

Case study of talisman energy

Education



This paper will present the Talisman decision in penetrating the Iraq oil and gas market, which will highlight the Talisman Energy restructuring portfolio diligence for the purpose of maximizing profits and reducing losses that are likely to occur in near future in daily operation of the business entity.

The paper will start with a problem statement that explains the administrative, marketing and management leakages, present a critical analysis, SWOT analysis, threats, alternatives, and recommendations. The paper will in turn encompass comprehensive review including surface and subsurface, and how Talisman Energy enables oil extraction in Iraq to be a great success.

The paper will further discuss how Talisman Energy takes the oil and gas commodities to the market and influences the consumer purchasing power, and provide a review for the proposed Talisman Energy marketing and organizational strategy.

Focusing on Talisman in Sudan region, they were accused of using indirect strategies to give weapons to the government of Sudan through the help of NGO's which resulted in media gaining the attention and also interest from general press (Day 2014).

Apparently, Talisman Energy firm had an upper hand on marketing influence and tapping the consumer affinity and, consequently, adopted step to threaten human rights in Sudan region and the latter helping them to become a monopoly thereby becoming the largest independent oil and gas firm as a result of huge revenue collected. Talisman cannot therefore risk and face

havoc like what happened in Sudan. Talisman should therefore investigate how independent Kurdistan is from the rest of Iraq.

Problem Statement

In 1953, Talisman energy became an independent institution and specialized in oil and gas extraction and production, marketing, transportation, marketing of crude oil, gas, and natural oil (Carsle 2000). According to Carsle, Talisman Energy firm focuses on mainly extraction, transportation and marketing of gas and oil in North America, United Kingdom, Scandinavia, and South East Asia. The company produces 430, 000 bopd in 2008 approximately 50 percent oil and 50 percent gas.

Talisman expressed interest in Eastern Africa especially Sudan in years approaching millennium (late nineties) the Sudanese government officials intimidated the natives from a landing strip that was meant to aid in oil related activity which in turn resulted in massive financial planning.

Critique And Analysis

According to Rodriguez and Troyes (2014), Talisman constructed a large 2.5 million net acres of land to help them diversify in their operation and reach a wider market space. To reach more of their consumers, company decided to set goals and objectives to help maximize on their operation and become a market force, their goals were clearly established basically starting with proposed objective and goals, making outline and strategies to accomplish to the set organizational goals in respect to the willingness and financial drive of the shareholders.

Objectives help people and even institutions like Talisman Energy succeed and propel them to even greater heights of accomplishments through providing people with specific and adequate roles in the organization set up, giving consistent decisions and also to choose the best preference among large numbers of objectives through; encouraging proper dedication and fulfillment based on the results expected and to provide corrective action and even control.

Ultimately, the strategic restructuring of the energy production portfolio aimed at creating a sustainable and very consistent growth from its unconventional gas business in North America, Asia, South Asia, and Norway (Franklin 2012). The Talismans' administration team aimed to launch a less time energy generation portfolio to ease the renewal of the hydrocarbon that increases the cost of energy at the same time focusing on the environmental conservation portfolio.

According to the Talisman management, introduction of a cheaper, effective, and a low cost energy generation tactics that would increase the Resave life index over time (The Canadian Press 2012). Talisman is looking forward to aid the extension and expansion processes in South Asia where F&D cost are considerably very low.

SWOT Analysis

Talisman is an independent international upstream oil and gas company whose main business activities include: exploration development, the process of production transportation and selling of oil in crude form natural

gas liquids and natural gas (Day 2014). The company has three core areas, North America, the North Sea, and The South-EastSea.

Talisman is conventional in leading gas explorer and has a significant unconventional natural gas potential, in the areas bordering the North Sea; the company majorly operates more than 40-50 outfalls and has very big exploitation acreage in areas in Norway. In the South-East region, Talisman has a substantial and long life natural gas that has never been explored and a highly expansive acreage monopoly and a very strong market force even further elevates company to leverage in the shares in the market

In respect to the diversified and phenomenon graphical presence, it has ongoing production, development and exploration in region around North America, North Sea and, South Asia, Australia, North Africa and Trinidad and Tobago. Statistically, Talisman aggregate production of the year ending 31st 2008 was 452000 barrel of equivalent per day costing approximately 189 000 booeed, and 11700 booeed from North America, 33000 board from the Scandinavian segment.

