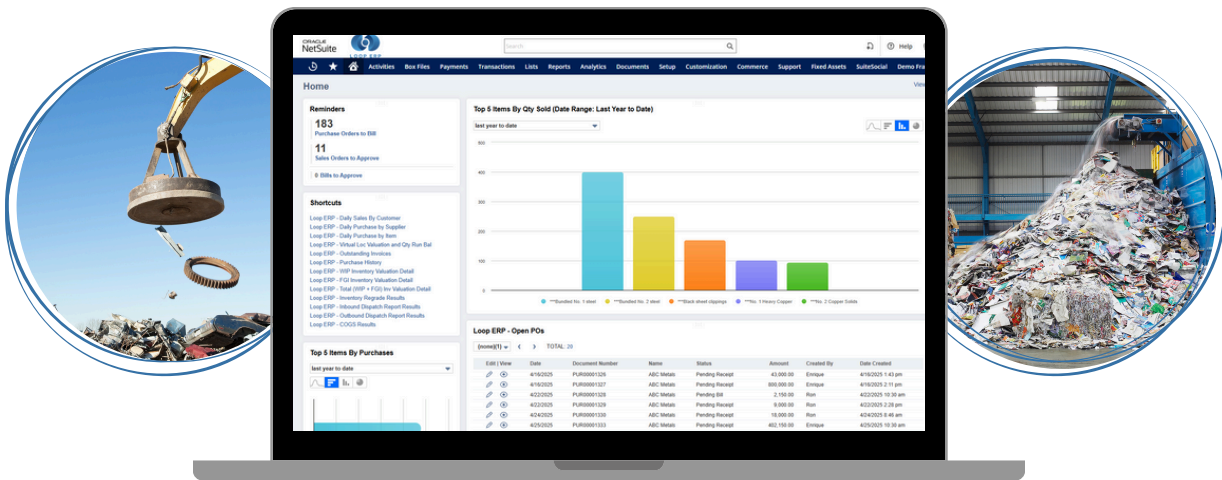


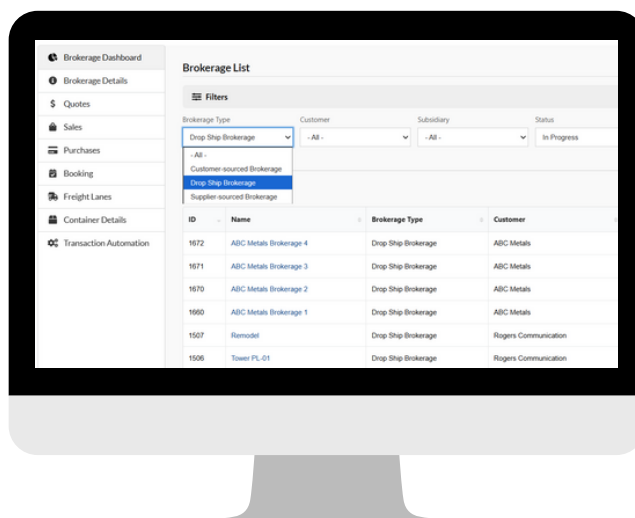
Why 7 Out of 10 Scrap Brokerage Firms Never Upgrade Their Systems – And Why That’s a Problem



INTRODUCTION

Scrap brokerage is a fast-moving business. Brokers juggle commodity price swings, multiple trading partners, settlement discrepancies, and razor-thin margins. With so much going on, it's no surprise that most brokerage firms are still running their businesses on the same spreadsheets and accounting tools they've used for years.

But here's the problem: the world has changed. Trading volumes are higher, counterparties demand faster settlements, and regulators expect cleaner reporting. Sticking with outdated systems may feel easier in the short term, but it quietly drains profitability, slows deal-making, and exposes your business to unnecessary risk.



WHY DON'T BROKERAGE FIRMS UPGRADE?

1. “If It Ain’t Broke...”

Many firms say, “We’ve been using QuickBooks and spreadsheets for years—it works fine.”

But “fine” usually means:

- Manually entering buy/sell contracts into multiple systems
- Reconciling deals in Excel weeks after they close
- No real-time view of margins
- Scrambling to track settlements across emails and PDFs

It works—until it doesn’t. And by the time you realize it, you’ve already lost money.

2. Fear of Disruption

Brokerage owners worry a system upgrade will take too long, cost too much, or disrupt client relationships.

Yes, some software implementations can be painful. But a platform built specifically for brokerage, like **Loop ERP**, connects directly to how you already operate—streamlining contracts, settlements, invoicing, and reporting without slowing you down.



3. Lack of Time

Brokers are busy chasing deals, managing counterparties, and monitoring markets. Who has time for new systems?

The trap is that sticking with old tools wastes *more* time:

- Reconciling settlements manually
- Updating margin spreadsheets after the fact
- Tracking invoices and payments across emails
- Correcting errors that slip through

Upgrading buys back time—freeing brokers to focus on deals, not data entry.

4. “We’re Not a Tech Business”

Brokerages are built on relationships, negotiation, and hustle. Not technology.

But technology has quietly become a competitive edge. Firms embracing modern systems are:

- Quoting faster
- Settling disputes immediately with better data
- Tracking real-time margins
- Running leaner teams with fewer errors

You don’t need to be a tech business—you just need the right system behind your brokerage.

5. Budget Concerns

Upfront cost is a common reason firms delay upgrading. But the hidden costs of legacy systems are far greater:

- Mispriced trades eating into margin
- Settlement errors causing disputes and delays
- Duplicate AR/AP payments with no netting
- Extra headcount needed just to reconcile books

Modern cloud ERPs like Loop ERP run on subscription pricing, offering faster ROI than manual systems ever could.

THE HIDDEN COST OF STANDING STILL

If you're in the 70% who haven't upgraded, you're not alone. But you *are* at risk.

Here's what's at stake:

- **Profitability:** Missed margins and slow settlements quietly eat away at growth
- **Cash Flow:** Payment delays pile up when reconciliations take weeks
- **Compliance:** Audit and reporting requirements are only getting tougher
- **People:** Teams burn out on busywork instead of focusing on trading strategy



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WHAT THE OTHER 3 OUT OF 10 ARE DOING RIGHT

The firms that upgrade are:

- ✓ Managing all contracts, settlements, and invoices in one system
- ✓ Automating netting between AR and AP
- ✓ Tracking deal margins in real time
- ✓ Providing clean, auditable trails for every trade
- ✓ Scaling volumes without adding headcount

They aren't giant trading houses—they're smart brokerages who realized their systems had to evolve before their competitors' did.

FINAL THOUGHTS: UPGRADE WITHOUT THE OVERWHELM

You don't need to overhaul everything at once. Start with the pain that's slowing you down the most—margin tracking, settlement automation, or pipeline reporting. A system like Loop ERP can grow with your firm.

So if you're still on the fence, ask yourself:

👉 **How much are outdated systems really costing me?**

For most brokerages, the bigger risk isn't switching—it's standing still.



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