
Downstream Margin Management: Refining, Logistics and Retail Operations Training Course

11 – 15 January 2027
Cape town





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Programme Summary

Downstream margin management is the subject of this one-week training course for senior managers and heads of function, ending in a margin improvement plan for one downstream business. Refining, logistics and retail units often optimise their own results while the margin of the chain is lost between them. The programme links crude supply, refinery yields, product movement, marketing and trading risk, then applies each tool to one chain. Mars Training Centre UK delivers this programme on downstream margin management to mixed-organisation cohorts.

The Business Case

Downstream earnings depend on the spread between product prices and crude cost, and that spread is shaped by yields, energy use, utilisation, stock holding and the timing of turnarounds. Leaders who manage downstream margin as one chain, rather than as separate units, can see where value is gained or lost and explain trade-offs to boards and partners.

- Refining Margin: Improves as yield, energy and throughput decisions are tested against the whole chain.
- Working Capital in Stocks: Reduces as logistics and trading plans are aligned with demand.
- Exposure to Price and Operational Risk: Falls as risks are ranked and owned across functions.

Principles and Evidence Base

- ISO 31000 on risk management: It structures the ranking of margin and trading risks in Sessions 1 and 4.
- API RP 754 on process safety performance indicators in refining: It frames the safety measures that sit beside margin decisions in Sessions 2 and 4.
- ISO 55001 on asset management: It guides the link between asset condition, turnaround timing and margin in Sessions 2 and 3.

Intended Participants

- Heads of refining and supply who set priorities between yield, cost and availability.
- Logistics and terminal leaders who plan product movement and storage.
- Marketing and retail managers who decide product mix and channel plans.
- Trading and risk leaders who manage price exposure and hedging policy.
- Finance and planning managers who report margin to executives.

Typical functions include refining, pipelines and terminals, fuel retail and commercial trading.



Learning Outcomes

1. Participants will be able to diagnose where margin is gained or lost along a downstream chain.
2. Participants will be able to evaluate refinery yield, energy and utilisation choices against product demand.
3. Participants will be able to construct a logistics and stock plan that supports the margin target.
4. Participants will be able to prioritise marketing and retail actions by contribution to margin.
5. Participants will be able to rank trading and operational risks using a common scale.
6. Participants will be able to justify a margin improvement plan to senior leadership.

Programme Structure

Day 1: Downstream Value Chain and Margin Drivers

Where is margin created and lost between crude purchase and the customer?

- Downstream Chain Map
- Refining Margin and Crack Spread Basics
- Margin Bridge Template
- ISO 31000 Risk Register
- Stakeholder and Function Interface Chart

Day 2: Refinery Yield, Energy and Availability

How do yield mix, energy use and uptime change the margin of a refinery?

- Yield and Product Slate Comparison Sheet
- Energy Intensity Review Grid
- Utilisation and Downtime Log
- API RP 754 Indicator Reading Guide
- ISO 55001 Asset Condition Summary

Day 3: Logistics, Storage and Supply Planning

How are product movement, storage and stock holding planned to protect margin?

- Pipeline, Terminal and Shipping Flow Chart
- Stock Cover and Working Capital Model
- Turnaround Timing and Supply Impact Plan
- Demand and Supply Balance Sheet
- Logistics Cost Comparison Table



Day 4: Marketing, Retail and Trading Risk

How do product mix, channel choices and price risk decisions change the margin?

- Product Mix and Channel Contribution Matrix
- Retail Site Performance Scorecard
- Price Exposure and Hedging Policy Outline
- Cross-Function Risk Ranking Scale
- Board Margin Briefing Template

Day 5: Applying the Tools to One Margin Improvement Plan

Do the chain map, yield, logistics and risk tools hold together for one downstream business?

- Applying the Session 1 Margin Bridge to the Chosen Chain
- Testing Session 2 Yield and Energy Options
- Aligning the Session 3 Stock Plan with Demand
- Ranking Risks with the Session 4 Scale
- Completing the Margin Improvement Plan

Methodology

The programme uses a structured exercise method built on anonymised margin bridges, product flow charts, stock reports and short written cases from refining, terminals and fuel retail. Participants work in small cross-function teams on one downstream chain, challenge each other's assumptions and receive facilitator feedback on every diagnosis, option and ranking.

- Suggested activity: Building a margin bridge for a chain and naming the three largest losses.
- Suggested activity: Comparing two turnaround timings and their effect on supply.
- Suggested activity: Ranking six downstream risks on one scale.

Capstone Output

Each participant completes a margin improvement plan for one downstream business. It holds a chain map, a margin bridge, a yield and energy option sheet, a stock and logistics plan, a risk ranking and a board briefing. The plan is used at work to align functions, set priorities for the next planning cycle and brief executive leadership.



Frequently Asked Questions

Is training in downstream margin management suitable for managers outside refining?

Yes. The programme assumes familiarity with one downstream function and builds downstream margin management skills across logistics, marketing and trading.

Which standards does downstream margin management rest on in this programme?

It rests on ISO 31000 for risk management, API RP 754 for process safety indicators in refining and ISO 55001 for asset management.

How is the margin improvement plan for downstream margin management used at work?

You use it to align functions, set priorities for the next planning cycle and brief executives on where margin is gained or lost.

How does learning downstream margin management differ from a programme on upstream field development?

It centres on refining, logistics and retail margin, while upstream field development centres on reservoirs, wells and production facilities.