

Bp company overview business



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- Decision

BP is a recognized energy company through out the Earth. It is rated among the universes largest energy companies which provides services like fuel for transit, energy for heat and visible radiation, retail services and petrochemicals merchandises. BPs entire gross revenues and other operating grosss is about \$ 239 billion (2009) . it has more about 80, 300 (2009) employees through out the Earth and 22400 service Stations and production and geographic expedition active in 30 states. It has got more than 13 million clients in more than 100 states over the six continents mundane. In UK BP is the 3rd largest organisation and 4th largest corporation in oil and gas sector. BP has merged with assorted organisations like US Standard Oil Company, Amoco, etc.

(Beginning: [www. bp. com](http://www.bp.com)) on 16th Dec 2010

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Situational analysis

PESTEL analysis

Kotler (1998) stated that PESTEL analysis is a strategic tool to analyze the present market status of a concern, understanding market growing or diminution, possible and way for operations. Harmonizing to porter (1985) PESTEL ensures that company ' s public presentation is aligned positively with the powerful forces of alteration that are impacting concern environment.

A

Jobber, (2006) ,

Beginning: Google images 2010

Political

Political factor plays a major function in any organisations concern enlargement in new markets. The political status of the state, part or the <https://assignbuster.com/bp-company-overview-business/>

market has direct consequence on the company ' s result at that place. UK authorities policy altering from clip to clip. Recently the United kingdom authorities have increased the import revenue enhancement by 3 % (Data proctor 2010) which is impacting the seaward oil industry in UK. For illustration, the North Sea industry has been confronting major challenges. UK authorities policy altering from clip to clip. The new conservative authorities alteration several policies after station election to the oil and gas industry such as crude oil gross revenue enhancement (PRT) at 50 % on the top of corporation revenue enhancement if the concern established before 1993.

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Economic factors

Harmonizing to Thompson (2002) economic conditions impinge on how easy or hard it is to be successful and profitable at any clip because they affect both capital handiness and cost, and demand. Supply of money has inauspicious consequence on UK economic system. The economic system has late come out of the recession, so all the Bankss are seeking to avoid support in higher resources. For case most of oil industry undertakings are stopped due to deficient supply of fund. Higher rising prices and recession has major effects on people income. Alternatively of utilizing ain conveyance, common people will be going in public conveyance which will hold consequence on oil industry sale.

(Mintzberg et al. 2009)

Sociocultural factors

The societal environment demonstrates demand and gustatory sensations, which changes with manner and disposable income which can supply both chances and menaces for peculiar companies

Harmonizing to recent nose count study the population of the UK will increase in the close hereafter due to high immigrant rates and ageing population. Further probe analyzed the population construction and energy ingestion in UKA has gone down about 20 % due to ageing population which will hold a major impact to the oil and gas industry in the UK particularly BP because of larger market portion.

(Souce: A hypertext transfer protocol: //www. statistics. gov. uk/StatBase/Product. asp? vlnk= 6303A . Article: population trends 140 summer 2010)

(Beginning: A hypertext transfer protocol: //www. bbc. co. uk/news/science-environment-11514248A A . A published: 12 October 2010)

Technological

At present clip Technology plays a major function in about every organisation to derive sustainable competitory advantage from its rivals. UK oil and gas industry is traveling through really ambitious environment due to advanced engineerings to derive maximal resources. The best illustration is that of North Sea to retrieve oil from complex resources by using advanced techniques. New engineering is the cardinal facets of advanced resources. The authorities is passing on alternate energy engineerings (AETs) are analysed of import factors of new development and organisational classs.

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Environment

Refining and operation procedure required big sum of chemicals and eventually extraction of gas and crude oil produce air pollution. In add-on to these several risky merchandises released in oil and gas industry as waste which are associated with environmental hazard factors. The UK Environmental Management System (EMS) is associated with different jurisprudence relate to oil and gas operation in a specific location to command the hazard factors.

