

Energy decisions across a changing value chain

How commercial, physical and people decisions come together in energy transformation.

LE CHENE INSIGHT BRIEFING | Anton Bray

Follow the value chain, not the headline

An energy company can respond to the right market signal in the wrong part of the business. Shifts in product demand, refining capacity, freight, security of supply and customer behaviour affect different assets and contracts in different ways. The IEA's Oil 2025 and World Energy Outlook 2025 offer useful scenarios and market analysis, but their projections are not a substitute for testing the economics of a specific company.

Map the commercial path from supply and processing to storage, shipping, distribution and final customer. Identify where profit is made, where risk is transferred and where information arrives too late for a good decision. Include emissions and policy exposure where they change investment or customer requirements.

- Connect market scenarios to named assets and contracts.
- Test product mix, logistics and credit exposure together.
- Show the assumptions that matter most to the decision.

Bring the physical operation into strategy

A strategy can promise optionality that a terminal, fleet or contract cannot deliver. Assess inventory constraints, product specifications, blending options, turnaround times and counterparties before defining a preferred route. For each scenario, ask which action must be taken now, which can wait and what evidence would change the choice.

Data and technology can improve visibility if the fundamentals are sound. Trading systems, planning tools and dashboards should reflect a shared definition of margin and risk. A digital implementation must connect to actual workflow, approvals and exception handling rather than add a new layer of reporting that no one trusts.

- Test recommendations against a real transaction or operational case.
- Agree decision rights for exceptions and changing conditions.
- Measure value after implementation, not only at approval.

Develop the capability to act

Energy decisions depend on people who understand both the economics and the physical system. Analysts, commercial teams, operators and leaders benefit from working through the same cases. Technical learning, market simulations and coaching should address the decisions each role makes, including the cost of a delayed vessel, a specification issue or a disrupted supply chain.

The goal is an operating rhythm in which scenarios are updated, assumptions challenged and actions assigned. That rhythm can connect strategic advisory work with implementation, technology, specialist hiring and capability development.

- Use cross-functional cases to train decision-makers.

- Review assumptions and emerging risks regularly.
- Build internal ownership of the new decision process.

A commercial decision under pressure

Consider a supply opportunity with a favourable headline price. The value may depend on product specification, shipping availability, terminal ullage, credit terms and the customer's required delivery window. If one of these assumptions changes, the margin can disappear even though the purchase price remains attractive. The decision sheet should therefore show the whole path from acquisition to cash collection.

For each opportunity, calculate a base case and at least two material stress cases. Price and volume are obvious variables, but freight delays, demurrage, blending costs, inventory financing and counterparty performance can be just as decisive. Identify who approves the risk, what information they receive and what threshold prompts escalation. The purpose is faster, better-founded decisions under uncertainty, not an ever-growing approval queue.

For strategic investments, use a similar approach over a longer horizon. Test the asset against changing product mix, logistics patterns and policy scenarios, and make the assumptions visible so the investment can be revisited when evidence changes.

- Show delivered margin and cash cycle, not only purchase and sale prices.
- Assign ownership for each critical assumption and external dependency.
- Agree decision triggers before conditions become urgent.

A ninety-day path from insight to action

Begin with one representative value stream and a sample of recent decisions. Map where data arrives, who interprets it and where decisions are delayed. In the second month, test a shared commercial and operational view with live cases. Include logistics, risk and finance alongside trading. In the third, establish a review rhythm and train the roles that will use it.

Measure the quality of decisions after implementation. Useful signals include avoidable costs, time to approve exceptions, forecast error, operational rework and the proportion of decisions with clear ownership. The aim is not to eliminate uncertainty; it is to make the organisation more capable of acting when conditions change. That requires specialist insight, system design and people development to move together.

- Days 1-30: map the economics and select decision cases.
- Days 31-60: test a shared view and stress cases with operating teams.
- Days 61-90: embed decision rights, measures and learning.

What this means for clients

Anton Bray's energy expertise informs Le Chene's multidisciplinary approach to client strategy, operations and capability.

Further reading

IEA, Oil 2025

IEA, World Energy Outlook 2025

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