

Acknowledgement

This is an assignment of a case analysis for Shell Corporation. First and foremost, we need to understand and research on Shell Corporation and its existing vision, mission, objectives and strategies are identified. Then, the vision and mission statements for Shell Corp. are developed. Other important factors that we have analyzed are to identify the organization's external opportunities and threats.

Two major competitors of Shell are Exxon Mobil and BP which have been analyzed with Competitive Profile Matrix (CPM). These companies are global extension.

The External Factor Evaluation (EFE) Matrix is constructed to illustrate the external factors for Shell Corporation.

The organization's internal strengths and weaknesses are identified in order to construct an Internal Factor Evaluation (IFE) Matrix. The SWOT matrix, SPACE Matrix, IE Matrix, BCG Matrix, and Grand Strategy Matrix are prepared to analyze and evaluate the organization's current situation and strategies to be adopted for the portfolios. Besides, the QSPM is constructed to evaluate the pros and cons for the alternative strategies.

In addition, specific strategies and long-term objectives are recommended. These included the costs for each projected year. Our recommendations are compared to the actual strategies that have been planned by the company. Meanwhile, we have specified how our recommendations can be implemented and the results we expected. Lastly, we have recommended specific annual objectives and policies as well as the procedures for strategy review and evaluation for Shell Corporation.

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1.0 Identify the firm's existing vision, mission, objectives, and strategies

Vision

Shell does not have any existing vision stated in their website or annual report.

Mission

Shell is a global group of energy and petrochemical companies. Our aim is to meet the energy needs of society, in ways that are economically, socially and environmentally viable, now and in the future.

Objectives

The objectives of the Shell Group are to engage efficiently, responsibly and profitably in oil, oil products, gas, chemicals and other selected businesses and to participate in the search for and development of other sources of energy to meet evolving customer needs and the world's growing demand for energy.

Strategies

- More Upstream, Profitable Downstream remains on track.
- Shell's strategy to invest in the development of major growth projects, primarily in the upstream businesses of Exploration & Production and Gas & Power
- Our strategy has four portfolio themes: sustaining our heartlands, core countries that have the infrastructure, expertise and remaining growth potential we need; focusing on new oil and gas projects where technology is a differentiator; building integrated gas opportunities; and continuing to unlock unconventional oil and gas resources.
- Our strategy is to be the leading oil sands operator by focusing on operational excellence and profitable growth.
- To remain a global leader in the downstream business, our strategy is to:
 - Ensure continued asset integrity and operational safety;
 - Continue reshaping our portfolio by investing selectively in key markets and divesting non-strategic assets;

- Enhance our focus on delivering operational excellence and being a cost leader in the downstream businesses;
 - Reinforce our leading global brand position across the downstream businesses by focusing on initiatives such as differentiated fuels, lubricants and building a material alternative fuels business;
 - Continue to maximize the value of our integrated hydrocarbon value chain by working towards a tighter integration of the Oil Sands, Oil Products and Chemicals businesses;
 - Maintain discipline in our capital spending; and
 - Continue to develop our people
- The Chemicals strategy remains focused on our portfolio of crackers and selected first-line derivatives, which supply bulk petrochemicals to large industrial customers. Our strategy is to strengthen our asset base in the Americas and Europe through operational excellence and highly targeted investments, and to achieve profitable growth in Asia-Pacific and in the Middle East as projects with the right combination of feedstock, costs, and portfolio are developed and mature.

2.0 Develop vision and mission statements for the organization.

Vision

To be the largest environmental friendly energy provider company in the world.

Mission

- Provide clean and sustainable energy to meet society demand all over the world.
- Emphasize safety and healthy working environment for our employees.
- Be a socially and environmentally responsible company.

