

WHAT IS INVESTMENT?



The image features a large, semi-transparent grey circle on the left side, containing the text "SOGCC" in a bold, yellow, sans-serif font. The background of the entire image is a dark, circular pattern of binary code (0s and 1s) that creates a sense of depth and movement, resembling a digital tunnel or a data stream.

SOGCC

INVESTMENT

DIGITAL
TRANSFORMATION



DIGITAL STRATEGY



DIGITAL CULTURE



DIGITAL LEADERSHIP

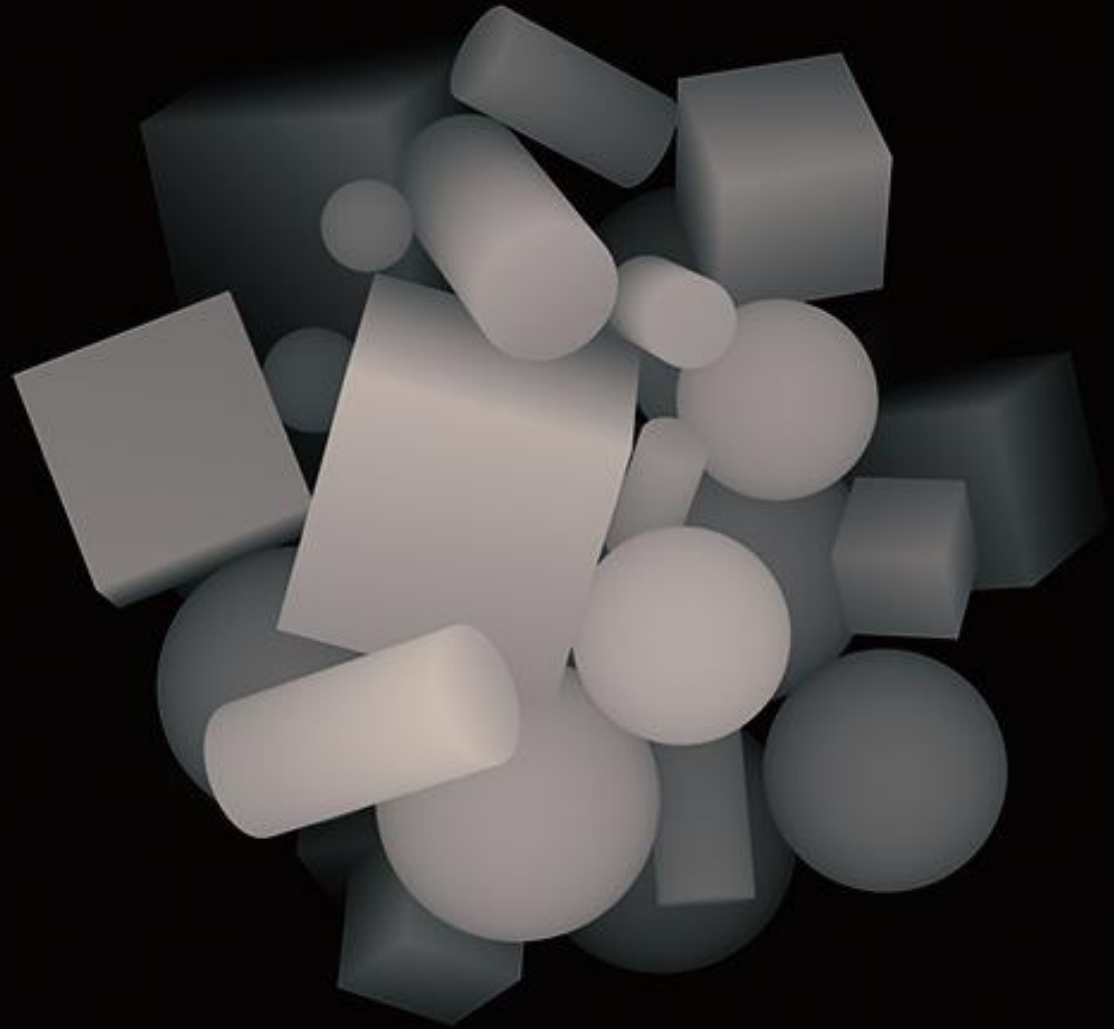
PBA GROUP // 14 APRIL 2020

LEADERSHIP IN THE DIGITAL AGE

SUPER OIL AND GAS CORPORATION (SOGC)

ABOUT US

We design creative
solutions and
strategies for
businesses to
compete in the
digital world.



THE TEAM

#Committed to
Shared Success



Olu Akande
Director of Research



Ivy Brewer
Lead Consultant



Taylor Parker
Lead Project Manager



SPONSORS

#CLIENTS

ExxonMobil

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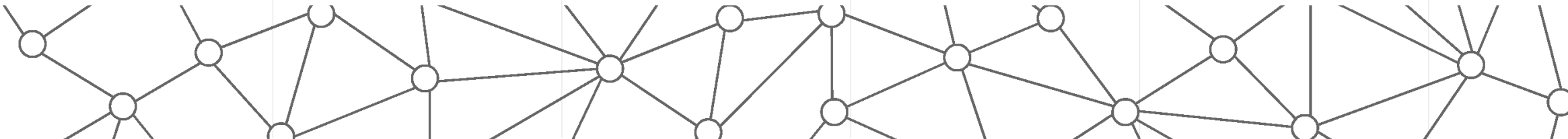


Raytheon

FCA

FIAT CHRYSLER AUTOMOBILES

Chevron



AGENDA

#TIMELINE

Key Issues

Identify issues and analyze industry trends in the oil and gas industry

Background

Definition of digitalization, global industry competition, benefits and risks

Digital Leadership

Steps on how SOGC will become a superior digital leader

Business Strategy

Key areas of focus to shift within SOGC



Digital Transformation

PBA's customized plan to bring SOGC into the digital world

Recruitment & Retentions

Approaches for incorporating and developing diverse talent over the next 5 years

Financials

Analysis of cost savings and potential revenue gains in the future after adopting a robust digitalization strategy

Wrap-Up

Implementation and summary of PBA's plan to work with SOGC to achieve digitalization and recruitment goals



Key Issues.

01

DIGITAL LEADERSHIP

How can SOGC achieve digital leadership while remaining competitive in the domestic and global markets?

02

DIGITAL TRANSFORMATION

What steps and strategies must be implemented for SOGC to achieve financial success in a digitalized world?

03

DIGITAL WORKFORCE

How can SOGC embrace digitalization across business functions and continue to effectively recruit and retain a diverse workforce?



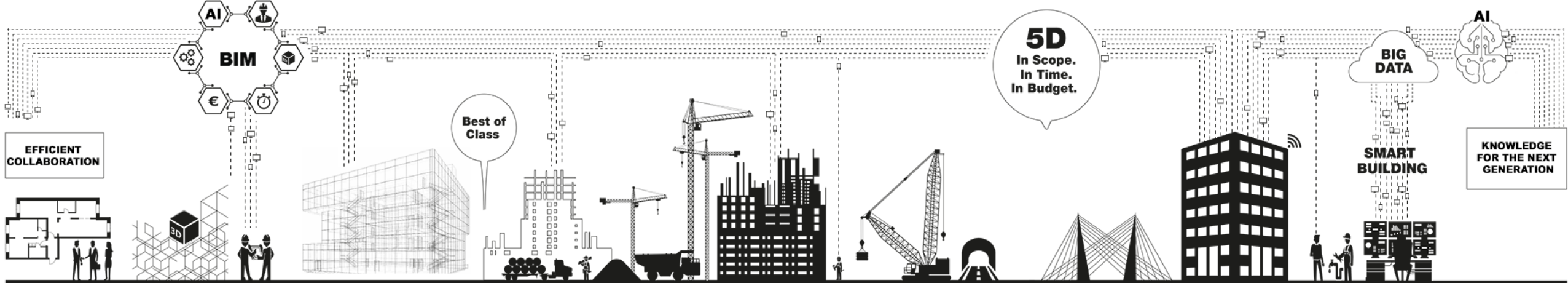
BACKGROUND

Industry Trends

Financial Benefits

Defining Digitalization





INDUSTRYTRENDS

#TOP5

01.

