

Strategic management analysis of saudi aramco ltd.

[Business](#), [Management](#)



To: Prof. Dr. M. Mahmudul Hasan. Course Instructor, Faculty of Business, AIUB. Re: Submission of Term Paper on Saudi Aramco. Dear Sir, It is a grand contentment for us that we have been capable to submit the report. It's been an enormous practice for us to bring about such a job and we took pleasure in the whole term paper making actions. We tried our degree best with our knowledge to make a full pledged report by analyzing all the available information. We hope that we have fulfilled all the requirements you have asked for. We would be delighted if you kindly accept the report and oblige us thereby.

On behalf of the group ' Jeener Badshah' With Best Regards, Plaban Roy. Id. No. 11-94732-2. MBA Course: Strategic Management. Section: A. Department of Business Administration. Contents of term-paper as follows: 1. Acknowledgement Letter 2. Executive Summary 3. Definition of Strategy 4. Most Strategic Management Model 5. Company Detailed Profile including mission & vision and Organogram 6. PESTEL, SWOT and Porter's Five Forces Analysis 7. SWAN Analysis & TWOS Matrix 8. Value Chain Analysis 9. ViSA Model & SMARTER Model 10. The BCG chart 11.

PURE Objectives & GREAT Model 12. Market Analysis including Market Segmentation 13. EFE Matrix 14. CPM Matrix 15. QSPM Analysis 16. Financial Analysis 17. Competitor Analysis 18. Breakeven Analysis 19. KSF Analysis (Industry Key Success Factors) 20. Strategy Evaluation and Contingency Plan 21. Recommendation 22. Conclusion 23. References 2. Executive summary: Saudi Aramco (Arabic: ?????? ?????????? ? Aramko s-Sa? udiyyah), officially

the Saudi Arabian Oil Company, is a Saudi Arabian national oil and natural gas company based in Dhahran, Saudi Arabia.

Saudi Aramco's value has been estimated at up to US\$10 trillion in the Financial Times, making it the world's most valuable company. Saudi Aramco has both the largest proven crude oil reserves, at more than 260 billion barrels (4. 1? 10¹⁰ m³), and largest daily oil production. Headquartered in Dhahran, Saudi Arabia, Saudi Aramco operates the world's largest single hydrocarbon network, the Master Gas System. Its yearly production is 7. 9 billion barrels (1. 26? 10⁹ m³), and it managed over 100 oil and gas fields in Saudi Arabia, including 279 trillion standard cubic feet (scf) of natural gas reserves.

Saudi Aramco owns the Ghawar Field, the world's largest oil field, and the Shaybah Field, one of the world's largest oil fields. Operations: Saudi Aramco is headquartered in Dhahran; and its operations p the globe which include exploration, producing, refining, chemicals, distribution and marketing. Objective of the study: 24. PESTEL, SWOT and Porter's Five Forces Analysis 25. SWAN Analysis ; TWOS Matrix 26. Value Chain Analysis 27. ViSA Model ; SMARTER Model 28. The BCG chart 29. PURE Objectives ; GREAT Model 30. Market Analysis including Market Segmentation 31.

EFE Matrix 32. CPM Matrix 33. QSPM Analysis 34. Financial Analysis 35. Competitor Analysis 36. Breakeven Analysis 37. KSF Analysis (Industry Key Success Factors) 38. Strategy Evaluation and Contingency Plan 39. Strategy Evaluation and Contingency Plan 3. Definition of strategy: Strategy (Greek "???????????" - strategia, " art of troop leader; office of general, command,

generalship") is a high level plan to achieve one or more goals under conditions of uncertainty. Strategy becomes ever necessary when it is known or suspected there are insufficient resources to achieve these goals.

Strategy is also about attaining and maintaining a position of advantage over adversaries through the successive exploitation of known or emergent possibilities rather than committing to any specific fixed plan designed at the outset. Henry Mintzberg from McGill University defined strategy as " a pattern in a stream of decisions" to contrast with a view of strategy as planning [2] while Max McKeown (2011) argues that " strategy is about shaping the future" and is the human attempt to get to " desirable ends with available means". Good Strategy + Good Strategy Execution = Good Management . Most strategic management model: 1. PEST analysis 2. STEER Analysis 3. Five Forces Model 4. Strategic Group Map 5. SWOT analysis 6. Blue Ocean Strategies 7. Open innovation 8. seven S model 5. Company detailed profile including mission ; vision: The world's need for energy is growing, but so too is our ability to meet that demand. Our teams have been discovering new and better ways of delivering petroleum energy since 1933. Find out more about our leadership, our history and the people who make us the world's leading integrated petroleum enterprise.