3.0 Identify the organizations external opportunities and threats

List of opportunities

- Increase usage for energy
- Increasing price of energy
- Increasing propensity of people to spend
- Increasing mobility of labor, capital and technology
- Demand shifts for renewable energy

List of threats

- Regulations restricted excessive emission of CO2
- Depletion of natural energy resources
- Exxon Mobil is rivalry in the industry
- The credit crisis and volatile commodity prices that emerged in the second half of 2008 affected many aspects of the business environment
- The hurricane impact in the US Gulf Coast region, currency exchange impact
- Disruption in gas supply to the Nigeria LNG venture
- Currency exchange losses of \$650 million in 2008 were mainly driven by the appreciation of the US dollar

4.0 Construct a Competitive Profile Matrix (CPM)

Critical success factors	<i>SHELL</i>			<i>EXXON MOBIL</i>		<i>BP</i>	
	Weight	Rating	Weighted score	Rating	Weighted score	Rating	Weighted score
Advertising	0.20	3	0.60	3	0.60	3	0.60
Product quality	0.10	4	0.40	2	0.20	3	0.30
Management	0.07	3	0.21	3	0.21	4	0.28
Financial position	0.10	2	0.20	3	0.30	3	0.30
Customer loyalty	0.05	3	0.15	3	0.15	2	0.10
Global expansion	0.20	4	0.80	4	0.80	3	0.60
Market share	0.09	3	0.27	4	0.36	3	0.27
Logistic	0.15	3	0.45	3	0.45	3	0.45
Production capacity	0.04	3	0.12	4	0.16	3	0.12
Total	1		3.20		3.23		3.02

The CPM identifies a firm's major competitors and its particular strengths and weaknesses in relation to a sample firm's strategic position. Critical success factors in a CPM include both internal and external issues; therefore, the ratings refer to strengths and weaknesses, where 4= major strength, 3 = minor strength, 2 = minor weakness, and 1 = major weakness. In a CPM, the ratings and total weighted scores for rival firms can be compared to the sample firm.

The table that we shown are critical success factors between Shell, Exxon Mobil and BP. In this table, advertising and global expansion are the most important critical success factors, as indicated by a weight of 0.20. Shell's and Exxon Mobil's global expansion is very well, as evidenced by a rating of 4; product quality of Shell is good, as indicated by a rating of 4; Exxon Mobil is the lowest, as indicated by a rating of 2. Exxon Mobil's market share is the highest, as evidenced by a rating of 4, BP's and Shell's market share is not bad too, as evidenced by a rating of 3.

Besides, by using this table, note that Exxon Mobil has the best market share and production capacity; Shell has the best product quality; and BP has the best management in the company as indicated by the ratings. For a total weighted score, Exxon Mobil

achieves the highest weighted score of 3.23, Shell's weighted score of 3.20 and BP's weighted score is 3.02.

5.0 Construct an External Factor Evaluation (EFE) Matrix

KEY EXTERNAL FACTORS	WEIGHT	RATING	WEIGHTED SCORE
<i>Opportunities</i>			
1. Increase usage for energy	0.12	3	0.36
2. Increasing price of energy	0.13	2	0.26
3. Increasing propensity of people to spend	0.06	2	0.12
4. Increasing mobility of labor, capital and technology	0.08	2	0.16
5. Demand shifts for renewable energy	0.05	3	0.15
<i>Threats</i>			
1. Regulations restricted excessive emission of CO2	0.08	4	0.32
2. Depletion of natural energy resources	0.12	3	0.36
3. Exxon Mobil is rivalry in the industry	0.09	1	0.09
4. The credit crisis and volatile commodity prices that emerged in the second half of 2008 affected many aspects of the business environment	0.10	1	0.10
5. The hurricane impact in the US Gulf Coast region, currency exchange impact	0.07	1	0.07
6. Disruption in gas supply to the Nigeria LNG venture	0.06	1	0.06
7. Currency exchange losses of \$650 million in 2008 were mainly driven by the appreciation of the US dollar	0.04	1	0.04
Total	1.00		2.09

6.0 Identify the organization's internal strengths and weaknesses

List of strength

- Strong financial position with income of \$26.5 Billion and capital investment \$38.4 Billion
- High production capacity - producing 2% of the world's oil, 3% of the world's gas and selling 7.5% of the world's LNG
- Worldwide customer base
- Investment in R&D more than \$1.2 Billion
- Spending on alternative energy and CSS \$1.7 Billion in the last 5 years
- Generating wind power for nearly 250,000 homes
- Operating in more than 100 countries and with around 45,000 service stations worldwide
- Running more than 25 refineries and chemical plants

