.

Data and non-functional requirements
The speed at which data needs to be accessed (both in the system and through interfaces) has a material impact on cost and complexity. For real-time streaming versus batch processing, it is critical that foundations to support future needs are understood and designed at a conceptual level to avoid 'over-engineering' and material re-work later in the project, often at high cost.

Breadth of traded markets
Multiple markets means complex nuances for each market; complex FX and tax handling for each jurisdiction

Number and scale of physical offices
The scale and dispersion of physical locations where you trade and conduct business will impact the scale of business change challenges

Number and complexity of interfaces
The number of interfaces (and single or bi-directional requirements) and the complexity of these (including any mapping, translation and master data lookups) have a material impact not just on delivery scope, but also integration testing complexity

Complexity

Product Scope · Data & Speed Requirements · Office Scale · Interface Complexity · Traded Markets

Minimising complexity

Delivering transformation programmes is challenging. Baringa uses our extensive experience and insights to create a roadmap which minimises complexity throughout delivery.

We focus on breaking the project down into manageable parts.

Delivering multiple lower-complexity change components can be cheaper and lower risk than attempting a single, large-scale transformation. This is why we intentionally break down the programme into logical, deliverable phases. This also helps people see value early whilst remaining flexible to future changes.
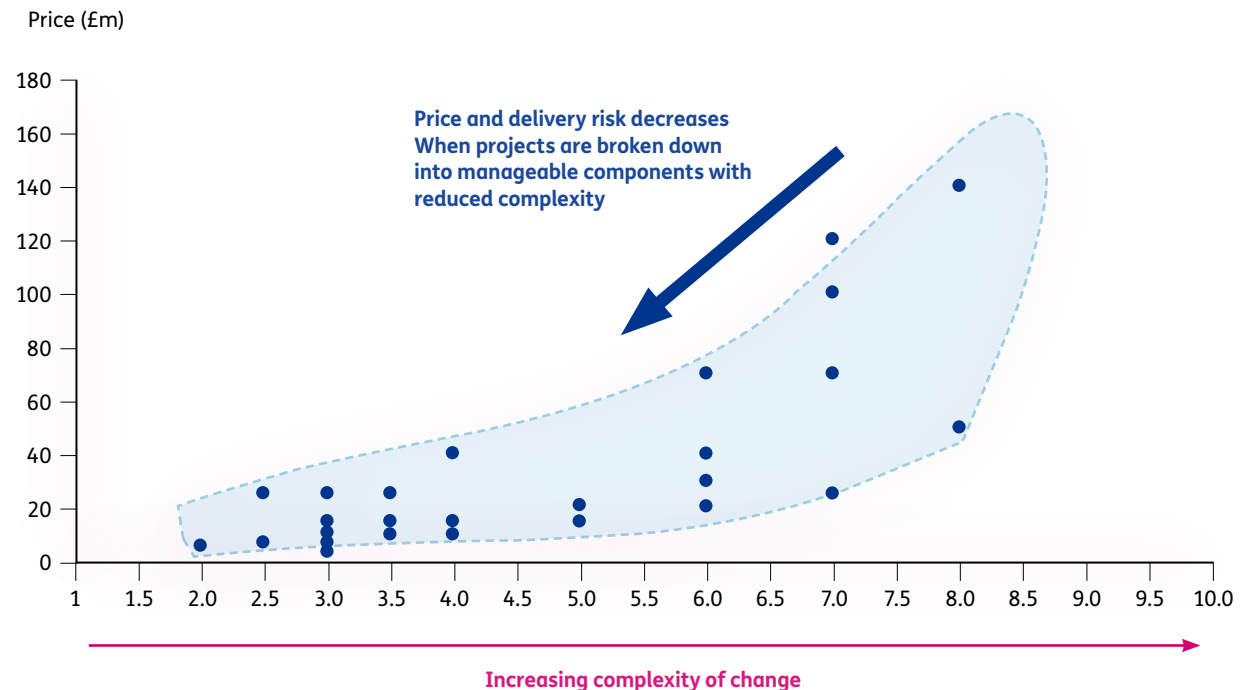
To do this, we look to keep the number of products, interfaces, and locations in scope for each phase as low as possible. By controlling the scope, we maintain lower operational complexity during delivery, enabling faster progress, clearer governance, and reduced cost.
The result is a more predictable, lower-risk transformation journey, without compromising on overall ambition or scale.

