TWENTY THREE POINT FIVE
INSIGHTS

Value Acceleration Program – Transformation Blueprint (Anonymized Case Study)

23.5 Strategies | Confidentiality-forward example of operator-grade strategy and execution design

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Disclosure and use standards
This document is an anonymized case study created to demonstrate 23.5 Strategies' approach to enterprise value creation, operational performance improvement, and execution governance. All identifying details (company name, people, sites, counterparties, systems, and non-public metrics) have been removed or generalized. Any references to quantities are directional or expressed as ranges.

The intent is to showcase method and thinking, not to reveal proprietary or confidential information. This document is provided for discussion purposes only and does not represent an endorsement or official position of any prior employer.

Executive summary

Value Acceleration Program is a transformation blueprint built for a global renewable fuels and refining operator operating across multiple regions. The mandate was to reconcile competing priorities, restore operational reliability, improve cash discipline, and rebuild market credibility through an executable plan – not just analysis. The work converts a complex set of operational, commercial, and financial issues into a sequenced roadmap, clear governance, and measurable accountability.

The core thesis: sustainable value creation requires (1) consistent asset reliability and throughput, (2) disciplined cost and capital allocation, (3) resilient feedstock and supply-chain strategy, (4) working-capital rigor, and (5) credible, transparent external messaging anchored in reality.

What VAP delivered

- A prioritized diagnostic of performance drivers (reliability, cost, portfolio exposure, risk controls, and communications credibility).
- A phased transformation roadmap spanning urgent actions (0–6 months) through structural moves (6–20 months), mid-term initiatives (2027–2029), and a long-term ambition (2030+).
- A working-capital program design covering order-to-cash, procure-to-pay, and inventory management – including metrics, cadence, and ownership.
- Execution governance: steering committee design, capital allocation discipline, regional execution model, and a strategic dashboard to track progress.
- Risk management and scenario planning framework to prevent repeat-cycle surprises and to preserve strategic flexibility.

Current state assessment (anonymized)

The organization entered a difficult operating environment with several compounding issues. The diagnosis below is framed as a set of controllable drivers – not a critique of individuals – because the purpose is repeatable execution.

Key performance headwinds

Operational reliability

- Unplanned downtime and variability in throughput created earnings volatility, missed sales, and recurring catch-up costs.
- Maintenance backlog and inconsistent execution discipline increased the probability of repeat events.
- Site-level learning was not consistently translated into enterprise standards and preventative mechanisms.

Cost escalation

- Rising operating costs compressed margins and reduced resilience during down-cycles.
- Cost actions were often reactive rather than embedded into a durable operating system (targets, owners, cadence, escalation).

Strategic imbalance and exposure

- Concentrated exposure to a narrow set of product markets increased sensitivity to feedstock volatility and policy swings.
- Limited diversification (products, geographies, and value-chain positions) amplified downside when a core segment weakened.

Risk management and preparedness

- Scenario planning and contingency playbooks were not consistently operationalized across functions.
- Supply-chain and feedstock risks required stronger segmentation, optionality, and contracting discipline.

Credibility and communications

- External narrative and guidance adjustments were perceived as reactive, eroding investor confidence.
- The organization needed a fact-based, transparent story tied to operational and financial milestones.

Enduring strengths to build on

- Market leadership and brand equity in lower-carbon fuels and related solutions.
- Strong innovation capabilities (technology, process know-how, and R&D).
- Global footprint that can provide distribution strength and optionality when governed well.

Strategic framework and guiding principles

VAP is built on a simple operating logic: prioritize what restores reliability and cash in the near term, then re-balance portfolio and scale advantaged positions with disciplined capital and risk controls.

Guiding principles

- Reliability first: protect uptime and throughput before chasing growth narratives.
- Cash and discipline: treat working capital, costs, and capex as enterprise systems with ownership and cadence.
- Optionality over fragility: diversify feedstock, markets, and routes-to-market to reduce single-factor dependence.
- Governance is strategy: decisions, decision-rights, and follow-through must be explicit and visible.
- Transparency builds license to operate: communicate progress using measurable milestones and plain language.
- Regional execution with enterprise standards: adapt to local realities while enforcing consistent KPIs and controls.

Detailed strategic roadmap and timeline

The roadmap is intentionally sequenced: stabilize operations and liquidity first, then expand advantaged product-market positions, then execute structural moves that improve resilience and long-term growth. Time horizons are indicative and depend on governance, capital allocation, and external conditions.

