

# [The oil companies can handle better” (angel gonzalez,](https://assignbuster.com/the-oil-companies-can-handle-better-angel-gonzalez/)

The Organization, products and services, market and niche. TotalS. A is one of the leading global energy providers. Thecompany operates its business within the following business segments:  1.   Upstream, whichincludes the exploration and production of hydrocarbons, gas and power (www. reuters. com)2.

Refining& Chemicals which consists an industrial hub consisting of the activitiesof refining, petrochemicals and specialty chemicals, and also includes theactivities of oil trading and shipping (www. reuters. com)3.   Marketing& Services which includes the activities of supply and marketing ofpetroleum products, lubricants and special fluids, as well as, New Energies (www. reuters. com)4.

The Company’s Corporate segment includesholdings operating and financial activities (www. reuters. com)Total has evolved from being justan oil and gas company with activities in the upstream and downstream sectorsof the oil industry to being a global energy company of reference. Its niche derivesfrom its low cost of operations brought about by continuous innovation whichreinforces its commitment to provide affordable energy and its enormousfinancing capacity which can be seen form the several acquisitions the companyhas accomplished in over the years. Industry experts see this as strength becausethe estimated 30% growth in energy demand by 2030 will demand “ gargantuaninvestment and technological breakthroughs that international oil companies canhandle better” (Angel Gonzalez, 2007). Analysis of strategicintent postureTotal S. A.

has a strategic intentof being and all round Energy Company of reference. As enunciated by itsChairman & CEO Mr. Patrick Puyane “ Our ambition is to become theresponsible energy major. In tangible terms, that means bringing affordable, reliable and clean energy to our customers all around the world” (www. reuters. com) Strategicintent projects the vision of an organization and the direction it aspires togrow (Brown, 2015). To achieve a strategic intent, acompany must take on a larger, better financed competitor, which meansconserving scarce resources by carefully managing competitive engagements.

Thiscan only be achieved by changing the game in a way that fundamentallydisadvantages the incumbent (Hamel and Prahalad’ 2015). As Hamel and Prahalad (2005) observed, organizations that have attainedglobal leadership in the last two decades started with very audacious goals farbeyond their resources and skills. To get to its present position Total S. A. had been through two major mergers.

First with Petrofina, a Belgian oil and gascompany, in 1999 and with it main rival Elf Aquitaine, a bigger French oil andgas company in 2000. It also acquired Maersk oil, Engie LNG and GAPCO all in2017 for very large sums of money. A strategic posture refers to howbusiness leaders apply strengths of the business to the needs of the market nowand in the long term. The common strategic postures which organizations mayadopt are “ shaping the future, adapting to the future, and reserving the rightto play” (Neil Mokemuller, undated). Reeves et al., (2012) refer to this intheir four strategic styles namely classical, adaptive, shaping and visionary.

Innovatorsand pioneers shape the future by driving the nature of operations or productoffered. Total has elected to take the strategic posture to shape the future. This strategic posture informs Total’s move to diversify into power productionby acquiring Sun Power Corporation, an American energy company with plant inthe Americas. Total has established a renewable energy branch with hugeinvestments in research and development which aligns with its shaping strategicposture. This diversification into power can be a strategic move to positionitself to cater for the need of electric car customer by providing solarpowered car charging stations on the highways.

Evaluation of the CSRand mission/vision and valuesTotal’s has a code of conduct underpinnedby the following core principles: preventing corruption and fraud, upholdinghuman right, promoting financial transparency, promoting free competition andrespect for people. As a socially responsible organization Total Partners withgovernments and agencies both local and international to improve the wellbeingof its host communities. The customer has established a sustainable developmentdivision. The company places great value onits people and has taken steps to human resources in the areas where itoperates in Africa by recruiting young graduates and giving them internationalexposure to enable them acquire skills that will be useful for them either toget a permanent employment in Total or any other organization. In thedownstream sector the young dealers’ scheme makes it possible for young Africanswith visible entrepreneurial drive but with no financial backing to own and runfilling stations with no cash down.

This programme has contributed immensely ineradication poverty and creating new generations of middle to high come inthose societies (Agnihotri, 2013). Recognizing the potential market atthe base of the income pyramid and propelled by its ambition stated earlier, the company moved to satisfy a growing need for energy in sub-Saharan Africa. A. Agnihotri (2013) opined that an organization could reduce poverty by providingpoor people with socially important goods at a reduced price. Total introduceda range of solar lamps with charging ports, that provides light at night andenables the owners charge their portable electrical appliances such as cellphones, at a very affordable price.