The background is a dark brown, textured surface. In the center, there is a faint, embossed image of a coffee cup. To the right, the word "Coffee" is written in a cursive font. In the bottom right corner, there is a pile of coffee beans. The title "Coffee Trading on the Internet" is centered in the middle of the image, between two horizontal white lines.

# Coffee Trading on the Internet

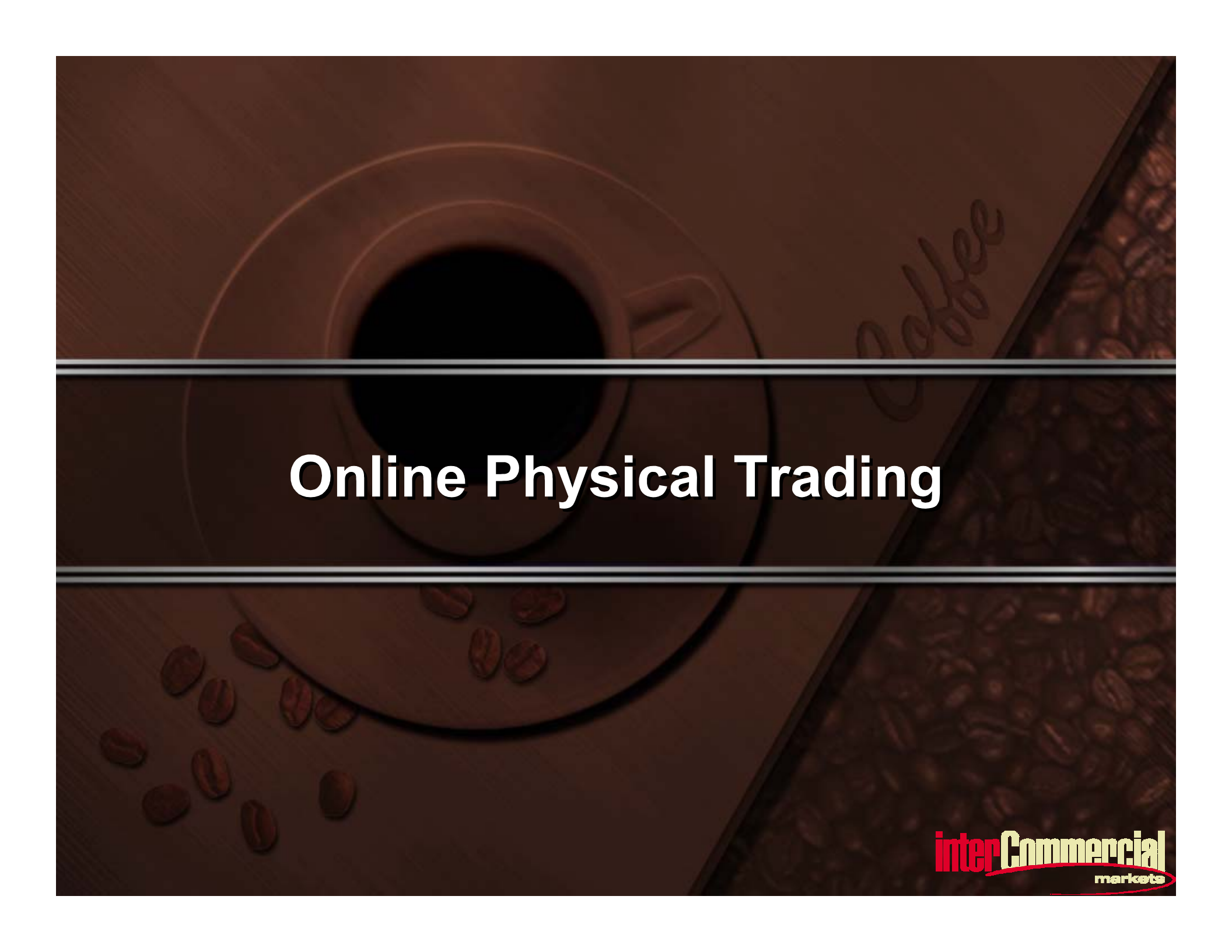
Michael Corcoran  
EVP of Business Development  
InterCommercial Markets Corp.  
[www.intercommercial.com](http://www.intercommercial.com)

