25 April 2024

Gas Strategies
Information Services

Contents

Gas Strategies Group

10 Saint Bride Street
London UK
EC4A 4AD

ISSN: 0964-8496

T: +44(0) 20 7332 9900
W: www.gasstrategies.com
Twitter @GasStrategies

Editorials

+44(0) 20 7332 9957
editor@gasstrategies.com

Subscriptions

+44(0) 20 7332 9976
subscriptions@gasstrategies.com

Early intervention to save a successful strategic infrastructure firm

Changing minds to change a business

Picture the situation: you are CEO of a well-established and successful strategic infrastructure company in Europe. Your company has consistently delivered high returns to shareholders with very low risk, but you can see that the situation is unsustainable. The rest of your senior management team is oblivious to the urgent need for change. What do you do?

In this case, the CEO brought us in to try to change the mindset of the senior management team in order to help stave off the threat.

Identifying the threat to be overcome

Our client had successfully grown its shareholder returns by effectively managing its heritage installed asset operations, and a small portfolio of minority equity participations in overseas investments. The overseas portfolio was largely built on the basis of interest from financial partners, who were keen to go into business with a company that boasted the capabilities our client had demonstrated in Europe.

But a combination of declining gas demand at home, a potential threat to the core business from decarbonisation, and an increasing willingness among the overseas financial partners to go it alone in new investments was making for an uncertain future.

The CEO was concerned that his management colleagues remained too focused on the core business operation and did not fully appreciate the twin challenges posed by the increasingly competitive nature of overseas investment opportunities and the threats to the natural gas market in Europe.

Grasping investment opportunities

We started the process of educating the senior management team about the need for change by exploring some of the CEO's concerns and the reasons behind them.

This was followed by briefings on how business development might conducted more effectively based on what was being achieved in industries and organisations that were a reference for growth. In particular, we sought to change the mindset from one of waiting for investment opportunities to present themselves through the existing channels, to one in which our client was seeking and creating its own investment opportunities, then grasping them with the vigour demonstrated by some of its competitors.

This included looking at how the company's former investment partners had developed their own management capabilities, investment outlook and risk appetite, and were consequently winning business that would previously gone to our client or its peers.

Finally, we gave our perspective on the energy transition and environmental targets that the company needed to face up to in relation to its core business, including some of the steps already taken by competitors.

One year on from the start of our interventions, we supported our client in its commercial due diligence ahead of a successful infrastructure investment in North America.

Consulting

+44 (0) 20 7332 9900
consult@gasstrategies.com

Alphatania Training

+44 (0) 20 7332 9910
training@gasstrategies.com

Information Services

+44 (0) 20 7332 9976
subscriptions@gasstrategies.com