\$33 BILLION

Market for global digitalization in the oil and gas industry will grow by \$33.89 billion during 2019-2023

02.

1ST PRIORITY

Modernizing business is the first priority amongst 24% of oil and gas firms

03.

CULTURE CHALLENGE

35% of oil and gas firms cite culture as the greatest challenge to implementation

04.

DAY-TO-DAY

Greatest potential for value creation lies in the opportunity to reduce costs by optimizing day-to-day operations

05.

\$1 TRILLION VALUE

Digitalization has the potential to create around \$1 trillion value for oil and gas firms

FINANCIAL BENEFITS

ANNUAL REVENUE



\$3.5 MILLION

CRUDE OIL PRODUCTION

PRODUCTION
COSTS



CUSTOMER
SATISFACTION



\$150,000

REDUCTION IN PAPER COSTS

INVENTORY COSTS



EFFICIENCY



\$10-30 MILLION

SAVINGS IN LITIGATION COSTS

LIABILITY &
LITIGATION COSTS



DIGITALIZATION





LET'S GET DIGITAL

04

FOUR KEY PARTS

THE DEFINITION

PROCESS
OF MOVING
TO A
DIGITAL
BUSINESS

1. DIGITAL TECHNOLOGIES



cloud, mobile
devices, IoT,
big data/
analytics

Tremendous potential
to move beyond
sluggish growth; and
deliver exceptional
value

2. BUSINESS MODEL



firm's plan to
make profit;
digitalize core
and support
functions

People first,
technology second.

3. NEW REVENUE



potential to
create \$1T in
value

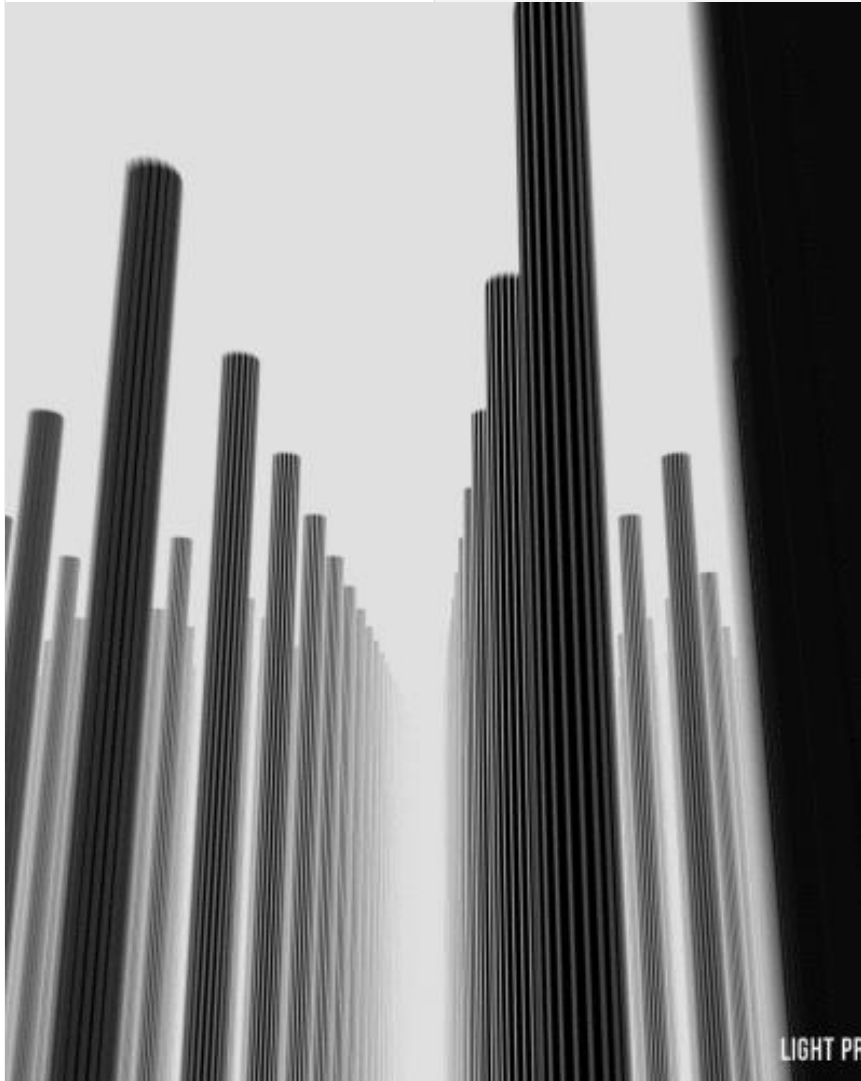
Drives down costs, and
increases efficiencies
with digital
technologies

4. VALUE- PRODUCING OPPORTUNITIES



powerful
insights that can
radically improve
business

Creating and change
the way work is done



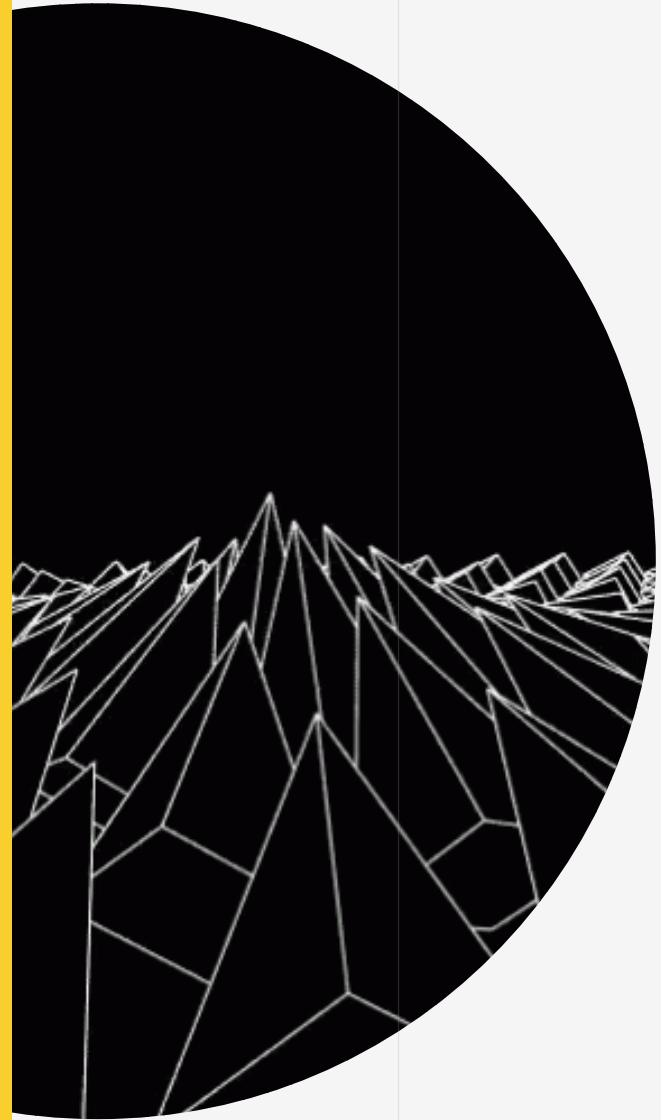
RISKS & BENEFITS

- Lack of strategy
 - Over focus on technology
 - Insecure data storage
- 
- A thick yellow diagonal line that starts at the bottom left of the 'BENEFITS' section and extends towards the top right, separating the risks from the benefits.
- Decreases expenses
 - Increase profits
 - Improves safety



HOW CAN SOGC ACHIEVE DIGITAL LEADERSHIP?

