

Essay on globalization- exxon mobil.

[Business](#), [Company](#)



Incorporated in 1882, Exxon and Mobil is both a manufacturer and a marketer of petrochemical products that include polyethylene, aromatics, polypropylene plastics, olefins among many others/. Exxon Mobil, however, was a brand of integration between Exxon and Mobil in 1999. The company has other affiliates that include Exxon, Esso or Mobil and ExxonMobil. Its operations are based in United States and have regionally expanded in other countries. The company has also entered into joint ventures with other international companies like Qatar Petroleum in its quest for regional expansion. This paper is an analysis of the corporation, its global operations and political involvements and the strategies that company applies in its operations.

Global operations of Exxon Mobil.

ExxonMobil is the largest publicly trading company in oil and gas in the world. The company holds an industry leading capacity of oil and gas resources in the globe. It is the largest refiner as well as the marketer of oil and petroleum products in the world (Schultz and Williamson 383). The company has other affiliates like chemical company and Technology Company which are rated among the performers in the world. The company applies science technology and innovation in the creation of cleaner and safer methods of delivering energy in the world. The company is organized functionally into different operating global divisions. The divisions are grouped further into three categories for purposes of referencing. This is besides other ancillary divisions such as coal and mineral production. ExxonMobil operates in over 200 countries and leads in key explorative areas. The company is charged with adding and finding oil and gas resources

and replaces the existing productions to fit the future demand of energy (Schultz and Williamson 384). The total resource base of the company is currently at 72 billion OEB (Oil Equivalent Barrels) with a reservation of 22 billion OEB. This implies capability to deliver oil in the globe as well as meeting the demands of many industries.

The company's focus is to deliver reliable and sufficient high quality lubricants and provide technical expertise to all its local and regional customers (Davis 44). This is achieved through distributor and direct sales channels, technology leadership and implementation of an integrated and disciplined approach in customers' demands. The company is keen in maintaining high levels of ethical standards both internally and with the external stakeholders. Employees are expected to adhere to the company's policies and be responsible and accountable for any violations. This applies to all branches in the world.

Operational strategies in ExxonMobil.

Just like many other oil and gas manufacturers, ExxonMobil has taken advantage of advances in information and communication technology. The implementation of ICT assists in monitoring its operations and in standardization, integration and automation procedures. The technology boosts efficacy realization in attempts to reduce costs and increase the speed of manufacturing (Schultz and Williamson 386). Its efforts in employee management accrue to success in coping with many operational challenges that are faced.

The company adapts to upstream-wide integration system in increasing its regional opportunities. This involves a division of different domains of

activities and integrating them in one operating system. The company sets up standards that enable integration across the domains. The domains include the subsurface, surface and business. The subsurface is the lowest point of integration and makes use of advanced technology in modeling, drilling and production. The surface involves a safe gathering of produced hydrocarbons while the business domain represents the systems in the back office that enhance efficient running.

Contrary to giant energy producing firms, Exxon Mobil is considered as a significant contributor of Asian growth. This can be accrued to its vertical integration strategy and considerable reliance to its suppliers. Exxon does not operate under one roof; it team works with other local and regional refining and petrochemical producers in efforts of cost management (Davis 45). Working together with companies like Qatar petroleum, Chevron and Phillips Petroleum, BASF among others has been significantly lucrative in increasing the company's returns twice as much of those of its close competitors. The company's management is persistent in working with companies that most of its competitors neglect. For instance, most of its competitors neglected tenders and proposals with BP. However, working with BP raised Exxon Mobil's returns by over \$9 billion in 2005.

Much of its integration, though, is integration with refining industries. Most of its chemicals are made by standalone plants while approximately 90% of its operations are linked to its refineries. This ensures that every barrel is put under optimal use. The company also share infrastructure in its quest to share and cut down on the costs.

Management of climate and environmental risks is another strategy applied

in the company in cutting down costs. The company supports and adopts strategies for reduction of emissions that are comprehensible, predictable and long term. This promotes reduction in emissions that at the least possible costs to the government as well as society. The company advocates approaches that ensure uniformity and predictability of carbon emission and adjustments in future development in climate policy impacts (Schultz and Williamson 385). Combined with further advances in technology and energy efficacy, the company has designed a neutral carbon system that is cost effective both for its operations and to the society.

The company relies heavily on integrity in the supply chain management in operation and impact on reputation. Currently, the company has more than 175000 suppliers that include more than 85000 third party contracting personnel. The company develops relationships with different suppliers due to its global outreach and commitment to operations and commitment to integrity. The suppliers undergo development programs, in their host countries that strengthen the procurement activities. This ensures that the supply chain is effective and meets the demands of the locals as well as other international needs (Davis 44).

The chain ranges from means of deliveries, packaging, track routing and railcar fleets. The railway network assists in delivery of massive orders and minimizes the trips that would otherwise be taken by other means of delivery. The adoption of this strategy in 2008 has increased efficiency and led to reduction of transportation costs by up to 1000 miles. The consumed fuel expenditure also reduced by more than 316, 000 gallons. This facilitated the meeting the company's objective in cost reduction. Truck routine

eliminates the use of empty trucks in the supply chain thereby saving fuel costs.

Product packaging has been a crucial element of cost reduction; the company adapted to use of bag-lined boxes in packing of pellets. Exxon Mobil chemical also has re-evaluated the packaging of polymers which enabled a 30% increase in space. The strategy resulted to a 23% reduction in packaging materials. The new adapted packaging strategies are environmental friendly, require less warehouse construction, and eliminate roughly 1400 miles of forklift movements (Strategic Sourcerer par 5).

This saves the company a massive deal in the packaging, storing and delivery costs. Efficiency in the supply chain management has led to significant improvement in profits and reduction, in prices. In the last quarter, for example, the company surpassed the expectations of many financial analysts with a 35% increase in profit. The company accrues the increase to increased investment and collaborations with drilling companies, which enhanced establishments of new crude oil and natural gas sources.

In its continued efforts to cut down on the running costs, the company intends to reduce its work force. An approximate of 14000 employees are said to be affected by this resolution. The company seeks to achieve a pre-tax profit of \$3.8 billion which is far more than what was originally accepted (Strategic Sourcerer par 2). Some of its assets are also in the process of being sold. The company has attained more efficient technology in production and operations, and most of these workers had their work substituted by the technology. The strategy might impact on the company's reputation, but the management insists that it is the only option to maintain

its standards and achieve its targets.

In conclusion, Exxon Mobil prospects to continue leading in the globe as the largest oil producer and manufacturer. The company's management promises more output in efficiency in meeting its annual targets and government expectations. Despite the many challenges that the company has to go through, especially in foreign countries, the management still promises more growth and efficiency to meet the increasing global demands of oil products (Davis 44). The company expects to expand its operations in the Middle East where extra oil drills have been established. Its growth records, technology advancement and strategy will continue to be its competitive strength, and a threat to its many local and international competitors (Strategic Sourcerer par 5).

Reference.

Davis, B. ExxonMobil PP strategy: Global yet local. Chemical Week (USA). Vol. 164(35), 2002.

Schultz, Karl and Williamson, Peter. Gaining Competitive Advantage in a Carbon-constrained World:: Strategies for European Business. European Management Journal, Vol. 23(4), 2005.

Strategic Sourcerer. ExxonMobil benefits from high oil prices, Jan 31 2012.

Work cited,