Time horizon	**Primary objectives**	**Key initiatives (illustrative)**
0–6 months (urgent stabilization)	Restore reliability and protect cash; re-establish credibility through measurable near-term actions.	Comprehensive operational audits; address maintenance backlog and repeat-event prevention; immediate cost actions; working-capital sprint (inventory, receivables, payables); reset external narrative with transparent milestones.
6–20 months (structural improvement)	Drive sustainable margin improvement and reduce exposure through commercial and portfolio actions.	Asset and process optimization; expand higher-margin segments (e.g., aviation and specialty markets); secure longer-term contracting (feedstock and offtake); initiate portfolio rebalancing and diversification; publish quarterly milestone scorecard.
2027–2029 (mid-term initiatives)	Complete and de-risk major strategic projects; embed optionality and operational excellence enterprise-wide.	Operationalize major capacity and capability expansions; diversify and secure feedstock strategies; targeted geographic expansion where regulation and economics are supportive; deploy technology upgrades that measurably improve yield, efficiency, and sustainability performance.
2030+ (long-term ambition)	Sustain leadership with resilience, innovation, and disciplined growth across multiple solution sets.	Continuous innovation and technology investment; scenario-based portfolio management; proactive risk controls; sustained value creation with durable cash generation and industry-leading sustainability performance.

Regional deep dives and strategic imperatives (generalized)

Regional execution requires local tailoring – but the same enterprise standards must hold: reliability, cash discipline, and risk controls. Below are representative imperatives that translate the roadmap into region-specific action.

Region A – Core production and export hub (e.g., legacy asset base)

- Reliability and maintenance system: shift from reactive to preventative; tighten outage governance and root-cause discipline.
- Energy and variable cost reduction: target top cost drivers with owner-based initiatives and real-time KPI tracking.
- Inventory and logistics cadence: reduce buffers while maintaining service levels via better demand planning and scheduling.

Region B – Growth market with policy and demand volatility (e.g., North America)

- Commercial resilience: diversify customer mix and contract structures to reduce exposure to a single market mechanism.
- Feedstock strategy: improve optionality through segmented sourcing, quality controls, and contracting discipline.
- Joint operating models: where partnerships exist, harden governance, decision-rights, and operational alignment to prevent value leakage.

Region C – Emerging growth and optionality (e.g., Asia-Pacific)

- Targeted market entry: focus on segments with durable demand signals and regulatory tailwinds; avoid scale-for-scale's-sake.
- Distribution and downstream positioning: improve margin capture through selective integration or strategic partnerships.
- Data and compliance readiness: build reporting and traceability capabilities that support market access and customer requirements.

Note: the specific assets, counterparties, and local constraints are intentionally omitted in this version; the point is to show how VAP converts enterprise priorities into region-specific execution plans without losing standardization.

Working capital optimization strategy (enterprise playbook)

Working capital is one of the fastest, least controversial sources of value. The VAP working-capital program is designed as a repeatable operating system spanning commercial, supply chain, procurement, and finance. Targets should be set by segment and region, then governed through a single dashboard and cadence.

Order-to-cash (accounts receivable)

Objective: accelerate cash inflows and reduce credit risk.

- Tighten and segment credit terms where market structure allows; align terms to risk and customer economics.
- Use early-payment incentives selectively (dynamic discounting) when the cost of discounting is lower than the value of accelerated cash.

- Improve invoice quality and speed; reduce disputes through standard templates, clear commercial terms, and rapid issue resolution.
- Strengthen credit risk management (credit checks, trade credit insurance, and exposure limits) to reduce bad-debt tail risk.
- Consider receivables financing selectively for constrained segments to convert sales to cash without disrupting customer relationships.
- Track DSO at the level where actions can be owned (business line / region / key account) – not only at the enterprise total.

Procure-to-pay (accounts payable)

Objective: optimize payables terms without damaging critical supplier relationships.

- Negotiate terms based on supplier criticality and value creation; separate strategic suppliers from transactional suppliers.
- Deploy supply-chain financing (SCF) where it improves resilience and extends terms without harming suppliers' cost of capital.
- Optimize payment execution: enforce term compliance; capture early-payment discounts only when value-positive.
- Consolidate vendors where possible to improve leverage, reduce complexity, and standardize terms.
- Track DPO and supplier health signals; prevent 'term extension' from creating supply disruption or quality risks.

Inventory management

Objective: reduce inventory buffers while sustaining service levels and operational continuity.

- Shift toward demand-driven planning: improve forecast accuracy and S&OP cadence to reduce the need for safety stock.
- Segment inventory policy by criticality and volatility (raw materials, WIP, finished goods, spares/MRO).
- Use supplier collaboration and VMI where appropriate, particularly for high-volume or stable inputs.
- Regional rebalancing: move inventory to the right place, not the most convenient place; link policies to margin opportunity and risk.
- Strengthen MRO/spare parts governance with standardization, critical-spares strategy, and continuous reduction of obsolescence.