Deliverable One





DIGITAL **TRANSFORMATION**



01. DEFINITION

02. GOALS



03. COMPETITIVE ANALYSIS



04. ACHIEVING DIGITAL LEADERSHIP



05. CHALLENGES AND OPPORTUNITIES

DIGITAL TRANSFORMATION STEPS



DEFINITION.

the process of adapting
and evolving business
processes and
customer experiences
by using digital
technologies



GOALS.



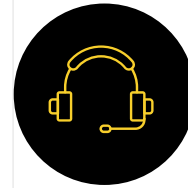
INCREASED EFFICIENCY.

Data visualization reveals redundancies and areas for improvement



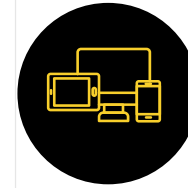
IMPROVED COLLABORATION.

Digital workspaces remove limitations of physical world and creates new workflows



ENHANCED SERVICES.

Access to customer data and use of AI can dramatically improve customer experience



OPTIMIZED PROCESSES.

Unified data sources of truth decrease time needed to make and implement decisions



COMPETITIVE ANALYSIS.

Data is not a resource for us unless we know how to extract and give business meaning in solving problems . . . that is where the transformation of our journey is

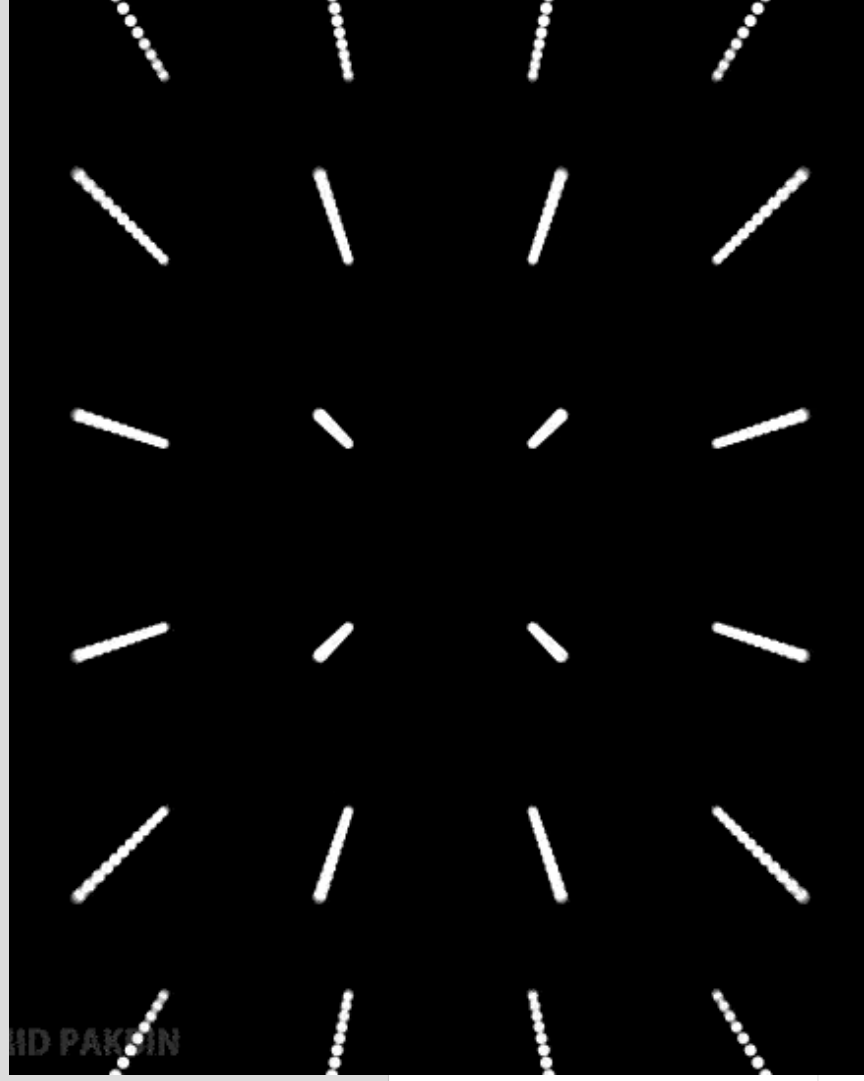
TOP OIL AND GAS COMPANIES

FEATURE	SHELL	BP	EXXON MOBIL	CHEVRON
FOCUS ON BIG DATA	Y	Y	Y	Y
TECH PARTNERSHIPS	Y	Y	Y	Y
INDUSTRY PARTNERSHIPS	Y	Y	Y	Y
DEDICATED TRANSFORMATION DEPT./LEADERSHIP	Y	Y	Y	Y
DIGITAL DEPARTMENTS	Y	Y	Y	Y
DIVERSE ORG. GOALS	Y	Y	Y	Y
OBJECTIVE FOR DIGITAL TRANSFORMATION	<ul style="list-style-type: none">• Cost Savings• Improved customer experience	<ul style="list-style-type: none">• Improved efficiency• Safer operations	<ul style="list-style-type: none">• Safer operations• Increased profitability	<ul style="list-style-type: none">• Cost savings• Safer operations



ACHIEVING DIGITAL LEADERSHIP

04
STEPS



DIGITAL TRANSFORMATION

A COMPREHENSIVE PROGRAM

01

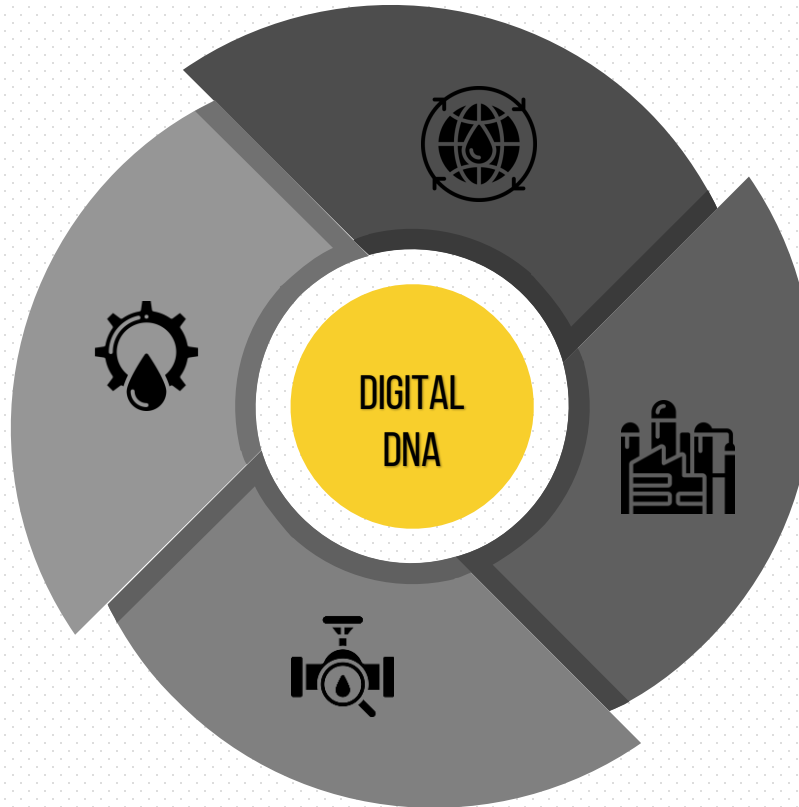
PHYSICAL TO DIGITAL

- ✓ Mechanize
- ✓ Sensorize
- ✓ Transmit

02

DIGITAL

- ✓ Integrate
- ✓ Analyze
- ✓ Visualize
- ✓ Augment



04

EXPANSION

03

DIGITAL TO PHYSICAL

- ✓ Robotize
- ✓ Craft
- ✓ Virtualize

To become a digital leader SOGC must start and complete a physical-digital-physical loop.