To break the project down, scoping at the right level so that you can identify the right building blocks and the order of those is key.
We know which areas of both functional and technical requirements are going to be complex, which may change the design foundations and phasing strategy and therefore which need to be well understood early.

How Baringa minimises complexity

Baringa's aim is to break your high complexity project down into smaller more manageable parts, each of which will sit lower down on the complexity curve. This incremental delivery ensures complexity and cost remains as low as possible throughout whilst releasing business value earlier for at least some of the scope.

Price (£m)

Price and delivery risk decreases When projects are broken down into manageable components with reduced complexity

Increasing complexity of change

● Energy & commodity trading transformation projects

Why Baringa is different

Baringa knows how to effectively scope at the right level of detail at the right time. This is where we take a fundamentally different approach.

Some competitors adopt high-level scoping, delivering something that looks promising at first but is not scoped with enough detail to understand both the functional and delivery nuances (nor does it enable some of the really hard questions to be asked early enough). This often results in rework, cost overruns, or solutions that simply don't meet strategic ambitions.

Others swing the other way, using overly granular scoping (and often only in certain areas, such as a specific system needs). They dive too deep in the wrong places, often omitting entirely the end-to-end needs of the transformation. This risks causing delays to benefits realisation not to mention frustration of business users who spend too long engaged on detailed points at the wrong stage of the project. Baringa strikes the right balance. We scope at the right level of detail at the right time, breaking down complexity intelligently. We know the critical questions to ask at the right time. We will navigate you through having the hard debates early to set the project up for success. It means that phasing strategy will release incremental value as quickly as possible, with a delivery path that is achievable and ensures flexibility where needed.

High level scoping

Some competitors fail to scope appropriately and deliver an outcome that then often gets materially delayed and often re-worked during the delivery

Granular scoping

Some competitors over-scope in some areas, whilst often missing the end-to-end picture – this results in a delayed and expensive delivery

Baringa scoping

Baringa understands that not all areas should be scoped to the same level of detail. To design the project in an effective way you need to know just enough to move forward efficiently. This helps you move rapidly through delivery

● High level   ● Missing detail   ● Detail

Defining and assessing delivery maturity

Organisations with lower delivery maturity experience higher costs and risk to deliver change. They also have a materially higher failure rate on transformation projects.

To manage and improve change maturity, you need to address all elements of the spectrum. These critical elements include:

Delivery capability: What is the organisation's track record of delivering change? How mature are delivery disciplines and experience?

