

Energy strategy meets operational reality

A decision framework for downstream energy, trading, shipping and capability in uncertain markets.

LE CHENE INSIGHT BRIEFING | Anton Bray

Build decisions around scenarios

Energy strategy needs to work across a range of possible market conditions. The International Energy Agency's World Energy Outlook 2025 examines different energy futures and their implications for security, access and emissions. Its Oil 2025 outlook describes pressures on refining capacity and demand. These are scenarios and forecasts, not a guaranteed path for any business. Organisations should test their own choices against several credible conditions rather than anchor an investment case on one price or demand assumption.

A practical scenario set includes a base case, a supply disruption, a product-mix shift and a slower or faster transition. For each, determine what changes in feedstock, margins, logistics, working capital and customer commitments. The objective is to define decisions management can take early, not to claim perfect foresight.

- Identify the few variables that genuinely change a decision.
- Set trigger points for revisiting procurement and investment choices.
- Assign an owner for each scenario and response.

Connect the full commercial chain

Downstream performance is shaped by connected decisions across product sourcing, trading, storage, shipping, terminals, distribution and customers. An attractive trading margin can disappear through demurrage, inventory loss, credit exposure or an unworkable delivery commitment. Effective governance puts those consequences in view before a deal is agreed.

Map the end-to-end economics of representative transactions, including costs that sit in different departments. Clarify authority for pricing, hedging, nominations and exceptions. Introduce a common set of facts so commercial, operations, finance and risk teams can challenge an assumption without slowing every routine decision.

- Trace margin from purchase to cash collection.
- Make logistics constraints visible to commercial decision-makers.
- Document who approves exceptions and how they are reviewed.

Make capability a strategic asset

The strongest strategy will fail if the people who operate it do not understand the commercial and physical system together. A trader needs to grasp product specifications and shipping consequences. Operations teams benefit from understanding contract terms and price exposure. Leaders need to know which indicators signal a genuine change in risk or opportunity.

Develop capability with real cases from the organisation: a delayed vessel, a product quality issue, a counterparty change or a sudden shift in demand. Combine specialist technical learning with scenarios, process improvement and coaching. ASQ's DMAIC method offers a useful structure for diagnosing recurring failures and checking whether improvements persist.

- Use cross-functional case studies rather than isolated lectures.
- Test decisions under time pressure and imperfect information.
- Review near misses as a source of learning, not only failures.

Turn strategy into an operating rhythm

Create a regular forum that joins commercial outlook, operational constraints, risk and people capability. Keep decisions traceable: what was known, which assumption mattered and what result followed. Review both the quality of the decision and the outcome, because a sound process can still face an adverse market move.

A ninety-day diagnostic can map material decisions, examine transaction economics and capability gaps, and prioritise two or three improvements. A useful outcome is not a long list of recommendations; it is a clearer set of decisions, accountabilities and measures that improve resilience as market conditions change.

- 30 days: map decisions, exposures and transaction economics.
- 60 days: test scenarios with commercial and operations teams.
- 90 days: establish controls, learning and review cadence.

What this means for clients

Le Chene combines deep energy subject matter expertise with operations, technology and people specialists to help organisations turn energy strategy into disciplined decisions.

Further reading

IEA, World Energy Outlook 2025

IEA, Oil 2025 - Executive Summary

ASQ, The DMAIC Process

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