



In Conversation with... Martin Fraenkel
President, S&P Global Platts

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Martin Fraenkel spent 30 years working in the commodities markets before joining S&P Global Platts in 2015. His long career as a customer of the commodities and energy information and benchmark prices provider means he is ideally placed to understand client needs, he tells Damian Stewart, Managing Partner EMEA & Asia at Human Capital



S&P Global Platts is embarking on a vision to help power the commodity markets of the

future. As well as enhancing the experience it delivers customers using digital technologies, it is working towards a new mindset, focused on helping customers address their challenges and make decisions with conviction. This approach is far from the company's roots as a publisher providing corporate information to investors in the early days of the oil industry.

Today, Platts is the world's largest provider of information and benchmarks to the global energy and commodities markets, with coverage that includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

As President, Martin Fraenkel is setting the direction for the business as it transforms in the context of the energy transition: "I've been running the business since 2016, and for more than 20 years prior to that I was a customer," he says.

Fraenkel was Managing Director and Global Head of Energy at CME Group before he joined Platts in 2015 to lead the global editorial and analytics team, with a seat on the Executive Committee. His 30-year career in commodities, across physical and financial markets, also took in roles at Credit Agricole, Dresdner Kleinwort and JP Morgan Chase, and he previously chaired the London Gold Market, operator of the global gold price benchmark.

But when we sit down together, he tells me it was the opportunity to transform Platts that attracted him to his latest role: "If you go back a number of years, the market viewpoint would have been that Platts was quite inward-looking," he says. "We still spend a lot of time thinking about our methodologies and our content, because that's key to what we do, but we are also very clear that we need to have a customer orientation. That's the journey we are on now."

Fraenkel adds: "Just to be clear, that doesn't mean that we compromise on our integrity and on our essential intelligence, as we call it in S&P Global. The independence of our price assessment process has been ingrained in our methodology for many years and is also required by the IOSCO Principles and European Benchmark Regulation."

He explains that Platts takes its role as steward of its leading commodity and energy benchmarks extremely seriously. The company employs a team of 450 people in its Pricing & Market Insight team, who produce the Platts price assessments, news and analytics and engage with market participants in person and at events.

Fraenkel says it is that constant engagement and consultation with market participants that helps ensure Platts benchmarks evolve, remain robust and continue to reflect market value amid some significant changes to trade flows. He adds that Platts business needs to be agile if it is to remain relevant.

I ask him about ongoing questions around the longevity of Platts Dated Brent as the most influential oil benchmark, for example: “Brent as a benchmark has evolved considerably over the past 30 years,” says Fraenkel. “It started off as just Brent production in the North Sea. There are now five grades deliverable into the Dated Brent basket, and we have implemented a whole series of adjustments for quality and sulphur content.”

Most recently, Platts included CIF delivered BFOE grades into its premiere Dated Brent FOB benchmark, which has significantly boosted the amount of information underpinning the assessment, he explains.

“One of the strengths of Brent as a benchmark is that it is so widely utilised, so it needs to continue to evolve as the market needs it to. When we consult with market participants on proposed changes to our benchmark methodology, we get a lot of feedback and a lot of interest – that’s an extraordinarily important part of what we do,” says Fraenkel.

Energy Transition and ESG is going to be ever-present, driving discussions and strategic planning, says Fraenkel. World leaders in both politics and industry are under mounting pressure from consumers – particularly in the West – to deliver increased energy produced with dramatically lower emissions and in more sustainable ways.

In December, Platts announced the publication of a first-to-market suite of hydrogen price assessments, with the element increasingly attracting interest from investors, policymakers and energy market participants as a potential new clean fuel for transport and a lower-carbon substitute in industrial processes and beyond.

“There’s been a huge amount of interest since the hydrogen launch,” says Fraenkel. “We launch many new price assessments, but hydrogen has really resonated. I think that shows just how much the energy industry as a whole has reached an inflection point in terms of energy transition.”

On the technology side of things, the digitisation of the energy and commodities space is accelerating rapidly, and I’m keen to understand how much of a threat that poses to Platts: “The threat is only to ourselves, if we stand still,” says Fraenkel. “We see digitisation and technology as an opportunity for clients and also an opportunity for us to deepen and develop our own content.”

