

# GULF INSTITUTE



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# Due Diligence in Petroleum Business Development

## INTRODUCTION

- This Due Diligence in Petroleum Business Development training course is concerned with one of the most important activities of this business – critical analysis and evaluation of potential investors and partners. The business is becoming more complex in structure and scope, technology, competition and strategic potential. Consequently, a company's relationships with potential investors and partners now require a different and significantly higher standard of diligence and discipline than has been the case in the past. This high-level 5-day training course will concentrate on the application of leading-edge tools and techniques of due diligence in building effective relationships with these two strategically significant stakeholder categories – potential investors and partners.
- Due diligence involves multi-dimensional activity. It is based on an understanding of needs and objectives of potential investors and partners, their decision criteria, their compatibility with the strategic and operational objectives of our own company, and finally it requires a rigorously structured process by which attraction and integration of new investors and partners can be accomplished effectively in order to sustain continuous improvement in the profitable growth of our company.

This training course will highlight the following topics:

- The changing structure and dynamics of global oil, gas and petrochemicals
- Due diligence in financial and non-financial appraisal of potential investors and partners
- The specific challenges of managing alliances and joint ventures
- Risk analysis and risk management in partnerships
- Best practice in managing investor and partner relationships

## OBJECTIVES

At the end of this training course, participants will learn to:

- Identify the required characteristics of new investors and partners
- Evaluate the past performance and future potential of potential investors and partners
- Select and engage with new investors and partners
- Anticipate and deal with the challenges of integrating new investors and partners
- Measure the strategic impact of adding the new relationships

## TRAINING METHODOLOGY

- The training process is based on a carefully planned combination of highly focused inputs by the course leader, using a balanced set of state-of-the-art tuition mechanisms. The emphasis will be on learning by examining major decisions in which the application of best practice principles of due diligence has been critical for success. Above all, the principles and approaches to this subject will be illustrated by reference to real-life situations in which the leader has been personally involved. Delegates will be encouraged to introduce issues for open discussion and creative thought.

## ORGANISATIONAL IMPACT

In sending delegates to this training course the company will gain the following benefits:

- A more professional approach to appraisal of development opportunity
- Introduction of due diligence into all aspects of decisions
- Top management having more confidence in the decisions of staff
- A creative and flexible approach to investor relate
- Sharper focus on the potential of partnerships, alliances and joint venture
- Managers with a broader global perspective on investor / partner relationships

## PERSONAL IMPACT

In attending this training course, delegates will acquire the following skills and competencies:

- Extending the boundaries of individual and team potential
- Improved creativity in developing the business
- Detailed understanding of the tools and techniques of due diligence
- Greater confidence in managing partnership relationships
- Applying collaborative approaches in sustaining profitable growth
- Introducing best practice in due diligence to all team members

## WHO SHOULD ATTEND?

This training course is designed to be relevant for a very wide range of experienced professionals. The following categories of staff would benefit significantly from participating in this event:

- Corporate Finance Officers
- Data Managers and Analysts
- Strategic Planners and Investment Analysts
- Internal Auditors and Management Accountants
- Operations and Supply Chain Managers
- Merger and Acquisition Specialists
- Alliance and Joint Venture Specialists
- Private Equity Specialists
- Asset and Facilities Managers
- Human Resource Managers
- Other individuals whose professional potential would be enhanced by an understanding of current best practice in investor/partner analysis and strategic appraisal

## Course Outline

### The Basics of Due Diligence in the Oil and Gas Business

- The Definition of Due Diligence in Different Contexts
- The Changing Dynamics of the Global Oil and Gas Business
- The Strategic Impact of Due Diligence in Business Planning
- How attractive is the market sector that we are evaluating?
- How strong is our performance in this market sector?
- What is the potential for sustainable profitable growth?

### Applying Due Diligence in Partner and Investor Analysis

- A Rigorous Process for Identifying Partners and Investors
- Clarifying the Goals and Requirements of Investors and Partners
- Evaluating the Financial Strength of Potential Partners and Investors
- Guidelines on Partner and Investor Selection
- Creating an Effective “Tissue Match” with Partners and Investors
- Sustaining Effective Relationships for the Long Term

### Applying Due Diligence in Risk Analysis and Risk Management

- Identification of Types of Risk in this Company
- Quantitative and Qualitative Tools and Techniques of Risk Analysis
- Best Practice in Risk Management – A Structured Process
- The Emerging Concept of “Risk Engineering”

## Applying Due Diligence in Managing Partnerships

- The Managerial Differences between a Strategic Alliance and a Joint Venture
- The Process of Agreeing the Business Case
- Negotiating the Terms of an Alliance or a Joint Venture
- Choosing the Most Effective Partnership Structure
- The Life-cycle of a Partnership and the Challenge of Renewal

## Applying due diligence in strategic planning

- What is strategy and why is it important?
- Example of a Strategic Planning Framework
- Management and Control – Dealing with Variance and Divergence
- Balancing Short-term and Long-term Programmes and Projects
- Due Diligence in Aligning Strategy and Operations
- Discussion – Interaction – Agreeing Priorities for the Company
- Delegates' Personal Plans for Follow-up Action

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