List of weakness

- Loss of \$474 millions in chemical and corporate portfolios
- LNG sales of 13.05 million tonnes, down 1%
- Oil Sands – higher operating costs, lower bitumen production volumes
- Chemicals – significantly lower margins, lower income from equity-accounted investments and higher operating expenses

7.0 Construct an Internal Factor Evaluation (IFE) Matrix

KEY INTERNAL FACTORS	WEIGHT	RATING	WEIGHTED SCORE
<i>Strength</i>			
1. Strong financial position with income of \$26.5 Billion and capital investment \$38.4 Billion	0.11	4	0.44
2. High production capacity - producing 2% of the world's oil, 3% of the world's gas and selling 7.5% of the world's LNG	0.09	4	0.36
3. Worldwide customer base	0.07	3	0.21
4. Investment in R&D more than \$1.2 Billion	0.08	4	0.32
5. Spending on alternative energy and CSS \$1.7 Billion in the last 5 years	0.06	3	0.18
6. Generating wind power for nearly 250,000 homes	0.05	3	0.15
7. Operating in more than 100 countries and with around 45,000 service stations worldwide	0.09	3	0.27
8. Running more than 25 refineries and chemical plants	0.09	3	0.27
<i>Weakness</i>			
1. Loss of \$474 millions in chemical and corporate portfolios	0.12	1	0.12
2. LNG sales of 13.05 million tonnes, down 1%	0.04	2	0.08
3. Oil Sands – higher operating costs, lower bitumen production volumes	0.09	1	0.09
4. Chemicals – significantly lower margins, lower income from equity-accounted investments and higher operating expenses	0.11	1	0.11
Total	1.00		2.60

8.0 Tools for Matching Stage and Decision Stage

8.1 Strength-Weakness-Opportunity-Threats (SWOT) Matrix

	<p>STRENGTH - S</p> <ol style="list-style-type: none"> 1. Strong financial position with income of \$26.5 Billion and capital investment \$38.4 Billion 2. High production capacity - producing 2% of the world's oil, 3% of the world's gas and selling 7.5% of the world's LNG 3. Worldwide customer base 4. Investment in R&D more than \$1.2 Billion 5. Spending on alternative energy and CSS \$1.7 Billion in the last 5 years 6. Generating wind power for nearly 250,000 homes 7. Operating in more than 100 countries and with around 45,000 service stations worldwide 8. Running more than 25 refineries and chemical plants 	<p>WEAKNESS - W</p> <ol style="list-style-type: none"> 1. Loss of \$474 millions in chemical and corporate portfolios 2. LNG sales of 13.05 million tonnes, down 1% 3. Oil Sands – higher operating costs, lower bitumen production volumes 4. Chemicals – significantly lower margins, lower income from equity-accounted investments and higher operating expenses
<p>OPPORTUNITIES - O</p> <ol style="list-style-type: none"> 1. Increase usage for energy 2. Increasing price of energy 3. Increasing propensity of people to spend 4. Increasing mobility of labor, capital and technology 5. Demand shifts for renewable energy 	<p>SO STRATEGIES</p> <ol style="list-style-type: none"> 1. Extend number of service station to more rural are capture more market share (S1, S7, O1, O3) 2. Promote renewable energy worldwide (S3, S7, O5) 3. Research for renewable energy and alternative energy (S4, S5, O5) 4. Increase number of refineries and chemical plant worldwide (S8, S7, S3, O4, O2) 	<p>WO STRATEGIES</p> <ol style="list-style-type: none"> 1. Promote LNG energy as the most cost effective alternative energy for petrol vehicles (W2, O2) 2. Relocate chemical plants to more cost effective location to cut down operating expenses (W4, O4)
<p>THREATS - T</p> <ol style="list-style-type: none"> 1. Regulations restricted excessive emission of CO2 2. Depletion of natural energy resources 3. Exxon Mobil is rivalry in the industry 4. The credit crisis and volatile commodity prices that emerged in the second half of 2008 affected many aspects of the business environment 5. The hurricane impact in the US Gulf Coast region, currency exchange impact 6. Disruption in gas supply to the Nigeria LNG venture 7. Currency exchange losses of \$650 million in 2008 were mainly driven by the appreciation of the US dollar 	<p>ST STRATEGIES</p> <ol style="list-style-type: none"> 1. Promote alternative energy (S5, S3, S7, T2) 2. Develop alternative way of supplying gas which will reduce disruption (S4, S2, T6) 	<p>WT STRATEGIES</p> <ol style="list-style-type: none"> 1. A 2. B