The company has been doing a lot of work on simplifying its underlying technology platforms and modernising its technology stack to improve the customer experience. Platts is also introducing mobile apps so customers can access its information on the move and a platform called Trade Vision in the US natural gas market, which is based on blockchain technology and helps market participants streamline the price

submission process.

Fraenkel sees artificial intelligence and automation as an opportunity for Platts to help customers become efficient and extract value. Over the past year, Platts has partnered with Cambridge, Massachusetts based Kensho, which was acquired by S&P Global in 2018, on a project to improve its Market On Close price assessment process.

“Our pilot with Kensho has allowed us to deliver our key benchmark assessments to customers up to 25% faster,” adds Fraenkel. He explains that Kensho’s unique capabilities in data visualisation will also allow market participants to see the MOC environment in new ways, uncovering complex relationships hidden in massive amounts of data in seconds.

“The next phase will be to look at how we link up different parts of our data,” he says. “We don’t see technology as a threat. It is about how to harness Big Data, and we have probably got more proprietary data in our business than any other, so that’s an opportunity.”

The picture that emerges is of a company evolving fast in a bid to maintain both credibility and a reputational edge. With such a strong customer-centric model, there must be challenges from a talent perspective.

“In our Pricing & Market Insight team, we have a lot of price reporters and analysts, and they come from many different backgrounds – they may have been journalists, or many have been market participants themselves,” says Fraenkel. “Increasingly, those people need to have a strong understanding of the use and applications of technology, because those technologies are an increasingly important part of the way we interact with the marketplace.”

There has also been a fair amount of change in the product development side of the business, he says, with the rollout of the Platts mobile apps, and in the sales area, with the move to a more customer-centric solution focus. “We need people who can really understand our client complex and where our solutions can help customers,” says Fraenkel. “It’s a different skillset from the old product mentality.”

Platts is a division of S&P Global and Fraenkel is a member of the S&P Global Operating Committee, giving him an understanding of the company’s core activities across credit ratings, indices and the market intelligence platform business.

The corporate culture is critical to the Platts business, too, says Fraenkel: “I always say to people when they’re thinking about coming to work at S&P Global, or when we make acquisitions, that one of the things that is really special about this organisation is that

while our market cap is in excess of \$70 billion, we still have really great freedom of thought and freedom of intellectual capital.”

One area where S&P Global is seeking to drive debate is around diversity and the untapped potential for women in the workforce. As part of this, Platts recently published a special report called [#ChangePays in Energy](#). The report finds that while women’s representation in senior leadership roles across the global energy sector has increased over the last decade, there is still significant progress needed to reach gender equality. If growth in women’s representation in the C-suite in the sector continues at the current rate, it will take until the 2090s for global energy C-suites to reach gender parity, it says.

“In Platts, and indeed more broadly in S&P Global, we are really fortunate because throughout the organisation we have outstanding women leaders,” says Fraenkel. “Two of the last four presidents of Platts have been female and female representation on our Operating Committee is balanced. While we have still got some work to do, we’re ahead of the curve.”

It is something he is clearly personally passionate about. “I strongly believe that diversity in all senses contributes hugely to an organisation,” says Fraenkel. “There’s no monopoly of wisdom and good organisations, good teams and good leadership need people with different points of view, different perspectives and different backgrounds. That’s particularly the case in global businesses such as ours.”

The company is walking the walk, taking steps to encourage greater female participation on panels at the many conferences it runs globally, for example, and being more proactive around encouraging its own women leaders to get up on stage.

On a personal level, I ask Fraenkel what he’s learnt since stepping up into the president role? “The longer I work in this market, the more convinced I am that you’ve got to be humble about what you don’t know. As a young trader, it probably helps to be a bit arrogant and believe you know more than you do. But as you get older, you begin to realise that you know less than you thought you did. It’s good to be aware of the things you don’t know and, particularly in this role at Platts, it is really important to go out and get input from customers and colleagues who have really deep expertise.”

As Platts transforms and continues to pay more attention to the demands of its clients and other stakeholders, Fraenkel is going to keep on listening.



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