CHALLENGES & OPPORTUNITIES

- Organizational bureaucracy
- Budget constraints
- Employee resistance
- Legacy IT infrastructure
- Lack of expertise

- Improved operational efficiency
- Better customer experience
- Robust decision making
- Reduced costs and profitability
- Reduced risks



#INVESTMENT

70%

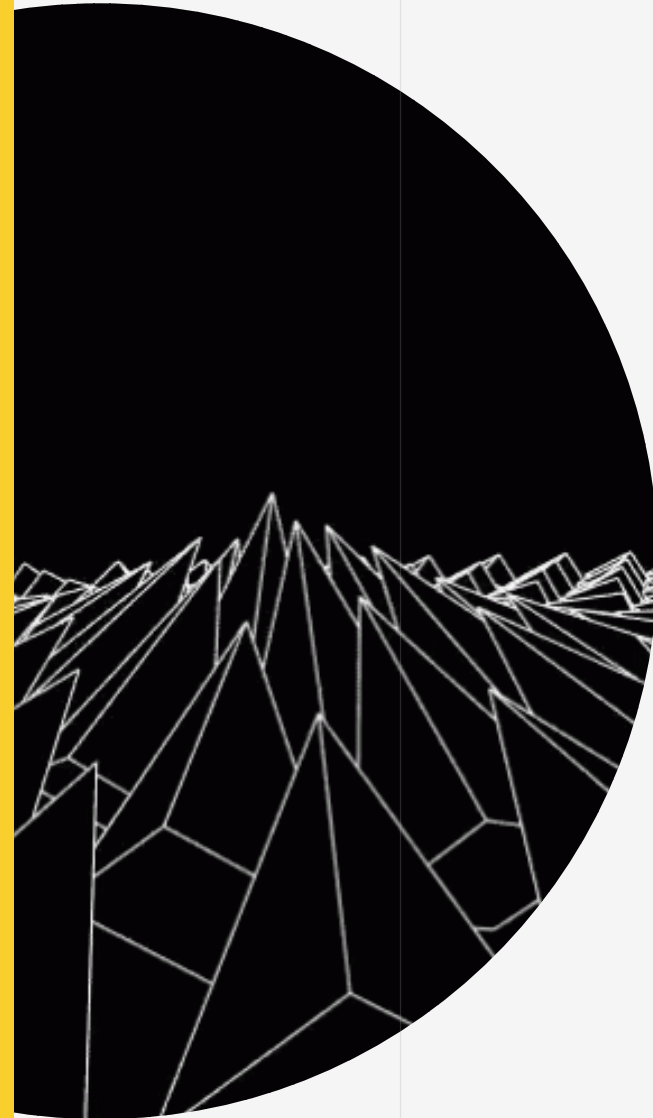
WHY DO SOME **DT** EFFORTS SUCCEED,
AND OTHERS FAIL?

STRUCTURE DRIVES STRATEGY



WHERE MUST BUSINESS STRATEGY SHIFT?

