

Q: What was the challenge?

The International Petroleum Exchange of London Limited is Europe's leading energy futures and options investment exchange, trading over \$2 billion daily, providing a highly regulated marketplace where industry participants use futures and options to minimise their price exposure in the physical energy market. A condition of the IPE's takeover in 2001 by the Internet-based IntercontinentalExchange (ICE) was a successful transition to electronic trading. Given the fear that there would be significant job losses among traders and brokers, Questions of Difference was asked to work with the IPE management team during the changeover from the open outcry 'pits' to electronic trading. How could we prevent worried or disaffected traders leaving prematurely whilst ensuring a smooth transition to a fully electronic system that would better meet client need and boost efficiency?

Q: How did we work together?

Questions of Difference worked in close partnership with the Executive of the IPE for over two years. In that time we used an affirmative questioning approach to provide strategic consultancy to support decision making, develop the leadership team, coach executives, engage the entire IPE staff in delivering business objectives for 2005 and trained HR people in communication methods and dealing with conflict. The overall aim was to support the ongoing success of the IPE by delivering the greatest benefits to traders. This aim involved helping traders and staff alike to understand the benefits of switching to an electronic platform and ensuring a more transparent market - particularly the new reality that, as there is no longer the need for a physical presence in the IPE, a trader can work in any number of markets from any location, trading Brent Crude, Gas Oil, Natural Gas and Electricity futures and options online directly from their PC, with the imminent possibility of also covering the FTSE 100 index, the metals exchange and US bonds. In making the transition there were individuals who stood to gain and to lose in different ways. Our open and engaging approach encouraged people to raise and effectively address the different challenges they faced as the IPE undertook transition.

Q: Did the outcome meet expectations?

The IPE began the switch from the open outcry 'pit' in November 2004 when it started trading electronically during its morning session, reverting to 'open outcry' in the afternoons. In April 2005 the 'open outcry' pit was finally closed and the entire trading operation switched to the electronic platform. Significant volumes are now trading electronically and the initial response from the new converts was very positive. A number of people have either changed their role in the IPE over the course of this transition or left the business. The consistent feedback gained has been that individuals felt they were treated with respect and fairness, regardless of the impact the changes had for them personally. People at the IPE (now ICE) are increasingly aware and understanding of the new demands and priorities that their continued success in the marketplace will require of them.

Q: What did the IPE learn from the relationship with Questions of Difference?

When management is facing difficult decisions that will impact on the people in the organisation, it is precisely the right time to trust and engage the staff so they understand the range of factors contributing to the key business decisions being made. By doing this, the Executive also brought everyone in to address challenging targets, enabling all to play an active role and take the lead. At the height of organisational change it is precisely the time to invest in engaging the staff in a way that respects their knowledge of the business and passion for making a difference.