(Beginning: [hypertext transfer protocol: //www. oilandgasuk. co. uk/knowledgecentre/environment. cfm](http://www.oilandgasuk.co.uk/knowledgecentre/environment.cfm) on 18th Dec 2010)

(Beginning: [hypertext transfer protocol: //www. oilandgasforum. net/management/regula/ukprof. htm](http://www.oilandgasforum.net/management/regula/ukprof.htm) on 18th Dec 2010)

Legal Factor

Health and safety is the major concern with the people linked with oil industry. UK wellness and safety policy is regulated by the authorities which helps to protect the personal wellness of the workers in oil geographic expedition, boring, distribution, consumer disposal and industrial factors. Product safety is another of import factor in oil and gas industry, because the escape of resources from the mercantile establishment can make havoc impact on the environment. The statute law is concerned with the natural stuffs or formulates merchandises. The UK authorities considers to critical information to happen the volatility hazard factors concerned with merchandises and stuffs. Evaluation of hazard associated with oil and gas industry are analyzed with particular steps in future. Best illustration BP

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demand to confront major effects during oil spill in the Gulf of Mexico. In addition, BC News 22 August, 2010 Oil and gas industry has to better safety of workers on offshore because of large rise in hurts and other serious incidents. The mean figure of hurts for the old five old ages was 42.

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BP SWOT ANALYSIS

Globalization is altering the face of the concern universe at present clip. Companies operate in a really hard environment and face legion challenges when viing in planetary markets. Now a yearss pull offing planetary operations requires knowledge about assorted schemes and intercultural accomplishments and that expand beyond traditional direction rules and techniques.

SWOT analysis is a strategic planning tool used to analyse the strengths, failings, Opportunities and menaces of an organisation. The key to a SWOT analysis is placing the internal and external factors which are of import to accomplish the ends of the organisation. The internal factors include strengths and failings of the organisation and the external factors are the chances and menaces. SWOT analysis is popular among the directors for its simpleness as a planning tool and its flexibleness to accommodate in any state of affairs or undertaking. The strengths and failings of a company depend on its internal elements like resources, operational plans, and sections like gross revenues, selling and distribution. An chance is a attractive status which can be exploited to beef up a strategic place, such as increasing demand for a new merchandise. A menace is a status which creates uncertainness which damage an organisation ' s public presentation and market portion.

BP is known as giant in oil industry and distribute its concern geographically. The organisation has immense Market Capitalization worldwide due to this the company has important bargaining and domination power. But still the organisation needs to confront some effects, which can be analyzed on SWOT factors.

Beginning: (International strategic direction 2010)

Strengths

Failings

Leading Market Position and Major capitalisation

Vertically incorporated operations

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Broad planetary being

Catastrophe in the Gulf of Mexico

Outburst in the Texas works

Destruction of revenue enhancement jurisprudence in Meleagris gallopavo

Opportunities

Menaces

Purchase of Devon Energy ' s resources in Brazil, US deep H2O gulf of Mexico and Azerbaijan.

Acquired new undertaking on oil and gas geographic expedition.

Diversifying investing in the alternate energy concern and others resources.

Diffusion of assets in North Sea.

Volatility in some oil bring forth part.

Environmental safety policy

Major hazard involved in researching and production oil and gas activities

Menace of a getting by other rivals.

(Datamonitor 2010)

Strengths

Leading market place

BP is one of the largest Petrol fabrication companies in the planetary universe and occupied largest market portion in term of capitalisation. The chief clients of BP are Aviations, Military and general air hoses sectors and marine industry.

Vertically Incorporated place

BP operational scheme for oil concern divided into two sections chiefly: refinement and selling ; and production and oil services. They are loosely classified into three classs ; upper-stream operation trades which includes gas geographic expedition and field development. Lower watercourse operation consists of refineries and selling web and the middle-stream operation associated with six factors: processing, direction and ownership, natural gas grapevines, export terminuss, NGL extraction and transit to their consumers. Thus, their vertically incorporated place gives competitory advantages in the oil industry.

Broad Global Being

The organisation has really big figure of consumer base worldwide. Their being is in more than 80 states in geographical market. (Euromonitor 2009)

Failings

Catastrophe occurs in the Gulf of Mexico, Texas works and Tax jurisprudence in Turkey:

The catastrophe occurs in the Gulf of Mexico and Texas works in 2010 and in 2005 due to boring and geographic expedition of oil well and careless hazard

direction and planning. The geographic expedition causes immense harm to the US environment. This consequence the BP trade name image and be them excessively much which may impact the BP ' s net income border.