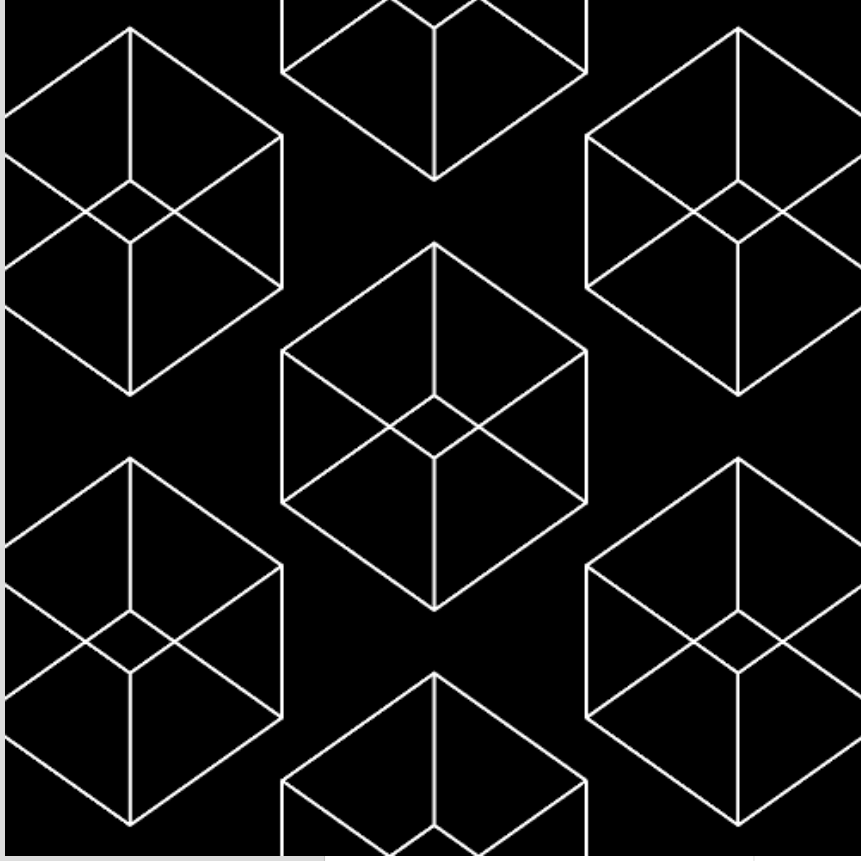
Deliverable Two





SHIFTING BUSINESS STRATEGY

07. BLOCKS



07 BLOCKS

01

Align on the Why



02

Prepare for Culture Change



03

Start Small But Strategic



04

Map Out Technology



05

Seek Out Partners and Expertise



06

Gather Feedback and Refine



07

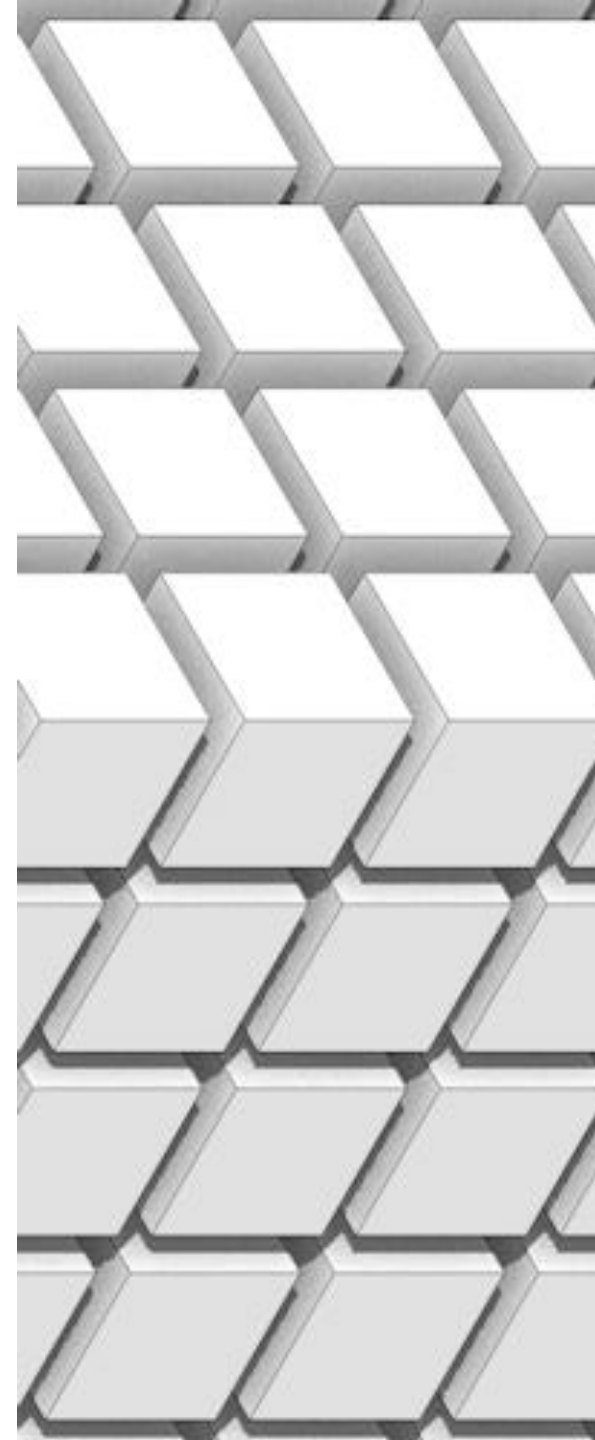
Scale and Transform



01 ALIGN ON THE WHY SHIFTING FROM BUSINESS TO **DIGITAL** STRATEGY

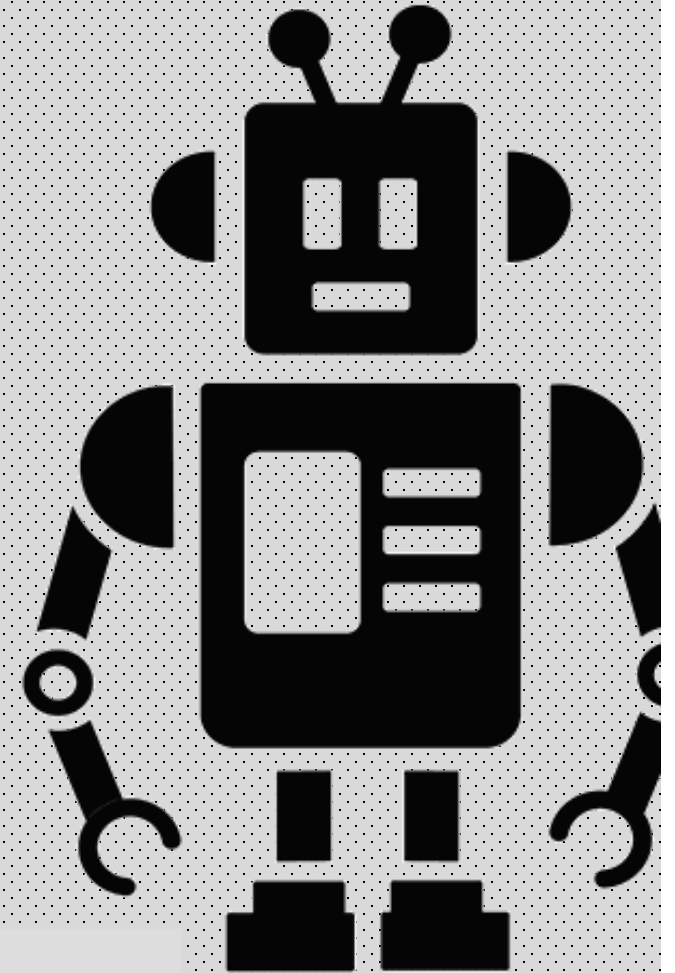
DETERMINING SCOPE & OBJECTIVES

01	How digital are we today?
02	How digital should we become?
03	How do we become more digital?
04	What data points do we already have?
05	What is the quality of our digital data?



02 PREPARE FOR CULTURE CHANGE

CREATING A DIGITAL CULTURE



HUMANS, NOT
TECHNOLOGY

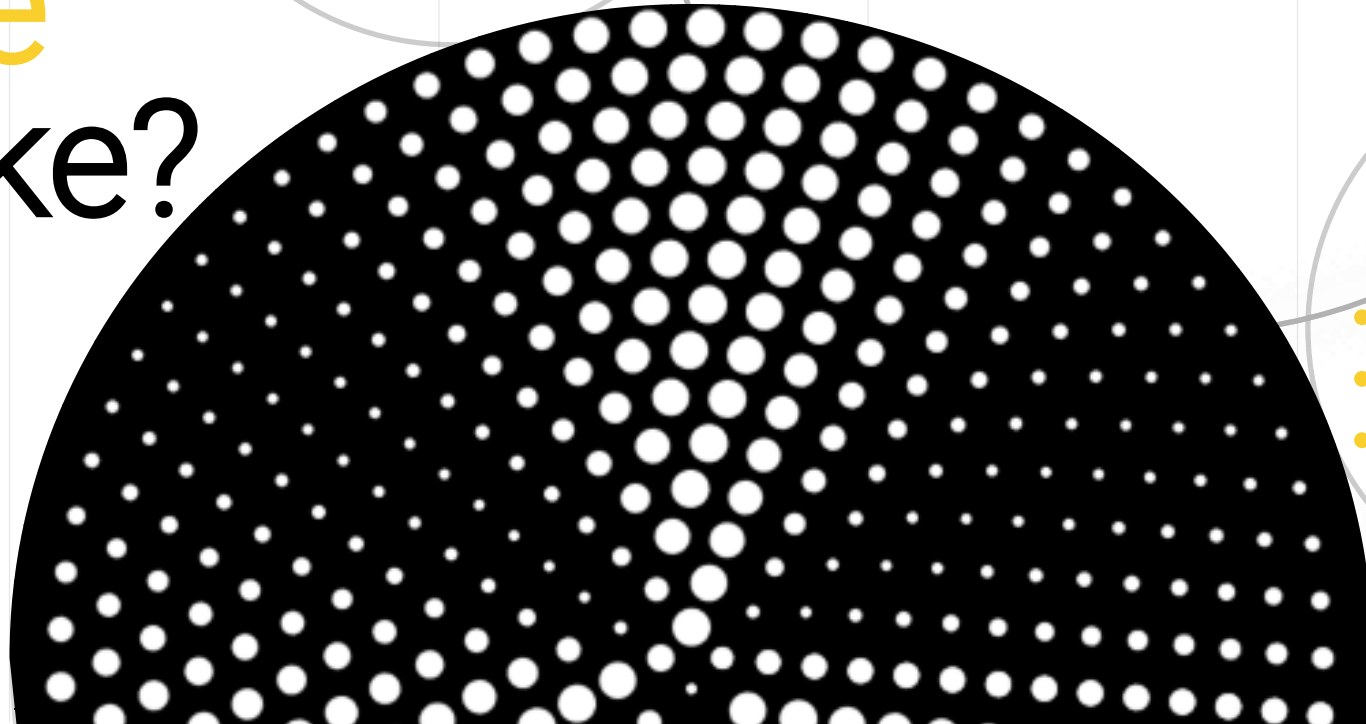


What does a digital culture look like?

80%

- Data-based decision
- Harnessing information
- Understanding data
- Making room for mistakes