Who we are Not only is Saudi Aramco the state-owned oil company of the Kingdom of Saudi Arabia, we are also a fully integrated, global petroleum and chemicals enterprise and a world leader in exploration, production, refining, distribution, shipping and marketing. We manage the world's largest proven conventional crude oil and condensate reserves of

259. 7 billion barrels. Our average daily crude production in 2011 was 9. 1 million barrels per day (bpd). We also have stewardship over the world's fourth-largest natural gas reserves of 282. trillion standard cubic feet (scf). Saudi Aramco's downstream accomplishments include our rank as the 8th largest refiner in the world, with a worldwide refining capacity of 4. 02 million barrels per day (including domestic refineries, and domestic and international joint and equity ventures). We are also the world's top exporter of natural gas liquids (NGL). Headquartered in Dhahran, Saudi Arabia, Saudi Aramco and its subsidiaries have offices throughout the Kingdom. We also have offices in North America, Europe and Asia.

Our subsidiaries and affiliates are located in Saudi Arabia, China, Japan, India, the Netherlands, the Republic of Korea, Singapore, the United Arab Emirates, the United Kingdom and the United States. Our operations p the Kingdom, including its territorial waters in the Arabian Gulf and the Red Sea, with production and distribution linking all market areas around the world.

Vision: * Future of energy * Reliable supply * Contributing to the economy * Developing human potential * Sustainability * Wellness Powering possibilities

At Saudi Aramco we're leading the drive to solve some of the issues that matter most to the global energy industry. We consider it our responsibility to the Kingdom and the world. Transforming for the Future By 2020, Saudi Aramco will have evolved from being the leading oil and gas company that it is today, into a fully integrated, truly global energy and chemicals enterprise with extensive operations across the globe. What we aim to be tomorrow will facilitate a diversified and sustainable expansion of the

Kingdom of Saudi Arabia's economy and enable a globally competitive and vibrant Saudi energy sector.

Our vision for the future is best described through the company's 2020 Strategic Intent: * Shaping our business portfolio through establishing an integrated value chain approach in our crude oil mix, further develop the Kingdom's unconventional gas resources and become a leading global chemicals and refining company. * Supporting the Kingdom in building a vibrant energy industry by promoting an energy efficient economy, developing alternative energy options, and building a technology portfolio. Delivering an agile, flexible, and efficient organization to achieve operational excellence and world-class reliability and safety performance through improved operational efficiency, agile decision-making and budgeting activities, insightful performance measurements, and business process improvement. * Building capacity, knowledge, and skills to improve our processes and systems of leadership selection and development, performance evaluation, innovation, and research and development. We will take the lead in developing a knowledge-based economy in Saudi Arabia.

In short, we aim to unlock the potential of our people and our enterprise to transform from a company of which the Kingdom is proud into a company of which the world is proud. 6. Five Forces Model The five forces model is a framework that analysts use to evaluate the interior factors affecting competition and the external factors affecting bargaining power. This helps to understand the industry and what strategies are needed to gain a

competitive advantage Rivalry Among Existing Firms (Low) 1. Threat of New Entrants 2. Threat of Substitute Products 3. Bargaining Power of Customers . Bargaining Power of Suppliers Bargaining Power of Suppliers * High competition among suppliers | | | | * Volume is critical to suppliers | Bargaining Power of Customers | | * Product is important to customer| | * Large number of customers | Intensity of Existing Rivalry * Government limits competition| | * Large industry size | | | Threat of Substitutes * Substitute is lower quality | | * Substitute has lower performance | | * Limited number of substitutes| Threat of New Competitors * Strong distribution network required| | * High capital requirements| | * High learning curve | | Entry barriers are high | SWOT analysis Strengths * Spending on alternative energy. * Investment in high profile project. Weaknesses * Declining sales of refined products, resulting in lowering top line growth. * Declining replacement rates in recent years. Opportunities * Growing Asian-Pacific population and expansion of their economy will lead to greater demand for energy * Bio-fuels and alternative energy methods Threats * Prolonged global recession * International Union Strikes and other global political events (Environmental issues) SWAN Analysis Strength

The brand image they have created sustaining over 80 years. Management who are highly skilled and to operate the company Weakness Declining profit over the years Unable to cope up with the existing competitors to become the leader in the industry Achievements Have major achievement in taking out the oil from deep of the desert Emerged as one of the biggest supplier of Oil Next Step Achieving the global leadership Beating the close competitors

Developing the skill of the local employees. TOWS Matrix Factors| Weight| Rate| Weighted Score| Opportunities| | | |

Better management of product lines| 0. 18| 3| 0. 54| Globalization| 0. 21| 4| 0. 84| Environmental concerns| 0. 21| 4| 0. 84| | | | Threats| | | | Fierce competition| 0. 2| 3| 0. 6| War and terrorist attack impact| 0. 2| 3| 0. 6| Total| 1. 00| | 3. 42| | | | Strength| | | | The brand image| 0. 22| 3| 0. 66| Skilled management| 0. 13| 2| 0. 26| Enriched natural resources| 0. 15| 3| 0. 45| | | | Weaknesses| | | | Improper utilization of natural resources| 0. 25| 3| 0. 75| Lack of local skilled labor| 0. 08| 2| 0. 16| Local technological non advancement| 0. 17| 2| 0. 34| Total| 1. 00| | 2. 62|