Logistics execution

Objective: reduce cycle time and logistics cost while improving customer service.

- Accelerate order fulfillment and billing; reduce dwell time in shipping and documentation.
- Improve transport planning and carrier management; reduce expedited shipments through better scheduling.
- Measure logistics cycle time as a working-capital lever (each day saved in delivery/billing accelerates cash collection).

Metrics, dashboard, and cadence

Metric	What it measures	How it is used

DSO (Days Sales Outstanding)	Speed of cash collection from customers	Targets by segment/region; root-cause for aging and disputes; key-account action plans
DPO (Days Payables Outstanding)	Timing of cash outflows to suppliers	Term compliance; segmentation by supplier criticality; SCF strategy and risk flags
DIO (Days Inventory Outstanding)	Inventory level relative to cost of goods	Policy by category; S&OP discipline; reduction of slow-moving and obsolete stock
Cash conversion cycle (CCC)	Net working-capital efficiency	Enterprise scorecard; connects initiatives across AR/AP/Inventory

Governance recommendation: establish a monthly enterprise working-capital review chaired by Finance with Sales, Supply Chain, and Procurement as standing owners. Run weekly 'sprint' huddles during the first 8–12 weeks to harvest quick wins and create momentum.

Global implementation with regional adaptation

- Assign regional working-capital champions accountable for local execution and issue escalation.
- Tailor targets to market realities (e.g., customer bargaining power, standard payment norms), but keep the same enterprise metrics.
- Share best practices cross-region using a simple playbook and quarterly knowledge exchange.
- Enable with tools and systems where helpful, but avoid 'systems first' delays; build discipline and cadence immediately.

Execution governance and accountability

VAP is designed to be executable. Governance is not a formality; it is the mechanism that converts intent into results. The governance model below establishes decision rights, escalation, and a cadence that keeps initiatives moving and removes blockers.

Recommended operating model

Body	Purpose	Cadence	Outputs
Steering Committee (Executive)	Own enterprise priorities; resolve cross-functional blockers; enforce accountability	Biweekly (then monthly)	Priority decisions; escalations resolved; performance scorecard
Capital Allocation Council	Apply disciplined capex and portfolio	Monthly	Capital decisions; stage-gates; risk

	trade-offs; de-risk major projects		register updates
Regional Execution Teams	Drive local implementation; translate enterprise standards to regional plans	Weekly	Initiative status; issue log; local KPI performance
Functional Workstreams (Ops, Commercial, Supply Chain, Finance)	Deliver initiative-level execution with named owners and timelines	Weekly	Deliverables, KPIs, and risk/issue updates

Strategic dashboard (example components)

- Reliability and throughput: unplanned downtime, key asset health indicators, maintenance backlog, throughput vs plan.
- Cost and productivity: unit cost metrics, energy intensity, procurement savings, overhead run-rate.
- Working capital: DSO/DPO/DIO and cash conversion cycle, aging/disputes, inventory turns and obsolescence.
- Commercial: margin by segment, contract coverage, customer concentration, volume vs plan.
- Projects and capex: stage-gate status, schedule variance, budget variance, key risks and mitigations.
- External narrative: milestone scorecard tied to guidance, with plain-language explanation of variance.

The dashboard should be built to drive decisions, not to 'report'. The first version can be simple (one page) and then scaled.

Risk management and mitigation

The objective is to prevent predictable risks from becoming surprises. VAP treats risk as an operating discipline with explicit owners and mitigations.

- Feedstock and supply-chain risk: segment suppliers and inputs; build optionality; use contracting discipline; maintain quality controls.
- Policy and regulatory risk: monitor key jurisdictions; scenario-plan for policy shifts; avoid single-policy dependence in capital decisions.
- Operational and reliability risk: enforce preventative maintenance discipline; standardize root-cause learning; harden outage governance.
- Project execution risk: stage-gate governance; independent assurance; realistic scheduling and contingency; early-warning KPIs.
- Market demand risk: diversify end markets and customer mix; maintain flexible production and routing where possible.
- Financial and liquidity risk: maintain working-capital cadence; stress-test cash under downside scenarios; pre-plan funding levers.

Adaptability and scenario planning

VAP embeds scenario planning as a repeating cycle (quarterly refresh) rather than an annual exercise. The purpose is to align decisions on capex, contracting, and commercial posture to plausible futures.