- Innovation
- Creativity
- Inclusiveness

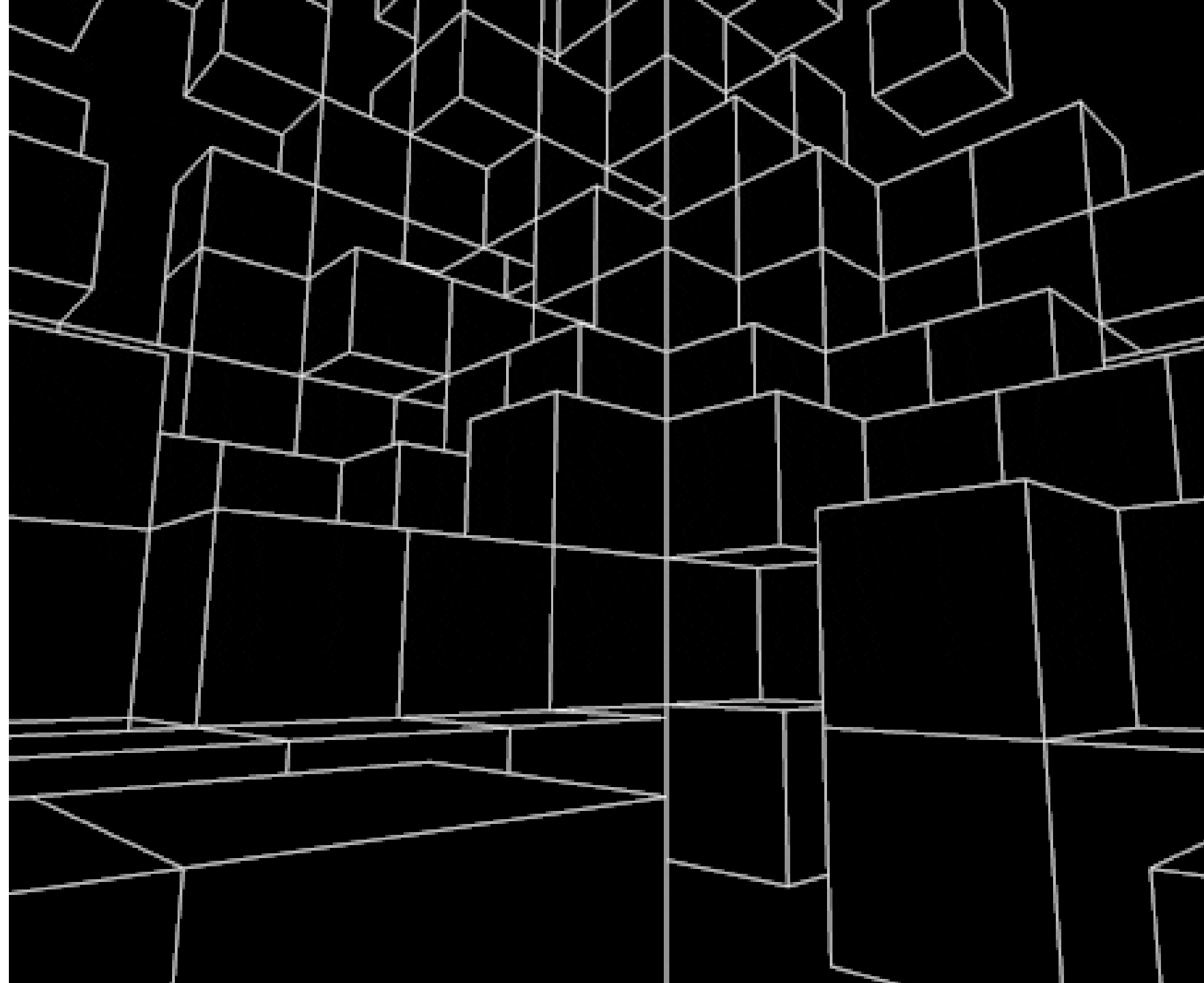




THE BARRIERS
TO DIGITAL
TRANSFORMATION
ARE PRIMARILY
CULTURAL ...

A PARADIGM
SHIFT IS
REQUIRED.

NEW TALENT
REQUIRED



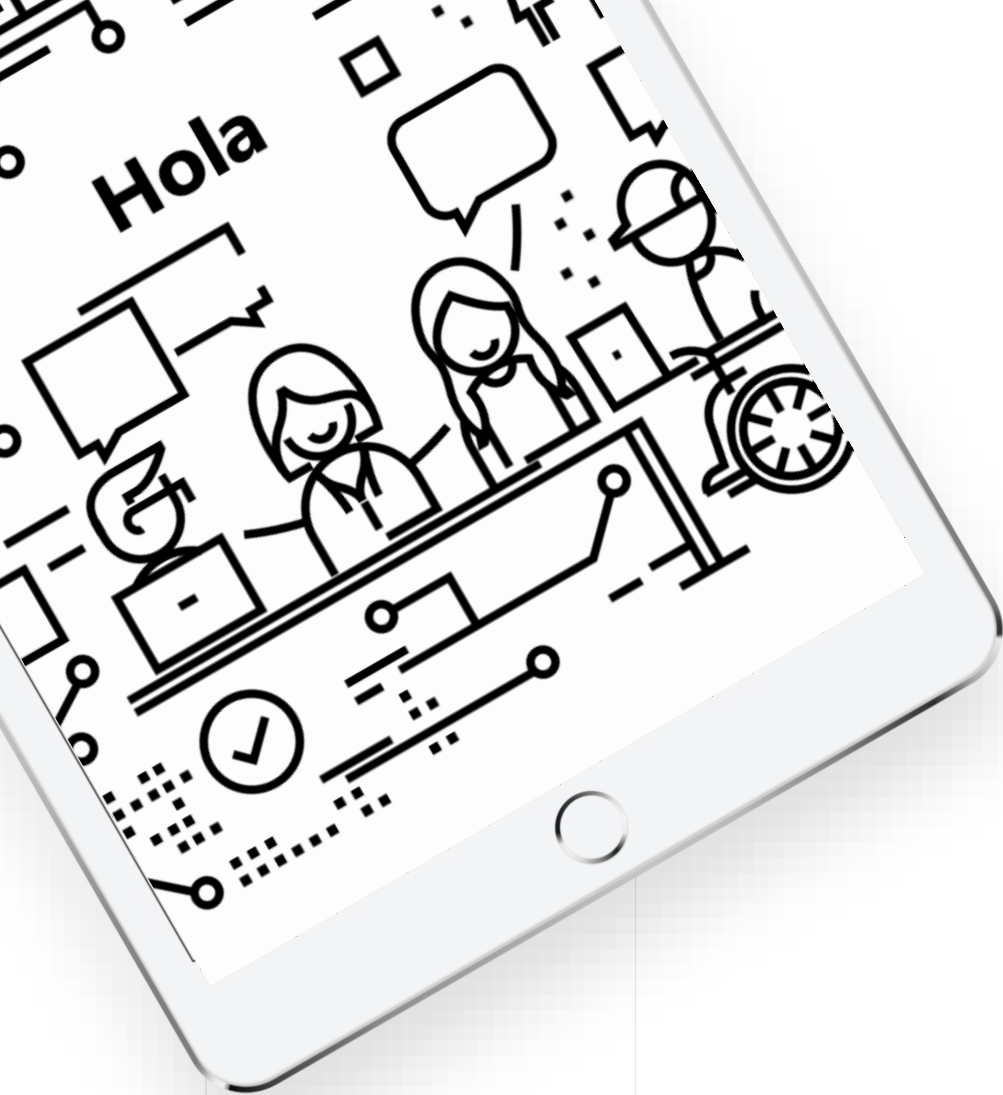


RECRUITMENT & RETENTION STRATEGIES

Deliverable Three



DIGITAL TRANSFORMATION RECRUITMENT





PEOPLE INFOGRAPHIC

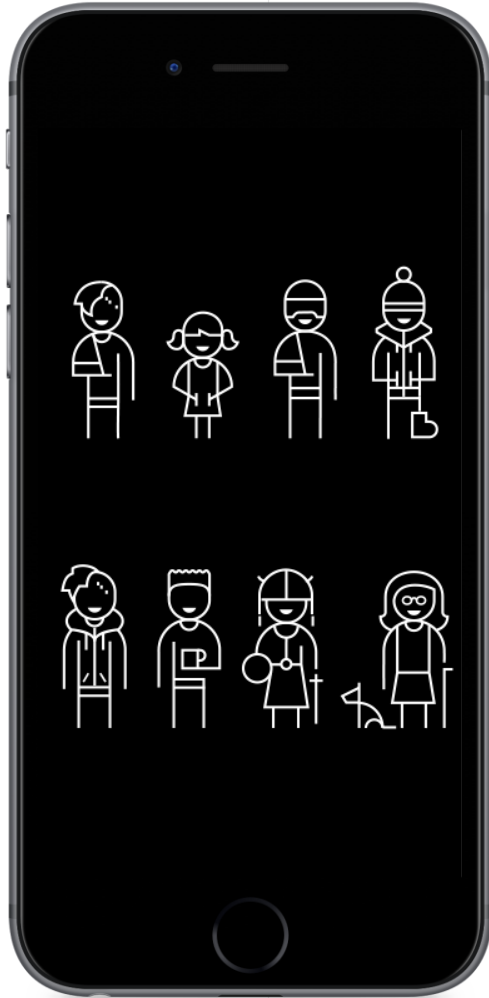
#INFOGRAPHIC



75.6%
Man title text here



88.3%
Woman title text here



6 STEPS FOR DIGITALIZED RECRUITMENT

01

Identify hiring needs
and skills gaps
existing talent can't
fill

02

Create a hiring plan
and calendar

03

Modernize
recruitment assets

04

Determine the
requirements for
each position

05

Build a budget for
recruitment costs

06

Select candidates
that fit digital
strategy and digital
culture



RETENTION DIGITAL TRANSFORMATION

Apprenticeships

Rotational Programs

Project Based



WORKFORCE PLANNING

- Identify hiring needs within the organization
- Set budgets for recruitment
- Create metrics for success
- Develop retention program: apprenticeships