Day (2014), argues that the new oil and gas production has significantly increased in recent times, 200 Talisman (Vietnam 46/2) announced that first oil production from the song poc field in Bloc 46/2 and the offshore in Vietnam produce a productive energy resources in that the new oil and gas production would boot the Talisman power output, which ultimately will boost revenue collected. In fact, the acquisition and contract signing took place by acquiring all the shares from CNOOC meager oversees from subsidiaries for a consideration of 212. 5 million US dollars.

Threats

The economic slowdown in the US and the entire regions around Europe is a major threat, which causes saturation as a result of resources due to over-exploitation (Carsle 2000). Environmental degradation and damage due to removal of the top soil thereby strict regulations must be enacted to protect flora and fauna.

The Talisman makemoneyby entering Iraq by investing 3.5 million dollars in two blocs in Kurdistan, the firm will therefore acquire 40 percent if block k44 operates by Calgary's western gloss Resource Ltd (Cooper & Vlaskovitz 2011). The Kurdistan region government (KRG) boast of 20 percent Interest.

Talisman plans to spend 80 Million cover past lost by committing fully to projects at hand. The initial cost will range from 10-15 million US dollars, this will either prove positive to investors or negative to them.

Discussion Of Alternatives

There was ultimate need to conserve the earth, one of the valuable commodities. Moreover, Talisman has embarked on more resourceful oil mining alternatives to create a strong and sustainable, and reliable energy for the future generation. Apparently, Iran is one of the largest oil reserves in the world and is ranked fourth worldwide after Saudi Arabia and Canada yet the great part of the country is yet to be investigated (Ries 2016).

There are various strategies that can be utilized as other alternatives to oil mining maximization, which include the use of wind power, geological formations from which oil can be exploited, use of fossil fuels that is considerably much cheaper to limit the hydrocarbon carbon dioxide gas in

the atmosphere; thus, the progressive heating of the earth's surface culminates to a global warming scenario (Orihuela 2014).

Apparently, the industrial affiliation shifted to more renewable sources of energy solar energy such as biomass and tidal energy to suit the Talismans' tight financial budget. The energy source adopted will depend on the cost of production and its impact on environmental pollution and wellbeing of humankind.

Recommendations

Ensuring that the goals set and the objectives made must be thoroughly met through implementation by monitoring and evaluation programs. This helps in adapting progress over time and improves overall effectiveness and flexibility (Cory 2013). Monitoring of the implementation of set goals is important as it assures the effort conform to what is expected in long run signifying that the company is on the right path and measuring if the results achieved are in line with set objectives (The Canadian Press 2012).

The company should review the tactics to ensure they remain relevant to help changes in environment, culture and rapid demographic changes.

Political goodwill must prevail to help optimization of the company operation, like the tax levied should never be too high and provide essential incentives to attract investors set up their businesses. Apparently, records kept must always be open and very clear to allow retrieval in case there is a need in future.

Conclusion

Goals are very useful in setting up a company, to propel the organizational zeal and achievements they are yearning for, to act as a pointer of the future to know whether you are making progress or not. There are pictures where top managers visualize where the organization should be in coming years and also a way that they can see off competitors that see to threaten existence of the company. Goal setting should incorporate planning strategy to help the company be on track and help it focus only on activities important to the organizational performance.

Talisman emphasizes mainly on three objectives: Developing long term growth opportunity, building high impact exploration paths and continue focusing on the current portfolio. Goals bring order, meaning and purpose that will sustain the interest of stakeholders involved and therefore act as a motivation factor to them. By forming goals, an individual sets everything right required of him to succeed to the very top level. Success is therefore achieved by goal's definition, it is 1 percent inspiration and ninety nine percent perspiration. It is not luck.