How the GREEN framework empowered and accelerated an investment fund's decarbonisation strategy

Case Study – Clean Energy

July 01

The Challenge

Decarbonisation is quickly becoming a key factor influencing large-scale investors and their future investment strategies, particularly with all major economies across the globe having adopted the Net Zero 2050 mission to become carbon emissions free by 2050. Some industries within the decarbonisation space have committed to even shorter timelines in their efforts to battle climate change and slowing the escalation of global warming.

Our client, an investment fund with interests and shareholdings in various industries, wanted to find areas that they can strategically invest in towards decarbonisation activities. The aim was to evaluate various opportunities for high returns on investment in the short and mid-term. Based on this, they would build a long-term decarbonisation strategy aligned with the identified areas of interest.
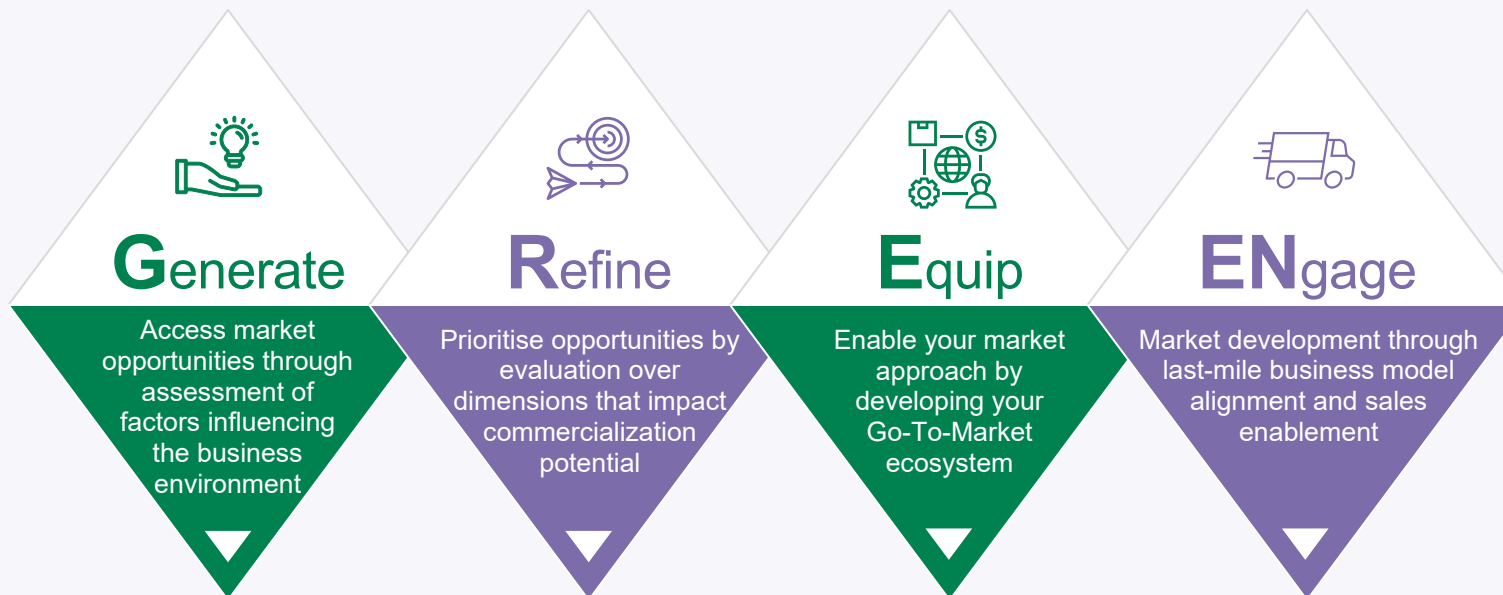
With this approach in mind, we identified the following needs for the program:

- **Evaluate and prioritise** emerging business segments within existing and new markets as well as adjacent areas to develop the client's 10-year decarbonisation strategy.

- **Accelerate revenue generation** and percentage-share from the client's sustainable product portfolio. Hence, the focus would be to prioritise segments with an urgent need for decarbonisation.