# Advantages to Trading Coffee Via the Web

- ◆ Fosters New Business and Enhances Communications
- ◆ Reduces Paperwork and Costly Errors
- ◆ Convenience of One Stop Shopping for News, Information and Procurement

# Business to Business Internet

- ◆ Online Physical Coffee Trading
- ◆ Online Services and Products
- ◆ Electronic Data Exchange

The background is a dark brown, textured surface. In the center, there is a faint, embossed image of a coffee cup. To the right, the word "Coffee" is written in a cursive font. In the bottom right corner, there is a logo for "interCommercial markets" with "inter" in red and "Commercial" in white. The word "markets" is in a smaller font below it. The entire image is framed by two horizontal white lines.

# Online Physical Trading

# Online Physical Trading Platform Highlights

- ◆ Same Old Contracts / Same Old Rules
  - ◆ Targeted Activity
  - ◆ Anonymous versus Confidential
- ◆ Communication & Other Features
  - ◆ E-mail, Instant messaging, Chat, News, Research
- ◆ New Products if they Add Value
  - ◆ Specialty Coffee & Gourmet Coffee, Auctions
- ◆ Starting Point for Electronic Data Interchange

The background is a dark brown, textured surface. In the center, there is a circular embossed design of a coffee cup. To the right, the word "Coffee" is written in a cursive font. In the bottom right corner, there is a logo for "interCommercial markets" with "inter" in red and "Commercial" in yellow, and "markets" in red below it. The word "markets" is underlined with a red swoosh.

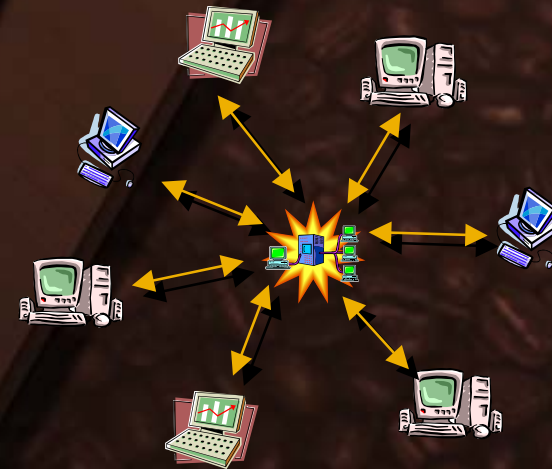
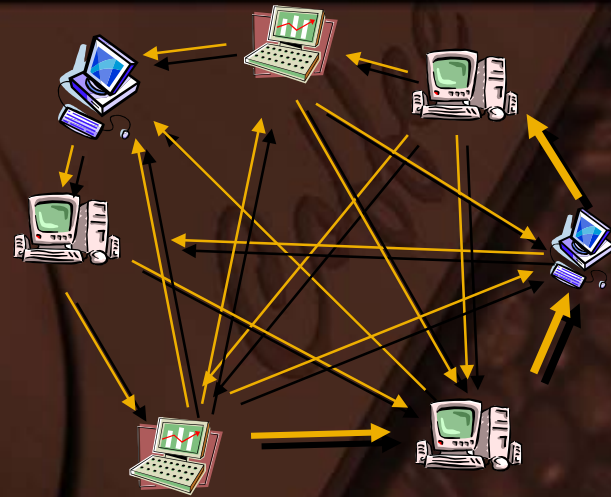
# Electronic Data Exchange