(Datamonitor 2010)

Opportunities

Geting New Assetss:

BP acquired several assets around the universe. The new plus acquired by BP in 2010 includes Devon Energy ' s in Brazil, Azerbaijan and US deep H2O Gulf of Mexico. These provide the organisation important long term growing and besides stress company operational strengths and cardinal involvement around the universe.

Acquired new undertakings on oil and gas geographic expedition:

BP has explored many new undertakings in the FY 2009. For illustration Angola and Sonangol announced ' Oberion Oil ' find, Tiber prospect in deep H2O Gulf of Mexico find ' Tebe oil ' undertakings and many more. The find of new undertakings will heighten the BP production in future. (Mintel 2009)

Diversification of Investment into alternate Business:

BP has diversified some of their investing in alternate concern like solar and air current in FY 2009. The intercession of low C energy and bio-fuel engineering will maximise the company net incomes and make a trade name image in friendly environment.

Menaces

Environmental hazard and Risk involved in Exploration, Diffusion of North Sea, Volatility in oil part and getting concern by rivals:

There are many hazard associated with BP oil industry. Environment and geographic expedition amendss in Gulf of Mexico, Texas and Turkey are some better illustrations, which may impact the trade name image every bit good as operational cost to the organisation.

To sum up the SWOT analysis provides the basic model to measure an organisation ' s internal and external place in its environment including their possible impact on public presentation.

Porter ' s scheme

Porter ' s 5 forces analysis trades with the factors go oning in the external environment which have direct nexus with the internal environment of an organisation. Porter ' s competitory forces theoretical account consists of five forces which has a direct impact on an organisation ' s public presentation in the concern market.

Beginning: Google images 2010

Menace of entry

The menace of new entrants is normally based on the market entry barriers. In the renewable energy market the menace of new participant come ining the market is low comparable to other sectors. Besides the favourable authorities policies for bing rivals

Creates barriers for a new comer in the market

Menace of replacements

The menace of permutation depend on the shift costs i. e. , the costs in the countries such as renovation costs which takes topographic point when a client alterations penchants or acquire interested in other similar merchandises. It ' s hard to foretell the terminal of fossil fuel domination. So as for now merely fossil fuels pose as a important replacing to renewable energy.

Rivalry among bing rivals

Basically all the major oil houses know the fact that fossil fuels will be destroyed Oklahoman or subsequently following which the option energy will go the manner of the hereafter. So all the companies invest their capital in developing alternate energy to place themselves early in new markets and besides beef up their place in bing markets.

Dickering power of the clients

Buyer power is a really of import horizontal force which influences the abuse of the value created by a trade. The volume and the application of clients are the two most of import determiners of purchaser power.

A Supplier Power

Supplier power is a direct contemplation of the purchaser power. By using its huge capital and technological knowhow BP has developed its ain internals supply web in every state it operates.

Beginning: <http://www.seattlesynergy.com/documents/BeyondPetroleum.pdf> accessed on 20th Dec 2010

Beginning: http://university-essays.tripod.com/porters_5_forces_analysis.html, accessed on 20th Dec 2010

Marketing mix

McCarthy developed the thought of marketing mix 40 old ages ago.

Marketing mix can be defined as the degrees and relationship of the basics of a merchandise ' s or service ' s selling attempts, including merchandise characteristics, pricing, packaging, advertisement, selling, distribution, and selling budget which straight affects the gross revenues consequences. It consists of four components- merchandise, monetary value, topographic point, publicity.

Beginning: Google images 2010

Monetary value

Pricing is a really complex country. Generally consumers give more precedence on higher priced merchandises, so it ' s best to prove assorted pricing degrees of the merchandises over clip to happen the right pricing combination that maximizes the net incomes. The illustrations of monetary value determinations by and large consists of Pricing scheme, optional retail monetary value, sum price reductions and extended pricing, Cash or early payment price reductions, cyclic pricing, Price malleability, Price unfairness etc.

Topographic point

Another dimension of marketing mix is topographic point. Its besides known as channel, distribution, or intermediary. It ' s a procedure by which the goods or services are moved from the maker to the consumer. the types of distribution determinations chiefly include supply channels, Market coverage, peculiar channel members, stock direction, Warehousing, allotment centres, categorize processing, Transportation, Reverse logistics.

Merchandise

A merchandise is a touchable physical individuality by which both purchasing and merchandising can be done. The illustrations of merchandise may include Brand visibleness, Functionality, Styling, high quality, security, wrapper, care and sustain, Warranty, fixingss and services

Degrees of a Product.