Year 1

STRATEGY & CULTURE

- Needs assessment
- Identify what digital means
- Collaboration across groups
- Determine Corporate DT champions

EMPLOYEE BRANDING

- Create hiring plan and calendar for whole year
- Utilize digital channels for sourcing talent
- Create partnerships with local high schools and national universities
- Create targeted marketing campaigns for diverse talent

Year 2

PHYSICAL TO DIGITAL

- Mechanize
- Sensorize
- Transmit

METRICS ANALYTICS

- Analyze previous year performance, evaluate performance compared to goals
- Tweak strategy
- Launch Apprenticeship program

Year 3

DIGITAL TRANSFORMATION

- Integrate
- Analyze
- Visualize
- Augment

Beyond

Year 5

PROCESS OPTIMIZATION

- Optimize recruitment process for continuous improvement
- Expand on retention programs and internal employee resource groups

PROCESS OPTIMIZATION

- Reassess processes
- Broaden transformations
- Complete DT Loop

Year 4

PROGRAM EVALUATION

- Evaluate recruitment programs overall performance
- Evaluate industry trends of diversity growth compare to company progress
- Invest in further in-house digitalization

DIGITAL TO PHYSICAL

- Robotize
- Craft
- Virtualize

FINANCIALS



PROJECTED FINANCIALS

\$12.7 BILLION

investment in long-term
and short-term debt
over 5 years

For comparison, Exxon
Mobil invested \$7,052
million in long-term
debt in 2019

1.2%

increase in annual
revenue

2%

annual decrease in
production costs

15%

dividend payout to
shareholders

72%

increase in Net Profit
Margin over 5 years

68%

increase in Return on
Equity over 5 years

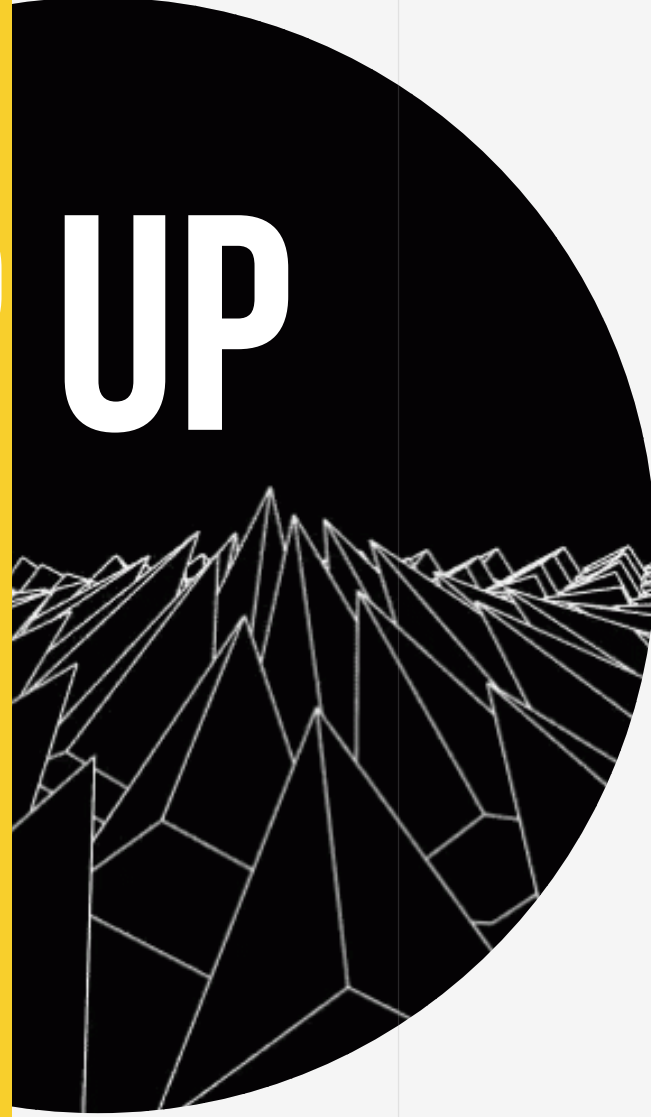
67%

increase in Return on
Assets over 5 years

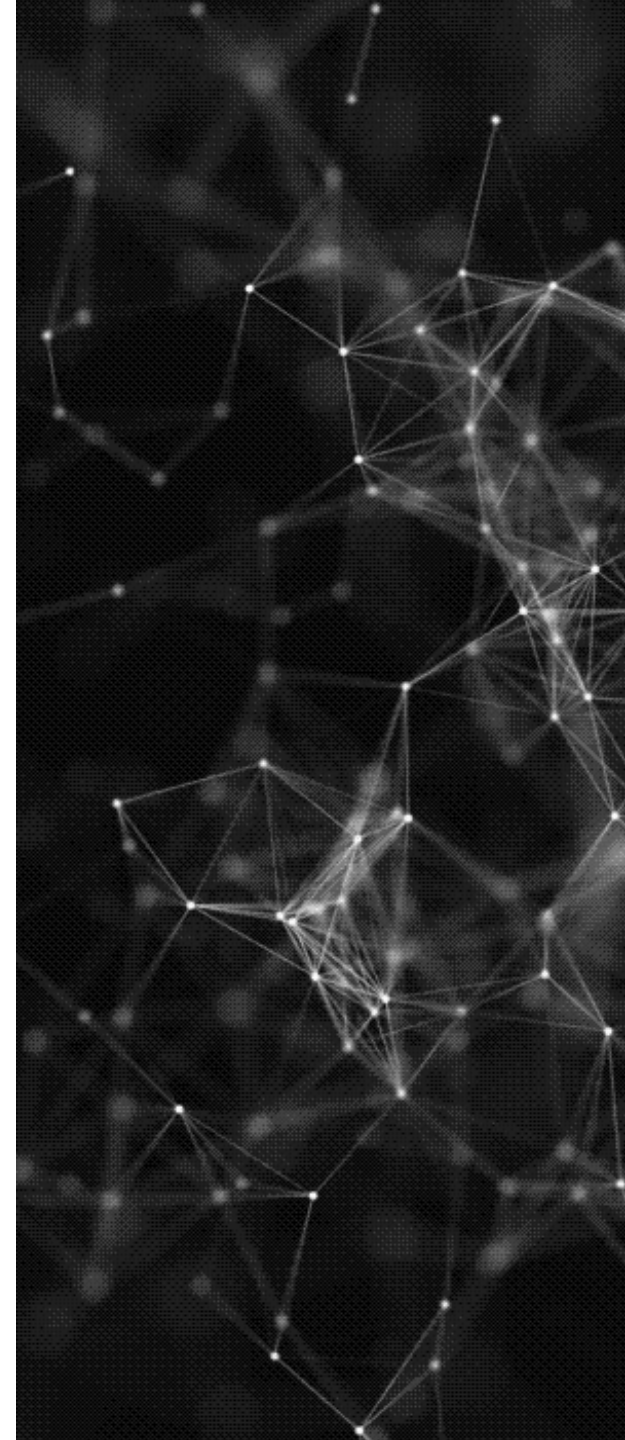
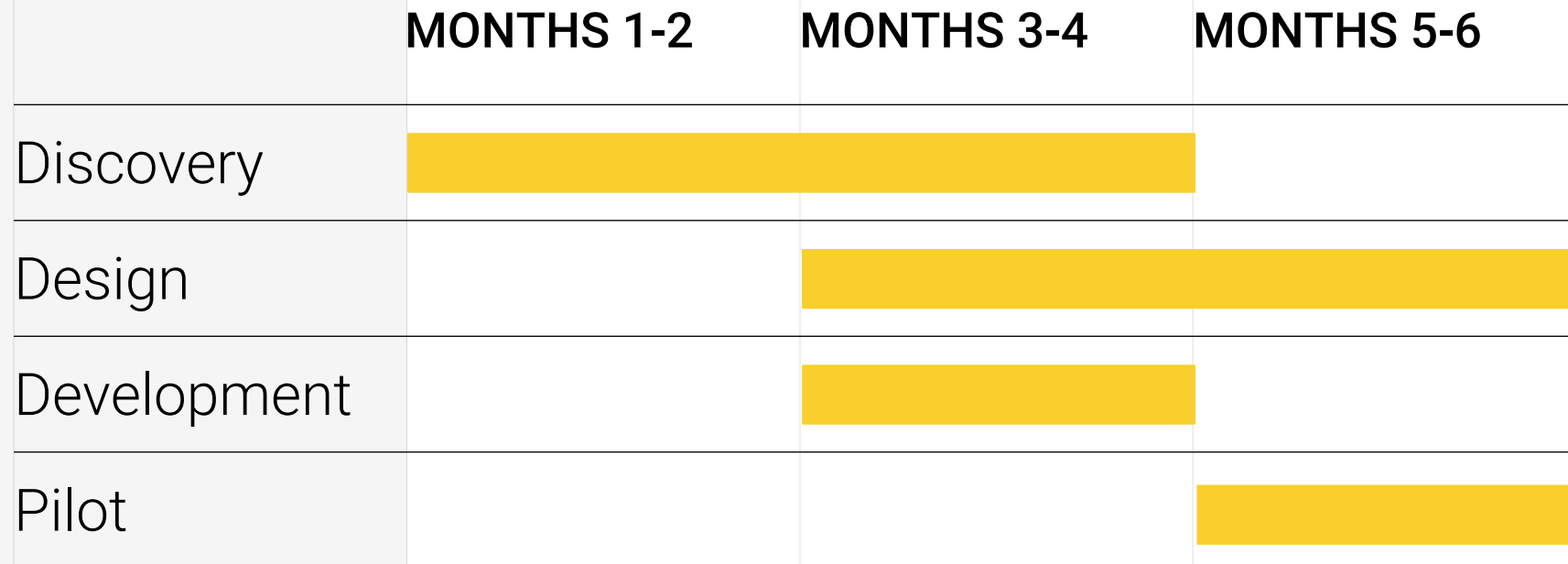
Please reference financial
spreadsheets in Appendix
of proposal for additional
information and figures.



THE WRAP UP



PROJECT IMPLEMENTATION



EXECUTIVE SUMMARY

CUSTOMER JOURNEY

Awesome subtitle goes here

2007 - 2008

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups
cheesecake sugar plum. Sesame snaps cotton candy pie
cream croissant.

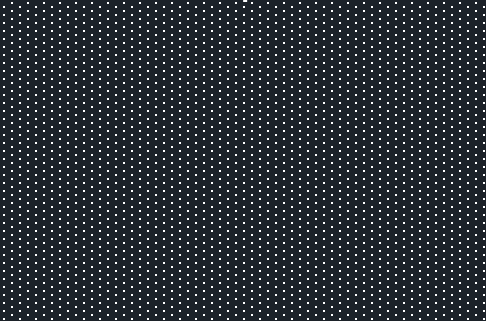