Governance: Is there a delegated team making confident, timely decisions while managing uncertainty?
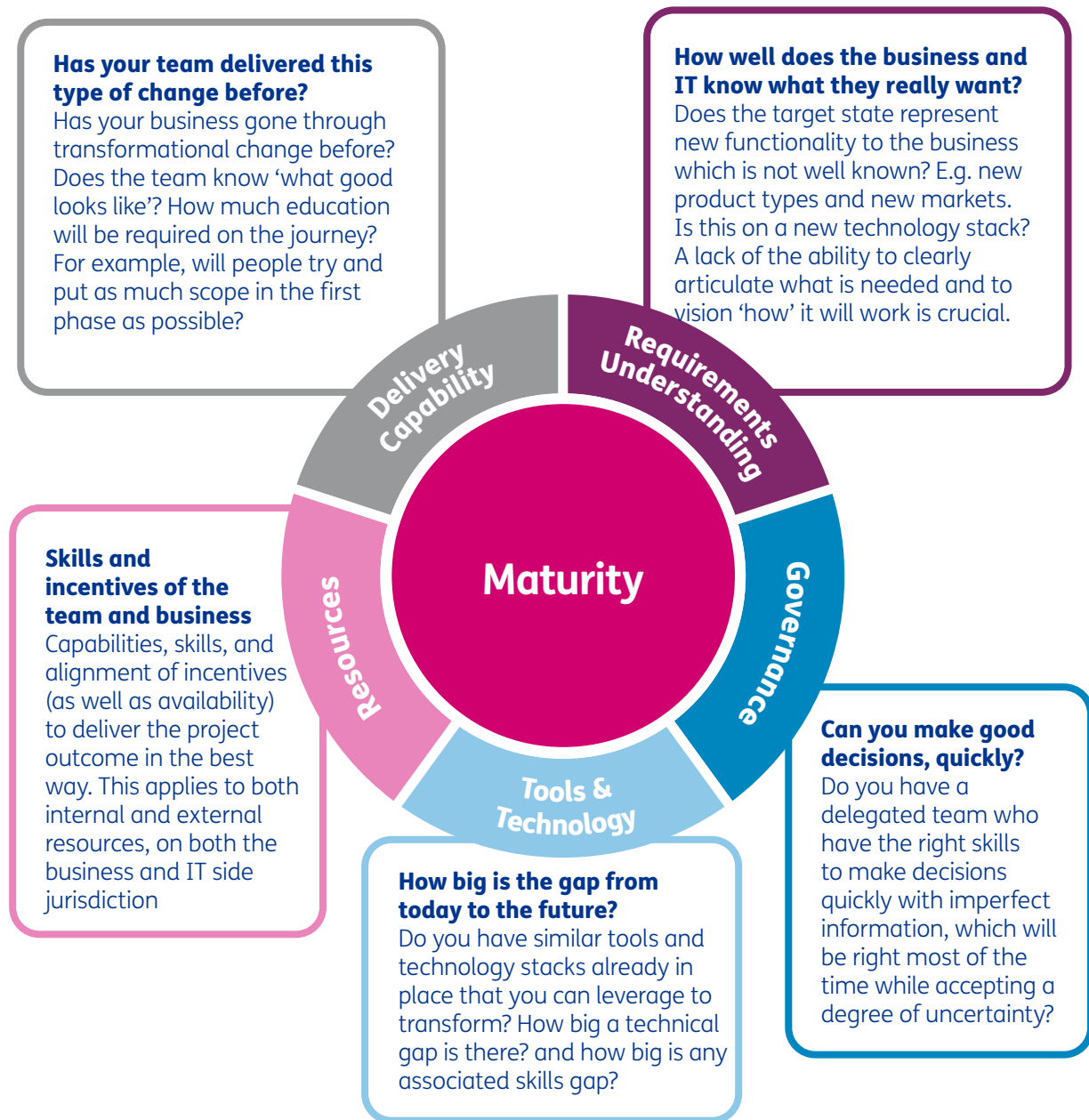
Tools and technology: How robust is the existing technology estate, data infrastructure, and associated tooling?

Business functionality: How much new functionality must be built to reach the target state? If it is unfamiliar, complexity rises.

Existing resources: Do internal and external teams have the skills, capacity, and aligned incentives to deliver effectively?

By assessing these drivers upfront, Baringa can pinpoint maturity gaps and address them proactively during set-up and delivery. We will provide the right guidance and coaching that can improve your maturity quickly, both for today and in the future.

Drivers of delivery maturity

Has your team delivered this type of change before?
Has your business gone through transformational change before? Does the team know 'what good looks like'? How much education will be required on the journey? For example, will people try and put as much scope in the first phase as possible?

How well does the business and IT know what they really want?
Does the target state represent new functionality to the business which is not well known? E.g. new product types and new markets. Is this on a new technology stack? A lack of the ability to clearly articulate what is needed and to vision 'how' it will work is crucial.