The Product Life Cycle (PLC)

Beginning: Google images 2010

The Customer Life Cycle which put accent on the bringing of life-time value to the client to retain them for the concern.

Promotion

Last of the 4 P s is publicity. It represents assorted facets of marketing communicating, i. e. , the information about the merchandise to bring forth a positive client response. Marketing communicating chiefly includes promotional schemes like push and pull, publicities, Personal merchandising, Gross saless advertizements, Public dealings, Marketing budget

Beginning: [hypertext transfer protocol: //marketingteacher. com/lesson-store/lesson-marketing-mix. html](http://marketingteacher.com/lesson-store/lesson-marketing-mix.html), accessed on 20th Dec 2010

Beginning: [hypertext transfer protocol: //www. netmba. com/marketing/mix/](http://www.netmba.com/marketing/mix/) , accessed on 20th Dec 2010

Execution procedure

Aim of NPD: The aim should run through a assorted procedure, while clip launching is the important portion than publicity pathways.. Harmonizing to Ulrich and Eppinger, aim for budgets and finance have strong function to establish a new merchandise in the market. (Ulrich T and Eppinger D 2004)

Marketing construct and frame work procedure:

Idea Coevals: Every successful merchandise need comprehensive thoughts, so thought coevals is the first and most of import portion of any new merchandise launch in the market besides known as Fuzzy front terminal.

The company needs to analyse the SWOT to happen its possible market and possible menaces. Sometimes the thought of a new merchandise generate with the chance analysis. (Koen et al. 2001)

Idea Screening: is a construct which eliminates unsound objects. Companies need to happen the bing market size and mark market where they can acquire a image about the merchandise whether it could be profitable or non. Some inquiries should be asked in this procedure like as, is at that place any mark market lies which could profit from the merchandise? (Keller P, 2008)

Concept Development and Testing: is the model where a merchandise can be developing in the selling and technology inside informations. Customer feedback is the most valuable portion of a company where they assure about the hereafter of the merchandise which is traveling to be launch shortly.

(Koen et wholly, 2001)

Business Analysis: A complete and unflawed concern scheme lies in assorted of import executions of marketing theories. For successful concern scheme, need to gauge the merchandising monetary value, which could establish upon competition and consumer feedback, estimate the gross revenues volume of the market size and it can be based on Fourt-Woodtlock equation tool and cipher the break-even point. (Smith G and Reinertsen G 1998) A

Market Testing: After successful concern planning, market testing is required to look into the sustainability of the merchandise. So construct up a paradigm of the proposed merchandise, need to prove the merchandise packaging and look intoing the necessary accommodation where needed (Cooper G 1988)

Technical Execution: Few of the necessary stairss should taken in this procedure likes every bit, set up a new plan imitation, finalise the system of quality direction, print the estimation, need to bring forth the proficient communicating such as informations sheets, pull the logistic program and supplier coaction, reexamine the whole plan and monitoring, maintain an oculus about the section programming. (Koen et wholly, 2001)

Promotion after new merchandise development: A new or bing merchandise establishing procedure is traveling on through assorted promotional runs to

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make the mark clients. In that clip, the merchandise must establish in the market while demand to make full the distribution grapevine with their late launch merchandise and advance their new merchandise through advertizement. (Prahalad & A ; Hammel, 2007)

New Product Pricing: The last portion of this model is merchandise pricing where the merchandise can put up its launch on market. The fiscal squad analyzes the internal and external value while they justify the impact and client demand on the new merchandise portfolio. (Aniston et all, 2001)

Decision

British Petroleum developed several oil Fieldss and constructed refineries in different states all over the universe, including major involvements in Alaska ' s Prudhoe Bay and in the north sea near United Kingdom, BP, its subordinates and associated companies combine together to prosecute in the probe, industry, polish, transportation, and bringing of oil and natural gas and in the industry of chemicals, plastics, and man-made fibres. It besides operates expedience shops and filling Stationss through other trade names like, Aral, ARCO, and am/pm. From the above factors we can analyse BP options are opened widely to get the better of the oil spill cost. They can beef up their fiscal resources from current drill oil and develop for new forces such as solar energy because for the new tendencies in the emerging market. Besides this, it will besides hike up the company ' s repute and cut down the environmental menaces and pollution.