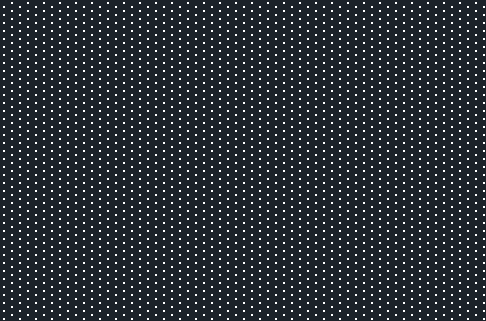
Tootsie roll tiramisu candy sesame snaps caramels
halvah. Jujubes tiramisu fruitcake bear claw tiramisu
wafer canes dragée.

2008 - 2009

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups
cheesecake sugar plum. Sesame snaps cotton candy pie
cream croissant.

Tootsie roll tiramisu candy sesame snaps caramels
halvah. Jujubes tiramisu fruitcake bear claw tiramisu
wafer canes dragée.



2010 - 2011

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups cheesecake sugar plum. Sesame snaps cotton candy pie cream croissant.

Tootsie roll tiramisu candy sesame snaps caramels halvah. Jujubes tiramisu fruitcake bear claw tiramisu wafer canes dragée.

2012 - 2013

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups cheesecake sugar plum. Sesame snaps cotton candy pie cream croissant.

Tootsie roll tiramisu candy sesame snaps caramels halvah. Jujubes tiramisu fruitcake bear claw tiramisu wafer canes dragée.

2013 - 2014

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups cheesecake sugar plum. Sesame snaps cotton candy pie cream croissant.

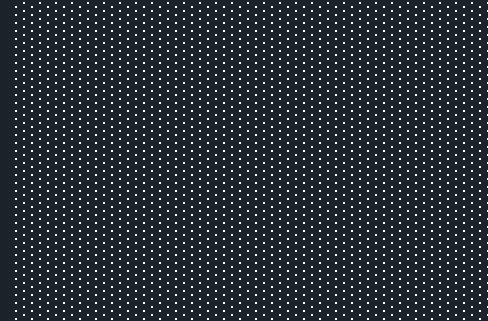
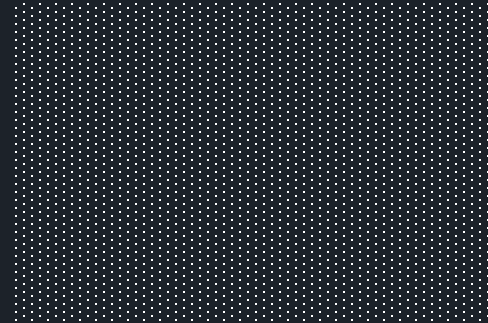
Tootsie roll tiramisu candy sesame snaps caramels halvah. Jujubes tiramisu fruitcake bear claw tiramisu wafer canes dragée.

2014 - 2015

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups
cheesecake sugar plum. Sesame snaps cotton candy pie
cream croissant.

Tootsie roll tiramisu candy sesame snaps caramels
halvah. Jujubes tiramisu fruitcake bear claw tiramisu
wafer canes dragée.



2015 - 2016

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups
cheesecake sugar plum. Sesame snaps cotton candy pie
cream croissant.

Tootsie roll tiramisu candy sesame snaps caramels
halvah. Jujubes tiramisu fruitcake bear claw tiramisu
wafer canes dragée.

2019

Sample Title Goes Here

Cupcake ipsum dolor sit amet. Sweet chupa chups cheesecake sugar plum. Sesame snaps
cotton candy pie cream croissant. Tootsie roll tiramisu candy sesame snaps caramels
halvah. Jujubes tiramisu fruitcake bear claw tiramisu wafer canes dragée.



**IS SOGC
READY
TO MAKE AN
INVESTMENT?**



THANK YOU!
QUESTIONS?