Skills and incentives of the team and business
Capabilities, skills, and alignment of incentives (as well as availability) to deliver the project outcome in the best way. This applies to both internal and external resources, on both the business and IT side jurisdiction

Can you make good decisions, quickly?
Do you have a delegated team who have the right skills to make decisions quickly with imperfect information, which will be right most of the time while accepting a degree of uncertainty?

How big is the gap from today to the future?
Do you have similar tools and technology stacks already in place that you can leverage to transform? How big a technical gap is there? and how big is any associated skills gap?

Delivery Capability · Requirements Understanding · Governance · Tools & Technology · Resources · Maturity

Maximising maturity

An organisation's delivery maturity – in other words, its ability to empower, make decisions rapidly, and adopt change effectively has nearly an equal factor on the cost of the transformation as scope complexity – is a huge driver of overly high delivery risk and project cost.

The higher your delivery maturity, the lower your delivery price and risk.

Both at the project set-up and throughout delivery Baringa will increase your organisation's delivery maturity. An approach which ensures the building of lasting capability, more than just delivering individual project outcomes.

To deliver this, Baringa diagnoses and addresses root causes of delivery challenges early on. Whilst educating, training and upskilling your team throughout the project. This collaborative growth model builds your internal maturity as we deliver which ensures by the end of the project your organisation has not only undergone change transformation but also is better equipped to manage future transformation.

Baringa can increase your delivery maturity

Baringa's aim is to move your organisation to the right by improving your delivery maturity

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The higher your change maturity the lower your delivery price

Price (£m)

Increasing delivery maturity
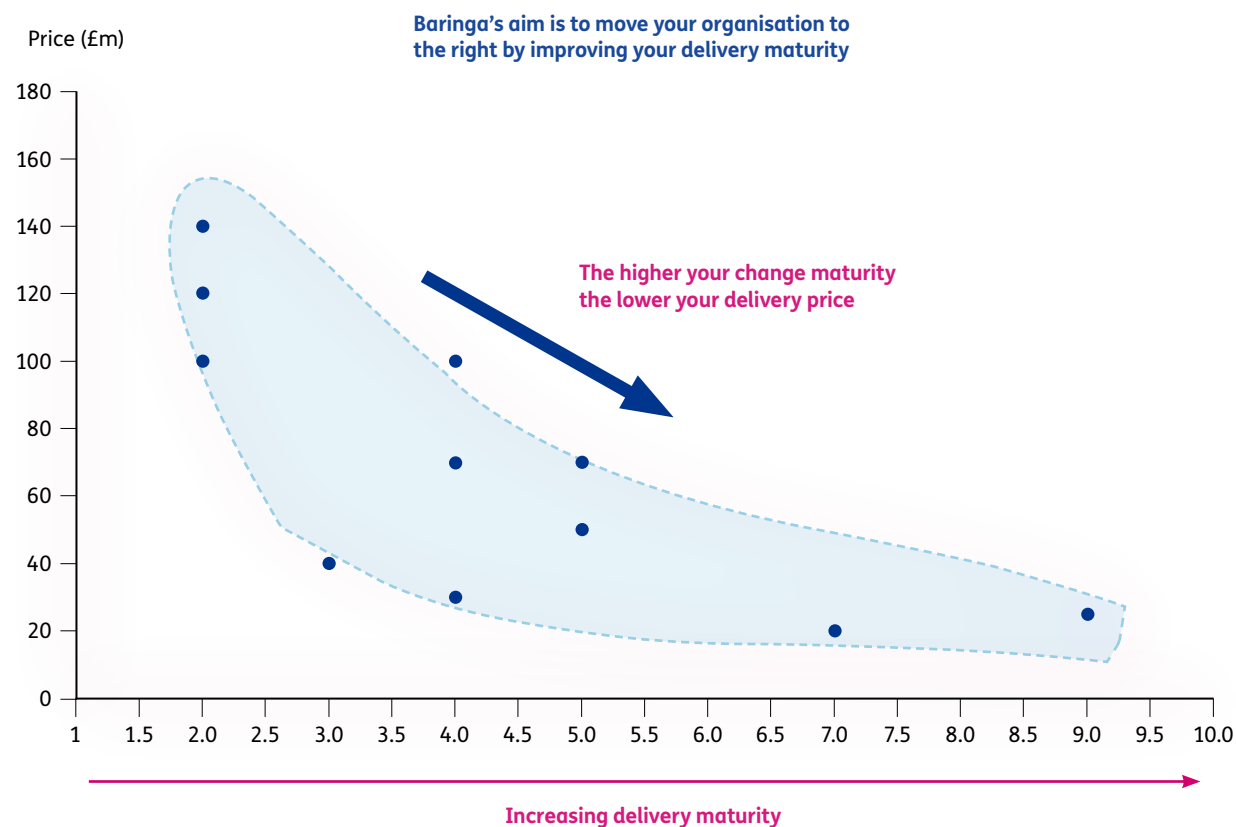
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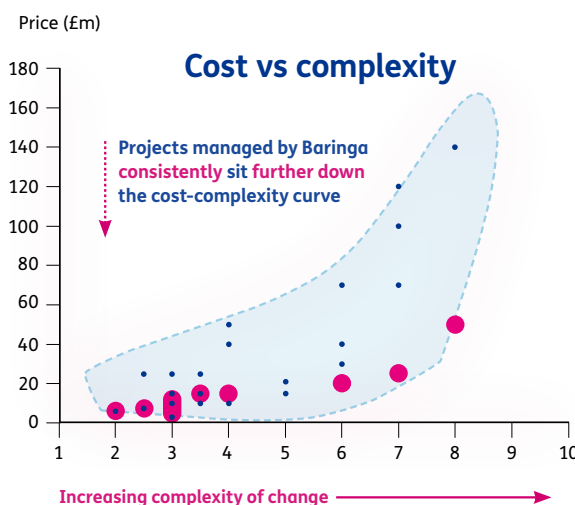
Bringing Baringa's outcomes to life

