



ATIPIIC INSIGHT SERIES
Continuous Opportunity and Risk Dynamics
Article 1 of 7 — Funding the Right Action

Funding the Right Action, at the Right Time, in the Right Place

A transversal management system that turns competing CapEx requests into a single, defensible portfolio — and stops value leakage.

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The Problems This Approach Addresses

- Risk, safety, environment and reliability teams cannot demonstrate the financial value of what they propose.
- Investments compete in silos, so the actions that create the most holistic value are never the ones that get funded.
- Companies pay repeatedly for the same temporary fixes while reported gains never appear in the results — EBITDA leakage.
- Severity-driven spending consumes the budget while frequent, smaller issues quietly erode the bottom line.
- Decision-makers lack a level playing field on which to compare a compliance action against a reliability action against a growth opportunity.

Summary

Every organisation funds risk, safety, environment and reliability actions in silos, judged by advocacy rather than value. A transversal management system places every candidate action on the same table, values it with actual figures, exposes the synergies between actions, and prioritises by two measures the board genuinely cares about: value created and vulnerability reduced. The result is a defensible portfolio — and a mechanism that stops EBITDA quietly leaking out of it.

Every organisation runs on lists. Lists of LOPA and PHA findings, maintenance backlogs, non-compliance actions, audit recommendations, project risk mitigations and internally generated improvement ideas. Each list arrives with its own champion, its own urgency and its own budget request. And each champion

is convinced that *their* action is the one that matters most. The result is familiar: a portfolio assembled by negotiation and seniority rather than by value, and a finance function that quietly distrusts all of it.

The deeper problem is not that there are too many actions. It is that they are never placed on the same table, measured with the same ruler, and judged on the same question: what does this do to the value and the vulnerability of the whole company? Until that happens, every funding round is a contest of advocacy, and the function that speaks the language of finance least fluently — usually risk, safety or environment — loses.

Investing in the right place, at the right time, with the right idea is the single decision that determines whether a company is merely surviving or compounding its strength.

1. From advocacy to evidence

A transversal model — one that deliberately cuts across functional silos — changes the contest into a calculation. It does not ask each department to argue harder. It asks the organisation to value every candidate action on common criteria, expose the synergies between them, and reveal where each one moves the company on two axes that executives genuinely care about: value created and vulnerability reduced.

Four steps convert a pile of recommendations into a tool that leverages bottom-line stability, top-line growth and sustainability:

1. Combine all recommendations into a single list and identify the commonalities that let you compare them fairly — levelling the playing field so you are comparing apples with apples.
2. Integrate accounting so that the full cost and the full benefit of each action are established with actual figures, not budget estimates.
3. Build the value driver trees — supported by bowtie analysis of barrier weaknesses — that show where value is being lost, where it is being created, and how each action changes the company's vulnerability.
4. Prioritise the actions and size the budget around value creation and vulnerability reduction, rather than around whoever argued most persuasively.

Because the model is transversal, the first list it produces tends to reduce overall financial leakage through improved reliability while simultaneously supporting performance and compliance goals. That is the point: one investment, several returns. And because several departments see their own objectives advanced by the same actions, the buy-in needed for a durable culture change comes for free.

2. The leakage you are funding without knowing it

Improving productivity has never mattered more. Stakeholders no longer accept repeated temporary fixes; they expect a company to invest once and then build on that investment. Yet gains are reported and

then cannot be found in the results, and operational volatility erodes the targets that were set. Both failures are the same failure, and both are managed in the same way: leakage management.

There are two kinds of leakage. The first is caused by frequency — a drip of incidents that erodes any gain achieved and renders the whole investment ineffective. The second is the non-achievement of project targets, which flows from targets set too high or too low, from actions aimed at symptoms rather than causes, and from siloed decisions that quietly destroy portfolio value.

Place the leakage on an EBITDA bridge and it becomes impossible to ignore. Operations promise a gain of 80 from a benchmark of 100. Incidents and a weak baseline cost 20. A repeatable 30 is spent simply getting back to normal. New ideas add 50, but overestimated targets and budget-rather-than-actual figures lose 45. The *forecast* was 80. The *actual* gain is 15. The cost-benefit case that justified the investment never existed; it was an artefact of optimistic accounting.

The remedy is unglamorous and effective: use accounting to locate where value is genuinely being lost to incidents and eliminate the root causes; and use actual figures, never budget figures, when judging the cost-benefit of an action — with an explicit stop mechanism when the portfolio effect turns negative or the market deteriorates. The 30 spent “getting back to normal” is the single most worthwhile thing to design out of the system.

3. Three modules, one system

The approach resolves into three modules that work simultaneously rather than sequentially — which is what makes the result a system rather than a process, and therefore something that adapts as the company and its markets change.

Risk management

The risk function earns its place when it can be shown to advance the company’s strategic goals: stabilising the bottom line, growing the top line, and making both sustainable. Identifying and reporting actions is only half the story. The value appears when those actions are implemented, valued, and shown — in combination — to be moving the company toward its goals.