Scenario driver	Illustrative states	Management responses
Feedstock economics	Stable / favorable vs volatile / unfavorable	Contract coverage; diversify inputs; protect margins via pricing and product mix
Policy environment	Supportive vs restrictive / uncertain	Maintain optionality; avoid over-commitment; accelerate segments resilient to policy swings
Demand growth	Strong vs weak / recessionary	Flex production; reduce costs; protect cash; focus on defensible customer segments
Project execution climate	Stable supply chain vs constrained / inflationary	De-risk timelines; stage-gate; prioritize highest-return projects first

Recommended output each quarter: an updated scenario view, a 'no-regrets' action list, and explicit triggers for when to change course.

Strategic M&A and future opportunities (optionality themes)

Beyond operational stabilization, VAP highlights a set of optionality themes that can improve resilience and expand value pools. These themes can be pursued organically or through disciplined partnerships and acquisitions.

Feedstock security and diversification

- Secure advantaged feedstock positions and logistics where they create durable cost or availability advantages.
- Build multi-input flexibility to reduce dependency on a single feedstock channel.

Market access and downstream integration

- Improve margin capture through selective downstream positioning, strategic offtake partnerships, or distribution leverage.
- Reduce customer concentration and improve contract quality in core segments.

Renewable chemicals and polymers

- Expand into adjacent value pools that leverage existing capabilities while reducing reliance on a single fuel product cycle.
- Prioritize segments where the organization has a defensible advantage (technology, customers, certification, or scale).

Technological advancement and innovation

- Deploy proven technology upgrades that improve yield, reliability, and energy intensity.
- Invest selectively in next-generation capabilities with clear stage-gates and commercialization pathways.

M&A discipline playbook (repeatable steps)

- Strategic fit assessment: clear thesis, value creation levers, and 'why us' advantage.
- Comprehensive due diligence: operational, commercial, financial, legal, regulatory, and sustainability/traceability readiness.
- Valuation discipline: base-case and downside cases; avoid paying for unproven synergies; link price to deliverables.
- Integration planning: Day-1 readiness, owner-based workstreams, and post-close KPI dashboard.
- Continuous portfolio evaluation: keep a live view of asset performance, optionality, and divest/hold/invest decisions.

Strategic learning from prior growth initiatives (generalized)

VAP also captures lessons from prior large-scale initiatives to improve future execution. This anonymized section intentionally avoids naming projects, sites, or counterparties; the learning is what matters.

Large expansion projects (Europe/Asia) – representative lessons

- Strategic intent can be correct while early returns disappoint due to execution complexity, ramp-up risk, and cost overruns.
- Stage-gated governance, realistic ramp assumptions, and tighter contractor/supply-chain risk controls are critical.
- Early-warning indicators should be defined before construction begins (schedule variance, cost variance, critical path risks).

Joint ventures and partnerships – representative lessons

- Partnerships can accelerate market access but require explicit governance, aligned incentives, and dispute-resolution mechanisms.
- Operational alignment (standards, reliability discipline, maintenance philosophy) must be defined, not assumed.
- Transparency and shared performance metrics reduce ambiguity and prevent value leakage.

Working capital and inventory – recurring lesson

- Inventory build-ups often occur quietly and then become acute; enterprise cadence prevents slow drift.
- A strong S&OP process reduces buffers without sacrificing service levels, particularly in volatile feedstock environments.

Concluding thoughts

VAP was designed as a practical blueprint: stabilize what matters, rebuild trust through measurable execution, and create strategic optionality without fragility. The work reflects a belief that strategy is not a slide deck – it is a disciplined operating system that links decisions, owners, cadence, and metrics to outcomes.

This sanitized version is intended to demonstrate the approach while honoring professional discretion. The full, client-specific version (including asset-level details and internal metrics) is intentionally not shared publicly.

Appendix: Public-facing case study (one page)

Client (anonymized): Global renewable fuels and refining operator with multi-region footprint.

Situation: Earnings volatility driven by reliability variability, cost escalation, concentrated market exposure, and diminished external credibility.

Mandate: Build an executable transformation blueprint to restore reliability, improve cash discipline, and rebuild market trust.

Approach

- Diagnose root drivers across operations, cost, portfolio exposure, risk controls, and communications.
- Convert findings into a sequenced roadmap (0–6 months, 6–20 months, 2027–2029, 2030+).
- Design a working-capital operating system (AR/AP/Inventory) with measurable targets and cadence.
- Establish governance (steering committee, capital allocation discipline, regional execution model) and a KPI dashboard.

Deliverables

- Turnaround blueprint and initiative portfolio with owners, milestones, and KPI definitions.
- Strategic dashboard to track reliability, cost, working capital, commercial performance, and project execution.
- Risk register and scenario planning cycle to preserve flexibility amid volatile markets.

Why it matters

Clients hire 23.5 Strategies when they need more than analysis: a practical plan that stands up under pressure, with an operating cadence that turns intent into results.