8.2 Strategic Position and Action Evaluation (SPACE) Matrix

Strategic Position	Ratings
<u>Financial Strength</u> <ul style="list-style-type: none"> Income of \$26.5 billion and capital investment of \$38.4 billion. Invest in R&D for more than \$12 billion. Revenue has increased about \$ 100 billion compare with last year. Income has decreased about \$ 5 billion compare with last year. 	4.0 4.0 4.0 <u>2.0</u> 14.0
<u>Industry Strength</u> <ul style="list-style-type: none"> The demand of energy usage is increasing tremendously. The company has investing for alternative energies. High capital investment and the use of technology have created the barriers of entry. 	5.0 4.0 <u>3.0</u> 12.0
<u>Environment Stability</u> <ul style="list-style-type: none"> The economic environment is unstable especially in under developing countries. The fluctuation of oil price affects business environment. The risk of expanding the business is greater due to natural disasters. 	-4.0 -5.0 <u>-3.0</u> -12.0
<u>Competitive Advantage</u> <ul style="list-style-type: none"> Operating in more than 100 countries and around 4500 service station worldwide. It runs more than 25 refineries and chemical plants. Shell has the high production capacity. 	-1.0 -2.0 <u>-1.0</u> -4.0

Conclusion

FS Average is $14.0 / 4 = 3.5$

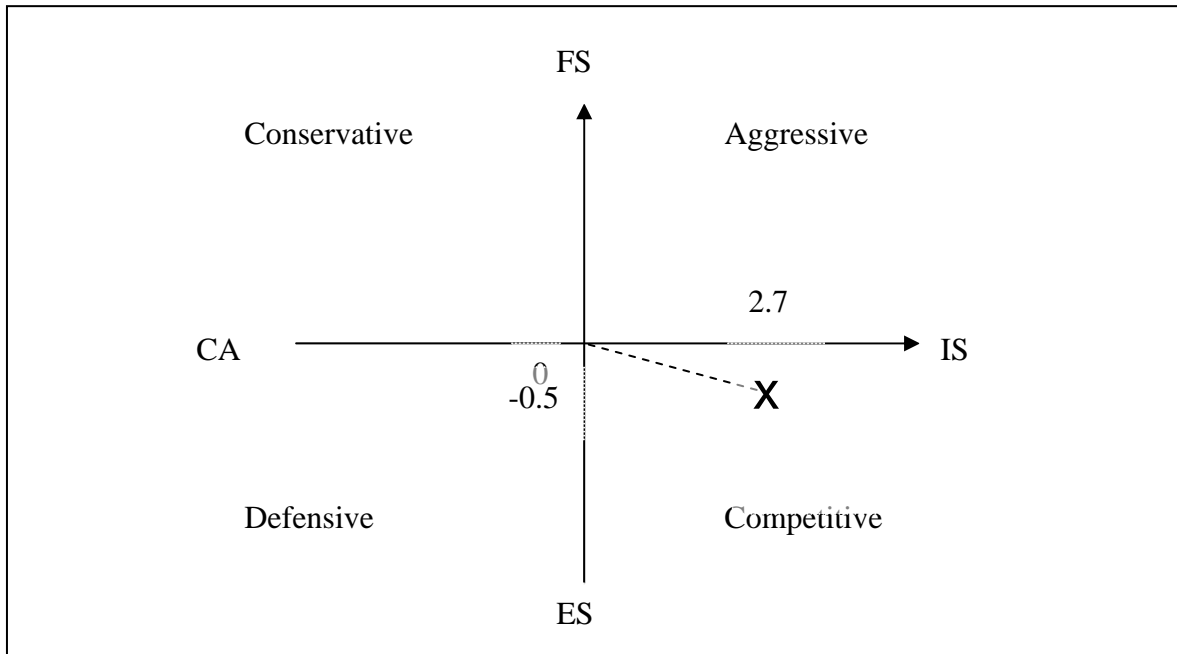
ES Average is $-12.0 / 3 = -4.0$

IS Average is $12.0 / 3 = 4.0$

CA Average is $-4.0 / 3 = -1.3$

Directional Vector Coordinates: x-axis: $4.0 + (-1.3) = 2.7$

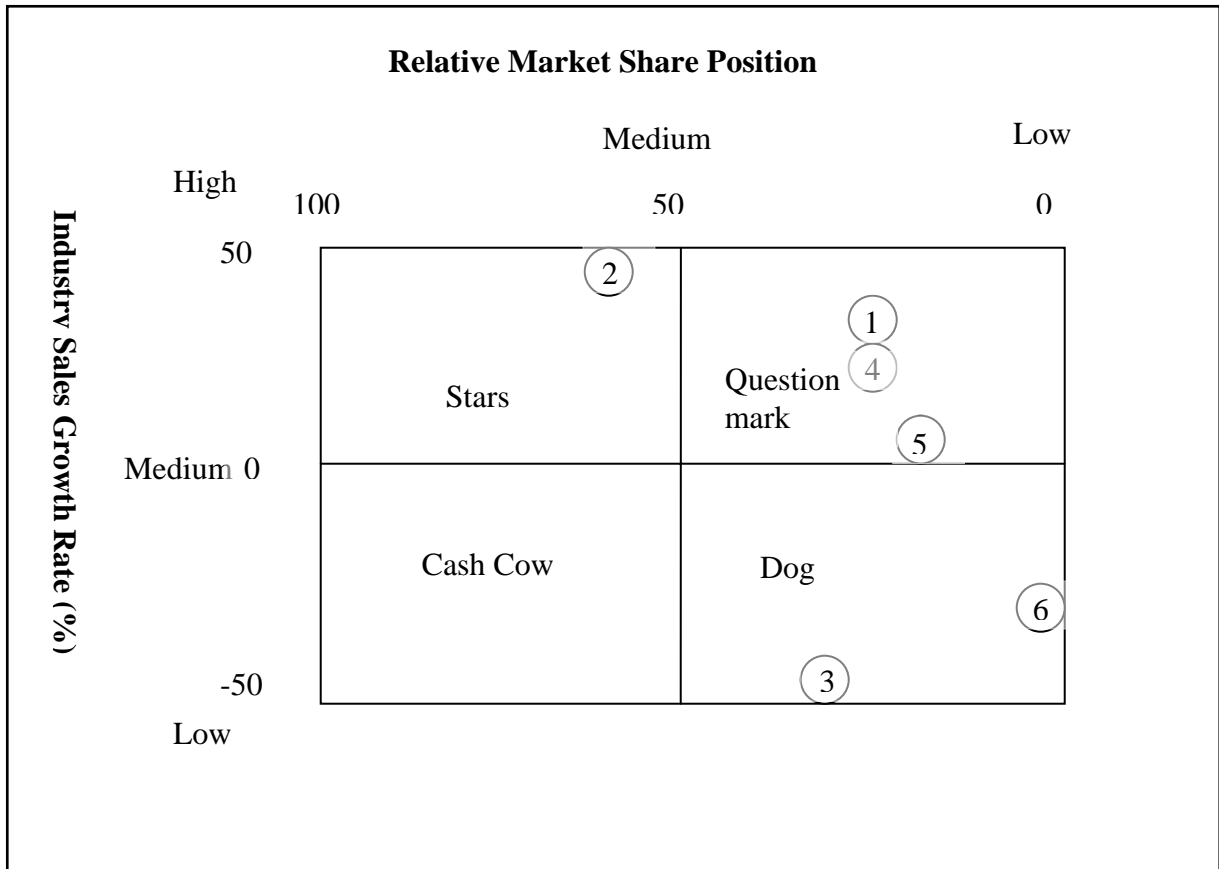
y-axis: $3.5 + (-4.0) = -0.5$



The company should pursue competitive strategies (backward, forward, and horizontal integration; market penetration; market development; product development and joint venture).