Performance enhancement

With the right KPIs, a focus on vulnerability drivers and value-creating actions reveals that investments are sustainable rather than quick fixes. Targeting root causes and management systems — and, through them, company culture — improves reliability, which in turn improves quality, environment, safety, asset integrity and governance outcomes at the same time.

Prioritisation

A flood of new regulations, shifting targets, changing customer needs and constrained funding makes action efficiency hard to optimise. When functions with different performance measures compete for the same money, the task is to generate the greatest effect for the lowest cost. Identifying synergies, testing barrier effectiveness and valuing impact is how that is done.

4. How to Initiate This in Your Organisation

The mechanics are deliberately practical. They can be run as a focused engagement and then handed over as a repeatable internal capability.

- **Start with a coaching workshop.** Bring the functions together to agree the outcome, the company's risk appetite, the relative importance of different stakeholders, and the leakage criteria — whether implementation should be led by vulnerability or by severity. This is where the shared ruler is forged.
- **Collect the data and analyse cause, root cause and implementation cost** for every candidate action. Build the driver trees and bowties so that barrier weaknesses, not just headline risks, drive the valuation.
- **Bring accounting in early** to establish true cost and true benefit using actual figures. This is the step most organisations skip, and the one that makes every later decision defensible.
- **Produce two views.** A site-specific prioritisation model showing which actions have the greatest cost–benefit for that site given its financial strength; and a portfolio view that spreads actions across sites and normalises away bias from size or location.
- **Let planning and execution run at different speeds.** Decouple the decision cycle from the budget cycle so that learnings from execution and new ideas from market volatility re-enter the same prioritisation logic at step four. The system stays dynamic and resilient instead of freezing for a year at a time.
- **Close the loop continuously.** Actions that are no longer timely are adjusted or stopped; new actions are developed and valued the same way. Over time the organisation matures from cost-avoidance into innovation and sustainable top-line growth.

Conclusions

The difference is not a cleverer heat map. It is a level playing field, an honest cost–benefit built on real numbers, and a portfolio whose every action can be defended in the language the board already speaks. When the recommendation has been made and the consultant has walked out of the door, this is the system that turns it into funded, sustainable value.

Key Takeaways

- Competing actions must be placed on a single level playing field and measured with the same criteria — comparing apples with apples.
- Accounting belongs in the process early: true cost and true benefit come from actual figures, not budget estimates.
- Value driver trees and bowties reveal where value is lost, created, and how each action changes vulnerability.

- EBITDA leakage — especially the repeatable cost of ‘getting back to normal’ — is the value to design out of the system.
- Run planning and execution at different speeds so the portfolio stays dynamic and learnings re-enter the decision.

About This Series: ATIPIIC Insight — Seven Articles for Business Leaders

The Overarching Message

Your organisation makes risk decisions daily with tools designed thirty years ago. They score severity. They do not measure direction. They record what is at risk — not whether you still have time to act. This series shows business leaders how to move from static risk registers to a dynamic, causally-grounded risk and opportunity intelligence system that integrates with the frameworks you already have.

Why this matters to CEOs, CFOs and boards: Risk misread as stable when it is accelerating destroys value silently. Opportunity visible in the data but invisible in the framework is value permanently foregone. ATIPIIC provides the temporal and causal layer that converts existing risk data into forward-looking strategic intelligence.

Article 1 ◀ YOU ARE HERE | Funding the Right Action

Problem: Competing CapEx requests are judged by advocacy and seniority, not value, so the actions that create the most holistic value are never the ones funded.

Key message: A transversal management system places every action on a level playing field and prioritises by value created and vulnerability reduced.

Article 2 | Accelerators and Amplifiers

Problem: Severity and probability cannot explain why some minor events escalate catastrophically while others fade.

Key message: Two forces — internal accelerators and external amplifiers — are measured to reveal weak-signal escalation before it moves.

Article 3 | Foresight: The Other Half

Problem: Risk management still looks backwards and is repeatedly blindsided by predictable surprises.

Key message: Foresight watches how the world is moving, not just where the company stands, answering ‘where do we need to be?’.

Article 4 | Opportunities & the Comfort Zone

Problem: Opportunities go unmanaged and an oversized comfort zone leaves whole sectors stagnant and exposed.

Key message: Keeping the comfort zone deliberately small turns identified opportunity into captured value.

Article 5 | Push to Pull

Problem: Risk management is reported after the fact and cannot show its value, so it stays a push rather than a pull.

Key message: Embedding risk into everyday decisions through transparency, value measurement and foresight makes it visible and sustainable.

Article 6 | What We Need to Survive

Problem: Resilience is confused with robustness and resistance, and the buffer erodes invisibly until one event too many.

Key message: Resilience is engineered in the system, the balance sheet and — decisively — the behaviour of people under crisis.

Article 7 | Procurement: A Golden Key

Problem: Procurement is measured on cost while expected to deliver resilience, ESG and growth.

Key message: A managerial bridge turns the supply chain from a cost centre into a value-creation engine.