



Opportunity Framing

Setting ideas up for success

An expertly designed and facilitated workshop and decision-making process to:



Increase the competitiveness of your projects, ideas and developments



Consistently deliver the opportunity value of your projects, developments and investments



Support the credibility of your promises



Base your decisions on unbiased projections and outlooks and an unvarnished version of the dilemmas of the opportunity before you

At the initial stage of a great idea, new project, development, M&A opportunity or venture.....



A. Has your opportunity been compellingly framed and set up for success for current and future business environments?

B. Is your team demonstrably aligned on what the opportunity is (and is not) and are they aware of and working the challenges, threats, risks and expectations of shareholders and stakeholders?



.....if not, you need Opportunity Framing

The more complex and the more that is at stake, the more benefit Opportunity Framing can bring. It needs to be done early to help shape thinking and direction and, in some cases, to call for a rethink, a course correction or even a halt.

Opportunity Framing Design and Execution Approach



1 – PREPARATION

(Time: Few days over a week or two – F2F or virtual)

Discuss expectations with business owner and identify participants

Interview key players, agree workshop agenda

Identify (grounding) presentations and prepare

2 – DELIVERY (WORKSHOP)

(1-3 days – F2F strongly recommended)

3 – REPORT OUT

Report-out of Framing deliverables to leadership and team

(Write-up by facilitators, checking by team – few days)

4 – ENDORSEMENT

Buy-in of senior leadership of project roadmap

(Likely formal engagement)

Opportunity Framing: How Does It Work?

1. Grounding:

Make sure everybody is “on the same page” regarding the main challenges faced

- A. People need to know what the challenges are now – solutions will come later
- B. Include how this project fits into the big picture or strategy of the company



2. “Where are we now?”

Understanding the business landscape and the project’s place within it

- A. Understand the absolute boundaries and givens and what assumptions are being made
- B. Who are the stakeholders, how interested and powerful are they?
- C. What drives value for this project and what are the critical success factors for those value drivers?
- D. A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is often a useful tool
- E. Generation of an “Opportunity Statement” allows the Team to mutually articulate (“we have the Opportunity to.....”) what they are about. Better to agree this early for alignment



4. “How are we going to get there?”

Mapping out the path into the future

- A. Team generates a decision-based road map, from high level milestones (e.g. Final Investment Decision and major stage gates)
- B. Build the milestones and decisions that are required to meet that top decision to generate a decision hierarchy
- C. Needs to include reviews and assurance events, external engagements, and when key documents are available
- D. Key risks and opportunities will be captured and ranked

3. “Where do we want to be?”

Definition of success

- A. Might be imposed from outside but the Team may need to add other metrics
- B. Typical value measures could be timeline, money, production and/or process
- C. Could be people development, awards of other projects, or go/no-go decisions
- D. Usually worth testing for strategic fit, i.e. do these metrics fit into the company’s overall strategy? If not, why not?

Red flags and targeted outcomes

An unaligned team with little ownership of the problem, the solution, or the path forward



An enthused and aligned team, who have co-created a realistic path forward, within the boundaries imposed and external parameters



What success look like and how it will be measured

A clear list of what drives value, what is critical to driving that value and how the different value drivers rank against each other



A draft roadmap of decisions, milestones and potential forks in the road

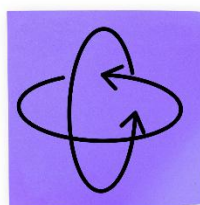


Unrealistic targets imposed and not being in a position to challenge those targets early on



The main risks that could impact the development and the opportunities that could aid progress or add value

How this project aligns with current (and if appropriate, future) strategy



Any differences of views explored of decisions, and if not landed, crystallised and recorded

Being task driven rather than decision driven and therefore often starting tasks “too early” and needing to repeat or redo

Identification of key stakeholders, their expected level of support and interest or lack thereof



CASE STUDIES

1. Gas Utility Company Achieves Quantum Leap In Leak Prediction

Context

- Supplies gas through 25,000 miles of pipe to 1.2 million consumers in major metro area
- Challenge:** 23% increase in leaks in 2018 compared to average increase of 5% in previous 5 years
- Response requires \$450 million CAPEX for pipe replacement
- Every leak requires O&M team call out with major OPEX hit and reputational impact

Complication:

- Initial response was to form a “leak integrity” cross functional team supported by steering committee using Agile sprints to dive into problem
- After 12 months, there was little to no progress
- Consultant called in who found lack of alignment at steering level, disciplines working in silos at team level plus a lack of agreement on what the challenge was and what success looked like.

Framing Impact

- Framing approach adopted
- 2 months later correlation was improved by a factor of four on predicted leaks
- This type of correlation unheard of in gas utility industry
- Benefits: Reduced pipe replacement/reduced O&M call outs/reduced billing to consumers /reduced leaks/reduced GHG emissions/Value proposition to enter new markets

2. Missed Strategic Alignment in M&A Due Diligence solved

Context

A European company explored acquiring a production facility in Southeast Asia to establish a regional refining hub. The broader strategy involved eventually divesting four older plants in the region.

Complication

Geopolitical shifts were underway in the region. The company lawyer flagged a likely change in ASEAN tariffs, expected to take effect in two years which could impact cost structures.

Turning Point

As delays and decision bottlenecks emerged and substantial due diligence costs spent, an Opportunity Framing Workshop was done to align the core and extended team.

The Opportunity Framing Workshop session:

- Future tariff changes—known to legal & deal leads—had **not** been incorporated into the valuation
- Identified changes significantly altered cost structure & export dynamics of the proposed facility
- The acquisition was ultimately abandoned preventing a wrong decision
- Had framing been done earlier, 2-3 months of work and substantial costs could have been avoided

Key Learnings

- Lack of cross-functional collaboration delayed recognition of critical strategic risks
- Centralized communication through the deal lead led to bottlenecks and fragmentation of insight
- Absence of a shared strategic vision prevented functional experts from evaluating the acquisition in the context of the larger rationalization strategy
- Opportunity Framing Workshop proved essential in surfacing and aligning key issues too late—highlighting its value when conducted early

Conclusion

Opportunity Framing Workshops must be conducted **early** in any process to:

- Align all stakeholders on strategic intent
- Facilitate interdisciplinary insight-sharing
- Uncover and address external risks and assumptions before significant resources are spent

Our Consultants

Arvind Garg

Principal Consultant



Arvind has over thirty years of energy industry experience, working for Mobil, Amoco, and Shell worldwide before becoming a Senior Consultant specializing in Economics Analysis, Portfolio Management, International Dealings, Project Framing, and Negotiation Skills. He provided commercial training worldwide to Shell staff and uses his international experience to help organizations leverage better decision-making. He holds an MBA and B.Sc. in Engineering (both from USA). He is an author of a personal finance book and currently runs his own training/consultancy firm based in Dubai.

Expertise in:

- Opportunity Framing
- Economic Valuations
- Training and Development

Alun Kimber

Principal Consultant



Alun has almost forty years' experience, first with BP in the North Sea and then with Shell worldwide, working mainly in the upstream energy sector and more recently in the renewables sector. He started in technical roles, including managing a team of course directors in Shell's corporate Learning Centre, then as a business consultant and then in integration roles, many of which were supporting non-operated ventures as well as secondment into joint ventures. Alun is based in the UK, near London.

Expertise in:

- Opportunity Framing
- Development Manager
- Facilitation and Team Alignment

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