Whilst Baringa has and does deliver large programmes, we have successfully broken down projects into smaller incremental deliveries. This approach allows clients to realise value sooner and reduce delivery risk.

The data demonstrates Baringa's consistent ability to outperform industry benchmarks. Projects managed by us sit further down the cost-complexity curve, emphasising our ability to minimise operational complexity and deliver change efficiently.

Equally, when viewed from the perspective of delivery maturity, these projects have moved to higher levels of delivery maturity through the duration of the project. This increase in maturity directly correlates with lower delivery costs and faster implementation.

By simplifying complexity and strengthening maturity, Baringa can not only help clients achieve more cost-effective, scalable transformation outcomes, but also set them up for long-term success.

Baringa strikes the right balance of complexity for each unique situation while increasing your business change maturity to increase overall probability of success at the lowest overall cost and time

1 Baringa's phasing strategy divides the project into manageable stages, reducing complexity and overall delivery costs

COMPLEXITY

2 Baringa increases our clients' delivery maturity

BEFORE | REDUCED COSTS | AFTER

Delivery maturity **before** project

Delivery maturity **after** project

Cost vs complexity

Price (£m)

Projects managed by Baringa consistently sit further down the cost-complexity curve

Increasing complexity of change →

Cost vs delivery maturity

Price (£m)

The maturity Baringa builds enables your project to move further along the maturity curve, achieving higher delivery capability and reduced costs

Increasing delivery maturity →

● Non-Baringa projects ● Baringa-led projects ● Business maturity before project

![Baringa logo]

Why work with us

We combine unrivalled experience in commodity trading with proven capabilities in strategy design and technology delivery to enable faster, smarter, and measurable transformation. From revamping operating models to embedding advanced data tools, we align your vision with the tools and skills needed to deliver commercial outcomes.

Ready to transform your commodity trading business? Let's talk.
Contact one of our experts or enquire at: www.baringa.com

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