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# Strategic Management in Upstream Oil and Gas

## INTRODUCTION

- Participants on this Strategic Management in Upstream Oil and Gas training seminar will gain a good understanding of how oil and gas companies manage the strategic goals of their business, which typically include the acquisition and operation of multiple oil and gas assets (fields and reservoirs).
- This Strategic Management in Upstream Oil and Gas training seminar is designed to equip early- and mid-career professionals for future business leadership roles within international oil and gas exploration and production organisations, but is also of great benefit to other professionals who need to understand the strategic goals and business methods of oil and gas companies.

## OBJECTIVES

By the end of this training seminar, participants will:

- Have an understanding of the role of the strategic management function within an international oil and gas company
- Understand the background to, and scope of, the oil and gas industry
- Understand the role of the wide range of professional disciplines that contribute to oil and gas exploration and production
- Understand the work of multi-disciplinary field development planning teams, as they strive to decide upon the most valuable ways to develop oil and gas fields
- Recognise the importance of effective early planning decisions (concept selection and ‘front-end loading’) in delivering successful projects

## TRAINING METHODOLOGY

- Interactive presentations and tutorials
- Team and individual workshop exercises
- Onscreen worked examples
- Videos and posters
- Debates and discussions
- Guided self-study and research
- Quizzes
- Case studies

## WHO SHOULD ATTEND?

- This Strategic Management in Upstream Oil and Gas training seminar is designed to equip early and mid-career professionals, from a variety of backgrounds (geoscience, engineering and commercial) for working with or within the strategic management function of international oil and gas companies, and for future business leadership roles.

This training seminar is particularly suitable for oil and gas professionals that want to:

- Gain an understanding of how their role fits into the 'bigger picture' of asset development, and the oil business in general
- Prepare for greater involvement and leadership roles in field development, strategic management and decision making
- Equip themselves for working within close-knit, value-focused, multi-disciplinary, fully-integrated asset development teams working on complex, large-scale projects
- Gain an understanding of the very broad scope of field development engineering, and the complexity and challenges of facilities engineering on mega projects

## Course Outline

### Overview and Context to Upstream Strategic Management

- The industry context to strategic management. The upstream oil and gas industry from various key 'perspectives', such as the oil and gas asset lifecycle, the value chain, the industry players, and the place in society.
- The professional context to strategic management. Overview of the fundamental geoscience and engineering disciplines, which form the basis of the industry, and which fall within the remit of strategic management, including geophysics, petrophysics, reservoir engineering, well engineering and facilities engineering.
- Strategic management in the upstream oil and gas industry. Overview of the science, culture, practice and challenges of strategic management in the upstream oil and gas sector.

### Licences and Petroleum Resources Management and Reporting

- Production contracts & licences. The legal, fiscal and contractual conditions under which an oil company acquires the right to produce oil or gas, and the way that the revenue and wealth is shared with the host country.
- Petroleum resources management. How quantities of oil and gas in the reservoir (reserves and resources) are calculated, classified and reported in a consistent manner for management, regulatory and investment and purposes.
- Strategic management workshop. Participants work individually, or in teams, on realistic strategic management, field development planning, economics and decision making exercises.

## Field Development Planning and Economics

- Field development planning. How the integrated, team, drawn from all disciplines (commercial, scientific and engineering) collaborate to identify the best way to develop a reservoir.
- Petroleum economics. The role of economics in the planning of oil and gas developments, in order to maximise value, including the use of cash flow analysis, time value of money and investment indicators.
- Decision analysis. How the integrated field development team make complex decisions, involving many different types of input parameters, in order to ensure that very large investments are made rationally and efficiently, using tools such as expected value, sensitivity analysis, decision trees and Monte Carlo simulation.
- Strategic management workshop. Participants work individually, or in teams, on realistic strategic management, field development planning, economics and decision making exercises.

## Market and Competitor Analysis

- The oil and gas market. The fundamental characteristics of the oil and gas market, including pricing, reserves distribution and demand, on which the strategic management function bases its judgment of key parameters affecting economic evaluations of project and company performance.
- Business information and competition analysis. The business information and analysis that the strategic management function of oil and gas companies rely on to direct the enterprise on a sustainable seminar, and compare, and learn from, the performance and efficiency of market competitors.
- Portfolio management. Advanced economics and decision making methodologies, originating in the financial (stocks and shares) industry, increasingly finding application for the strategic management of portfolios of oil and gas assets, including: Portfolio Theory; Options Theory and Preference (Utility) Theory.
- Strategic management workshop. Participants work individually, or in teams, on realistic strategic management, field development planning, economics and decision making exercises.

## Corporate Responsibility and Sustainability

- Corporate responsibility. How oil and gas projects are executed in a safe and sustainable manner, with due respect for the environment, and in a way that benefits the local communities in which activities take place, covering topics such as: safety, environmental impact and social licence to operate.
- Strategic management workshop. Participants work individually, or in teams, on realistic strategic management, field development planning, economics and decision making exercises.

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