

Major Investment Decisions under Uncertainty in the Energy Sector

A 3-day face-to-face course
Tanzania, September 2024

NavIncerta
Navigating uncertainty



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In 2016 he started NavIncerta and is also one of the founders of Claridec (2020).

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Events planned

Dar es Salaam
Four Points
Sheraton
Sept 16 – 19, 2024

Zanzibar
Hotel Verde
Sept 23 – 25, 2024

In this event we will discuss a wide range of topics related to major investment decisions in the world of energy. For example, we will look at questions such as:

- What is a good investment decision?
- What are ways to work around human bias?
- Why is the discount rate not a good measure of risk?
- How does risk management relate to decision making?
- What are issues with the internal rate of return as a decision metric?
- How do we develop meaningful price scenarios?
- How do we structure an effective decision process?
- How do we get to grips with geopolitical uncertainties?
- When is Monte Carlo simulation a good idea?
- How do we factor in climate change?

Clearly, this covers a broad range of topics within a three-day course. However, the purpose is to provide a holistic perspective on the theme of investment decisions in energy, and not to focus on one specific dimension or technique. Hence, the event is fast paced and intense, but with plenty of opportunity for discussion.

Although online learning is increasingly popular because of its cost effectiveness and flexibility, in-person events should still be part of the mix provided an integrated experience is offered with maximum opportunity to 'learn by doing', interact and network.

By the end of the course, participants will be able to:

- Understand how decision science techniques can facilitate an orderly and structured decision-making process.
- Assess a cash flow analysis and understand decision metrics
- Deal with uncertainties and understand their implications for investment decisions.
- Use scenario planning to strategize and position investment opportunities in the broader macroeconomic and geopolitical environment.

“The unique feature of this course is that it combines the broad contextual thinking offered by scenario planning with quantitative analysis methods.”

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Course Outline

DAY 1

Scene setting

Corporate strategy, the use of scenario planning

Types of decisions

Portfolio analysis and project ranking

Decision metrics

Decision science

Framing a decision



Who should attend?

Business leaders
Decision analysts
Project managers
Senior project staff
Business developers
Economists
Financial analysts
Risk managers
Strategy staff
M&A staff
New venture staff

Course Fee

USD 900

DAY 2

Decision model, concepts for structured decision making, decision quality

Mitigating human biases

Economics

Economic analysis, cash flows, decision metrics, sensitivities

Price assumptions

Uncertainty analysis

Tornados, decision trees, Monte Carlo simulation

Risk management, risk quantification

Interactivity

Throughout the course, short exercises are offered, individually or in groups, to foster understanding and generate discussion.

Group work

Participants work in teams to develop a proposal for a hypothetical investment opportunity. The case is worked including framing, evaluation and considering options. The broader business environment is taken into account by means of scenario thinking.

An economic model (Excel) is used for calculations to inform the decision and assess the project risk.

The course is concluded by group presentations in support of the hypothetical investment proposal.

DAY 3

Scenario planning

Development of scenarios

Geopolitical and macroeconomic context

Scenarios for energy

Integration

Decision governance

Stage gate process

Value assurance



After the course, participants can advance their knowledge on topics of interest by means of online materials coupled to virtual engagements.