

sourcing divisions and what is your advice on how to best deal with that resistance?

Answer - By answering that question, I will be able to get to the last half of my comments. They work with their internal organization in developing business and transactions. That is also the one key difference between an internal corporate trading company and a real official trading company that just basically buys, sells on a wholesale level to make money on the trade or the services associated with the trade. How do you deal with it? Essentially, you deal with it by the time that you do spend on the front end understanding and analyzing trading and what it is. It should be focused to the clear difference between what a trading activity is and what a basic company's business lines are. Very simplistically it boils down to the issue that most companies are in the business of producing products or processing raw materials into products and then marketing them. Where trading companies don't have anything to do with producing or processing, they do have a little to do with marketing products on a world wide basis. Trading companies are interested primarily in the competitive cost of products on a world scale basis from any sourcing that they can find and on the other hand they are interested in the markets of those products and what prices they are willing to pay. Now trading companies make money in different ways by adding a lot of services that relate to logistics and transportation and credit insurance and local value added, market support and warehousing and all these other things. In many instances there is a lot more profit made on those services they provide than there is on the basic margin between the buy and the sell of the products.

But a trading company is very narrowly focused in comparison to a corporation and I say all this because in any aspect of dealing with your company's management, either corporate management or divisions, you have to