# Data Transmission Methods

- One-to-One Transmission

- FTP File Transfer
- Corporate Web Sites
- E-mail

- Messaging Systems & Web Platforms



# Changing Methods of Data Management

## ■ Data Exchange Methods

Sea mail  
Air mail  
Cables  
Telephone  
Telex  
EDI (electronic data interchange)  
Fax  
E-mail

**XML-structured data via internet**

## ■ Data Capture Methods

Pencil on paper ledgers  
Card-based systems  
Mechanical systems  
Punch cards on mainframes  
Keyboard Input

**XML-structured data via internet**

# Simplified Example of Mapping Contract Data

## JAVA ROASTING PURCHASE

**DATE:** 09-06-01  
**P.O. NO:** P-98765  
**ORIGIN:** GUAT  
**SELLER:** ACME TRADING  
**DESCRIPTION:** HARD BEAN  
**QUANTITY:** 1,000  
**UNITS:** 69K BAGS  
**POSITION:** DEC 01 DLY  
**WEIGHTS:** S/W ½  
**PAYMENT:** NET 30  
**PRICE:** 1.0500  
**PRICE UNITS:** US \$/LB.  
**LOCATION:** MIAMI  
**TERMS:** EX-DOCK

## GCA XML

**DATE OF ISSUE:** 2001-09-06  
**CONTRACT TYPE:** EX-DOCK  
**BUYER:** JAVA ROASTING CO  
**SELLER:** ACME TRADING INC.  
**BUYER REF:** P-98765  
**SELLER REF:** 543-654  
**QUANTITY:** 1,000  
**QUANTITY UNITS:** 69K BAGS  
**PRICE:** 1.0500  
**PRICE UNITS:** LBS.  
**CURRENCY:** US \$  
**WEIGHTS:** S/W 1/2  
**COUNTRY:** GUATEMALA  
**PRODUCT DESCR.:** HARD BEAN  
**POSITION TYPE:** DELIVERY  
**LOCATION:** MIAMI  
**POSITION:** 2001-12-01-2001-12-31  
**PAYMENT TERMS:** NET-30 APPR  
**ARBITRATION:** GCA

## ACME TRADING SALE

**ID NO:** 543-654  
**DATE:** 2001, 09, 06  
**BUYER:** JAVA ROAST  
**PRODUCT:** GUAT HB  
**ARBITRATION:** GCA  
**QUANTITY:** 1,000  
**UNITS:** BAGS-69 KILO  
**DESTINATION:** MIAMI  
**POSITION:** DEL 12-01  
**WEIGHING:** S/W ½  
**PMT TERMS:** NET-30 FM APPR  
**PRICE:** \$1.0500/LB.  
**BASIS:** XD  
**CONTRACT:** Green Coffee Assoc

# Examples of Coffee Specific Standards

Cocoa Contract

Destination Declaration

Price-Rolling Letter

Price-Fixing Letter

Advice of Shipment

Sampling Order

Warehouse Release

Invoice (Pro forma and Final)

# Benefits of Standard Documents and Contracts

1. Avoid the costly alternative of replacing existing in-house software in order to exchange data electronically.
2. Reduce multiple re-entry of data along the supply chain.
3. Reduce data capture errors.
4. Reduce paper document handling costs.
5. Reduce telecommunications and courier expenses.

# Benefits of Standard Documents and Contracts

(Continued)

6. Enable seamless integration of new online services.
7. Facilitate online negotiation & confirmation of business.
8. Potentially speed up payment processes.
9. Enable automation of special reports (Bank collateral, warehouse inventories, pricing, risk position, insurance declarations, etc.)

# Strategic Considerations to Online Services

- ◆ Can you afford to ignore it?
  - ◆ Competitive Edge or Disadvantage
- ◆ Leading Edge not “Bleeding” Edge
  - ◆ Web-based Interface make Change Easier / Cheaper
  - ◆ Can Check Out New Products as they Become Available



**interCommercial**  
markets

[www.intercommercial.com](http://www.intercommercial.com)