- **Identify the most attractive opportunities** amongst the above segments and develop a go-to-market (GTM) strategy around them.

Our Solution

The client's foray into decarbonisation was a near-perfect problem statement to leverage the fundamentals of Evalueserve's GREEN Solution Framework. Our GREEN Framework, which stands for Generate, Refine, Equip, and Engage, has been designed to deliver actionable insights to support decarbonisation initiatives at each stage from strategy formulation all the way to market execution.

Generate
Access market opportunities through assessment of factors influencing the business environment

Refine
Prioritise opportunities by evaluation over dimensions that impact commercialization potential

Equip
Enable your market approach by developing your Go-To-Market ecosystem

ENgage
Market development through last-mile business model alignment and sales enablement

Generate:

Using the framework, we began our solutions offering with its first component – Generate – with a value chain assessment to identify decarbonisation avenues and lucrative opportunities within the corresponding value chains. Under it, we provided the client with an assessment of the top environmental problems and solutions addressing these problems:

▶ Identification of key problems by assessment of position papers, conference takeaways and regulatory material

▶ Quantification of the problems and their impact by region and sector

▶ Evaluation of potential levers for resolving the problems by analysing the respective system, operational applications and measures at play

▶ Identification of outlined actions and targets put in place

Refine:

The next stage of our solutions framework – Refine – enabled us to further narrow down on the prospects. Within this, we first identified the segments that proved most lucrative and evaluated their profit pools across transforming value chains in the following steps:

▶ Mapping of value chains of shortlisted solution areas

▶ Assessment of value chain players to evaluate challenges and opportunities

▶ Evaluation of criticality and value addition by individual value chain element

▶ Evaluation of promising value propositions

▶ Identification of attractive segments

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This process enabled us to classify five major spaces within the solutions:

Agriculture and Food

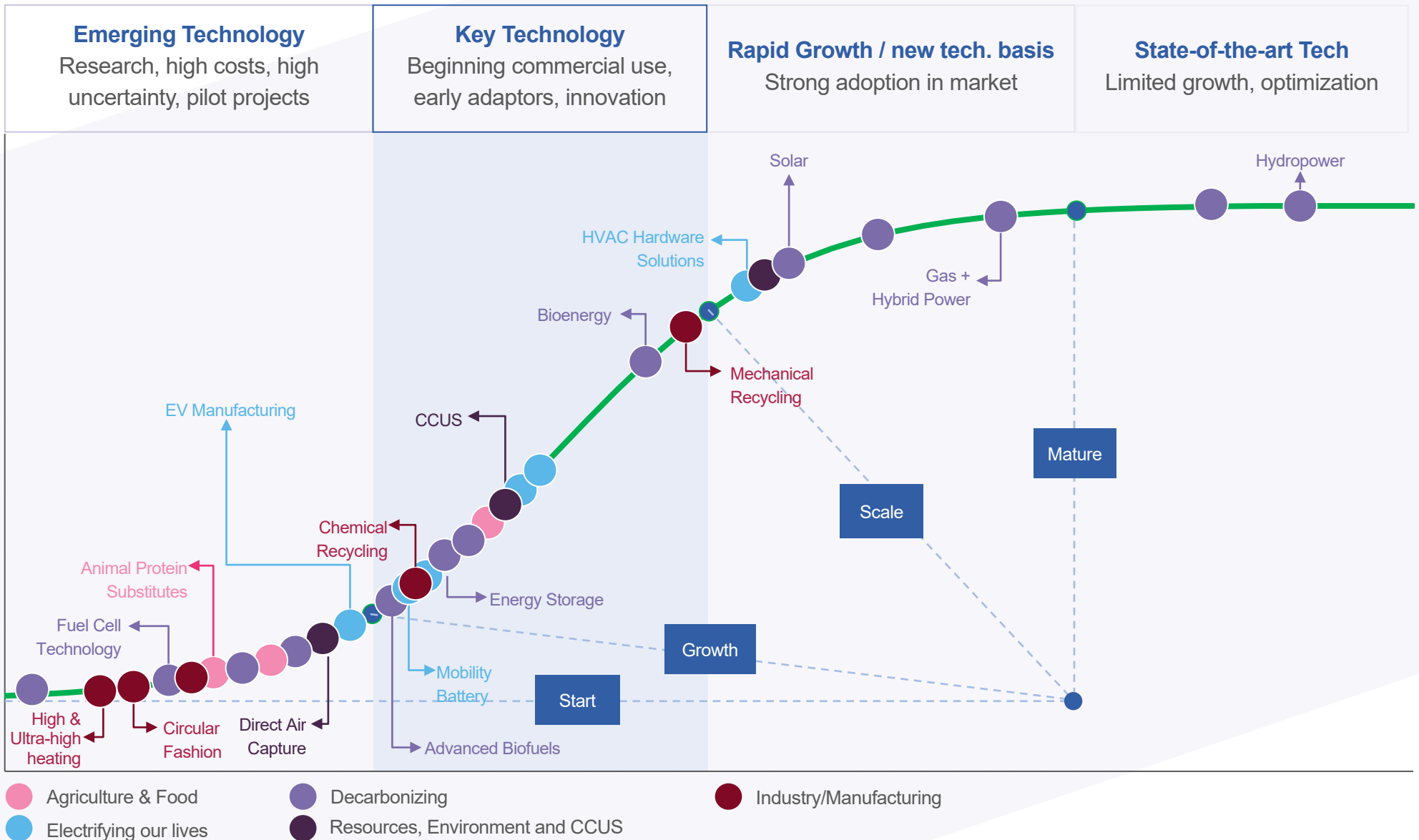Electrifying our lives

Industry and Manufacturing

Decarbonising Energy, Power, and Fuel

Resources and Environment, including CCUS

We then studied the markets under each space to ascertain the commercial maturity of the evaluated markets and segments in relation to each other. This can be represented as seen in the below graph.

Emerging Technology
Research, high costs, high uncertainty, pilot projects

Key Technology
Beginning commercial use, early adaptors, innovation

Rapid Growth / new tech. basis
Strong adoption in market

State-of-the-art Tech
Limited growth, optimization

Solar

Hydropower

HVAC Hardware Solutions

Gas + Hybrid Power

Bioenergy

Mechanical Recycling

EV Manufacturing

CCUS

Mature

Chemical Recycling

Scale

Animal Protein Substitutes

Energy Storage

Fuel Cell Technology

Growth

Mobility Battery

Start

High & Ultra-high heating

Circular Fashion

Direct Air Capture

Advanced Biofuels

● Agriculture & Food
● Electrifying our lives
● Decarbonizing
● Resources, Environment and CCUS
● Industry/Manufacturing

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The commercial maturity study helped us reach a consensus on the solutions which best suited our client's expectations – high short and mid-term returns. The markets which fall under the Key Technology segment were shortlisted. The commercial application of these technologies is beginning and there was room for early adopters to jump aboard these ships, with scope for ongoing innovation.

This narrowed down our shortlist from the initial 30 to 12 of the most lucrative investment options for our client.

These are the markets and technology solutions which will likely witness a rapid growth trajectory in the near term and with high expectations for commercial viability, there is strong optimism for their estimated potential in the medium to longer term.

Business Impact

Improves investment portfolio management strategy:

The framework increases structure and integrates impact modelling into long-term investment portfolio strategy, while accelerating near-term decision making based on the current investment portfolio.

Supports agile GTM testing:

This program can be rapidly scaled across any market of interest, a significant benefit considering the rapid growth and adoption of decarbonisation activities on the back of increased focus from governments as well as fiscal stimulus linked to sustainability.

Builds the foundation to drive decarbonisation:

All major industrial players, sectors, and governments are pivoting towards a carbon-free future. For players which are too expansive to know their starting point towards decarbonisation goals, or for those who have grown conscientious of their responsibility as effectors and upholders of change, the GREEN framework as well as Evalueserve's mind+machine needs-tailored processes can prove to be the right approach.

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If you are interested in speaking with Evalueserve about how your organization can adapt for tomorrow, please contact us at decarbonization@evalueserve.com or for more information, visit http://www.evalueserve.com/.

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