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DTN Exchange[®]

Seller Steps to Success

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Seller setup checklist before go live

This checklist highlights the key information that you need to set up your system.

Who will manage the system?

Current sellers tell us it does not take a lot of time to manage the system if you use the capabilities of the DTN Exchange to their full potential:

- ☐ Identify primary and back-up personnel to own the process. The primary should be in the office consistently.
- ☐ Make sure someone is available to manage the system if others are traveling, in meetings or otherwise occupied.
- ☐ Actions that need to be managed include:
 - Daily price positioning
 - Inventories
 - Clearances
 - Deal Processing

What terminals will you sell from?

- ☐ Choose terminals with adequate demand and moderate-to-high typical load volume to support frequent activity.
- ☐ Group terminals together based on supply sourcing, pricing and ownership parameters.

What products will you sell?

- ☐ Set up “base” gas product for the area (ex: 87 NL or 87 RFG) & associated spread products.
- ☐ Set up LS #2 and associated spread products.
- ☐ If applicable to your geographic area, set up HS #2.



What types of prices will you offer to customers?

- ☐ Evaluate offering both posted and real-time prices to fully optimize sales opportunities in all business environments.
- ☐ Consider after-hours trading opportunities that are available to position yourself to capture next day trades.
- ☐ Consider forward offer opportunities to capture future trades.
- ☐ Determine profit margin, tariff costs, additive charges, and other special prices to add.

What are the lifting parameters related to inventory?

- ☐ Establish specific volumes that you are willing to sell by product and by terminal to control the amount of product you want to sell in specific terminals.

Who is on your customer list?

- ☐ Set up customers who have relatively ratable liftings, or who pull product every day.
- ☐ If you set minimum lifting volumes for transactions (e.g. 21,000 gallons), be sure to qualify that your customers can lift the minimum volume requirements.
- ☐ If you request customers who are new to the DTN Exchange, make sure to notify your DTN Exchange representative so they can contact and train them.

Will you use Class of Trade to distinguish pricing for customer groups?

You can designate Class of Trade on Forward Offers only.

What hours do you want to be active on the DTN Exchange?

- ☐ Different options are:
 - NYMEX hours only.
 - NYMEX and GLOBEX hours.
 - 24-hour day with a market-adjusted price after the NYMEX closes. You can post after-hours prices to capture next day business.



What are your best practices for handling risk management (hedging)?

- ☐ Make best use of the Trade Summary, and email information to allow timely management of positions, or back-to-back purchases if applicable.
- ☐ Make sure all departments that need to be involved (Accounting, Risk, Scheduling, etc.) are involved in the process.
- ☐ Use the Hedge Minder and Hedge Meter to your advantage. This is a simple way to help keep your risk book in order.

How do you need to prepare your back office/contract system for activity?

- ☐ Make certain accounting/invoicing understands how you will be doing business and they are prepared to avoid any missed billings. Does billing occur on a first-in first-out (FIFO) basis, or is it distinguished by unique lifting/contract numbers?

Remember – consistency is the key

Price on the DTN Exchange every day. If your prices are only available periodically, customers will not be as active and will not consistently look for your prices. Show your commitment to operate in all environments and manage sales, even if you only post your daily rack price. If you are consistently out of the market, you lose visibility.

Next steps – Communicate to your customers

- ☐ Communicate your program via a personal letter to all customers announcing your start date and any pertinent details such as location, products, and any special lifting instructions.
- ☐ Personally call and encourage your customers. This is a new process and requires some encouragement.
- ☐ Be sure to solicit feedback from customers.



Draft letter to customers

Dear Valued Customer:

We are excited to announce a new way to see prices from us.

Starting on **[Click here and type go live date]**, we will be posting prices on the DTN Exchange, an online trading platform that lets you make fuel trading decisions at the speed of the Internet.

Many of you may already be a current Exchange Buyer, if so, make sure to go to Seller Request & add us to your Sellers. If you are not a current Buyer, please contact DTN at 888-571-0501 to request the Training Video and Exchange logon credentials.

During our initial introduction, we will be posting online prices at the following terminal locations:

[Click here and type Terminal Locations]

Please let me know if there are any additional terminal locations where you would like to see our prices posted on the DTN Exchange. You can contact me at: **[Click here and type your Preferred Method of Contact]**

Again, thank you for your business. We look forward to making it easier to do business with us. If you have any questions, please do not hesitate to contact me for additional information.

Regards,

Name

Title

Company Name

Phone

e-mail address

Let us know how we can help

We routinely work with customers to prioritize system upgrades and enhancements. If you have any questions, please call or email us at:

888-571-0502 or adminx@dtn.com