

SERVICE FEATURE

Competitive Analyses for Improved Industry Positioning

Gaining the edge in the chemicals, oil and gas market means organizations must make strategic decisions to improve existing kit, build new facilities or enter new markets. Understanding the impact of these decisions requires comprehensive business, market and competitive assessments.



Finding Value in New and Existing Kit

All refined and petrochemical products — including transportation fuels, plastics and specialty chemicals — must meet specific standards. Low-cost producers generally achieve the highest returns in these areas. Gaining competitive advantages on feedstock costs, operating costs, logistics and technical competencies can translate into real-world opportunities when informed strategies are implemented.

Market fluctuations are a known business risk in the chemicals, oil and gas industry. As a producer, controlling market exposure can be mitigated through integrating assets, reducing operating costs and leveraging long-term feedstock and product agreements. For some producers, having flexibility in the kit translates into staying ahead of the market changes.

Capital Investment Assessment

Organizations must achieve a balance between the cost of new or updated kit and flexibility in business and operations.

Doing so provides a strategic advantage in this volatile industry. This can include building a facility for less capital, developing highly efficient operations, or acquiring raw materials at a lower price.

The return on capital spending for new or revamp projects can be optimized for the business portfolio. Existing assets and operations can be benchmarked to gain competitive insights. After all, it's the hardware, operations and business processes that make the difference between one producer and the next. A capital investment assessment provides critical insight into how an existing asset — with or without modifications — will affect market competitiveness.

Competitive Assessments and Business Cases

A competitive assessment identifies gaps between your organization and your competitors. This assessment forms the beginnings of a business case to support the development of a new facility or a reconfiguration study.

The competitive assessment ranks the asset against similar competitor assets and delivers clearer insight of marginal production costs. A full business case assessment can further inform the decision-making process.

Using sophisticated modeling techniques, a trusted partner can help develop all parts of a business case assessment to find the most effective path forward to improving your market position. Optimizing a project during the early phases of the process yields higher return and business success in a volatile market.

Approaching Business Cases Holistically

In addition to financial perspectives, a holistic approach to business case assessments delivers understanding of strategic fit, current and future market conditions and sustainability goals. As such, we tailor our business case assessments to fit your business objectives. This approach reveals more comprehensive insight on acquisitions and projects, especially when the opportunity involves entrance to a new market.

Coupling risk-modified returns in addition to traditional financial measures — such as IRR and NPV — identifies and quantifies potential market risks. In this way, the full or holistic picture of the opportunity with respect to the business is analyzed.

About 1898 & Co.



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