8.3 Boston Consulting Group (BCG) Matrix

Division	Revenues (\$ million)	Revenues (%)	Profits (\$ million)	Profits (%)	Market share (%)	Growth rate (%)
1. Exploration and Production	20,841	4	20,235	77	25	39.28
2. Gas and Power	24,576	5	5,328	20	60	53.77
3. Oil Sands	558	1	941	4	35	(47.8)
4. Oil Products	368,853	80	446	2	25	30.49
5. Chemicals	43,494	9	(405)	(2)	20	5.96
6. Corporate	39	1	(69)	(1)	5	(31.57)
Total	458,361	100	26,476	100		

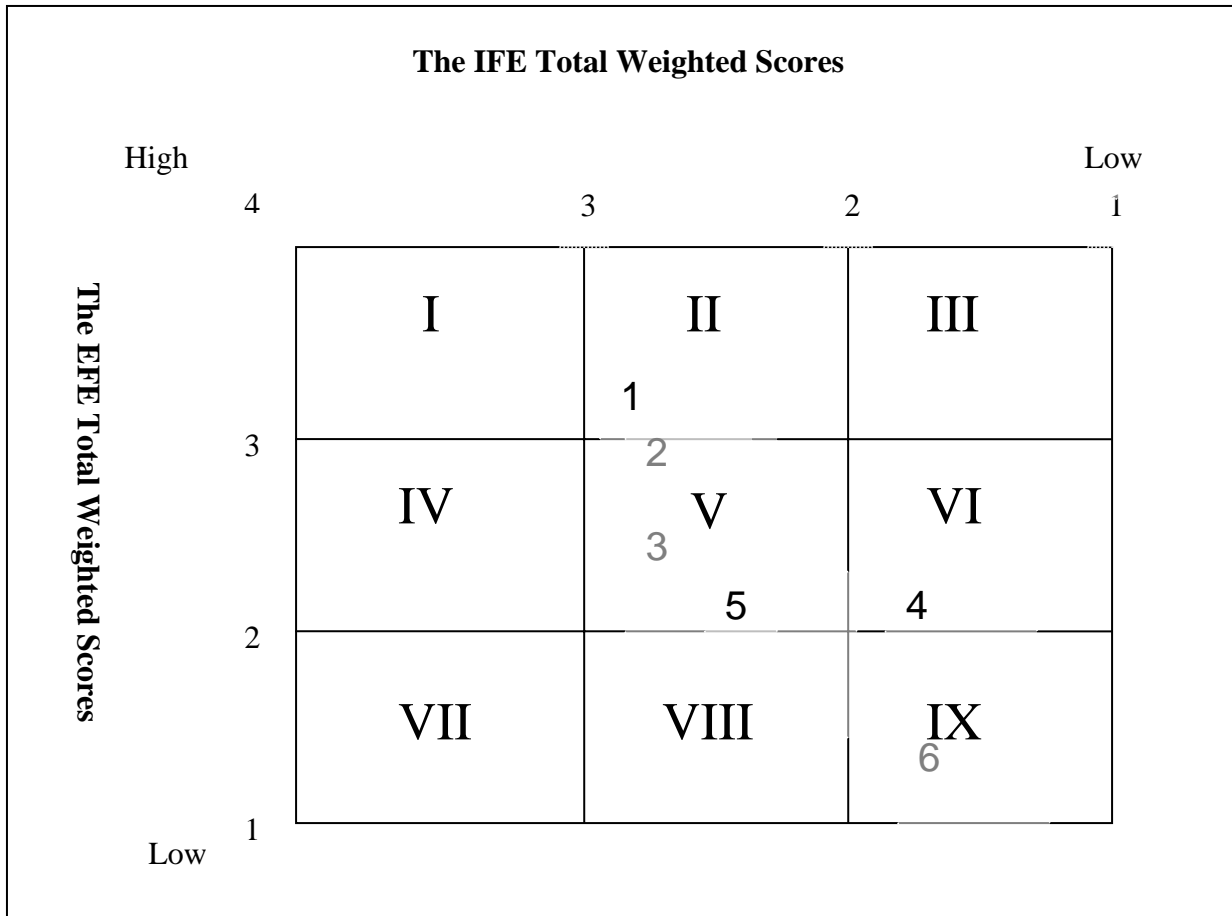


The BCG matrix portrayed the differences among the divisions of Shell in terms of relative market share position and industry growth rate. The gas and power division is located in stars quadrant, which is high in relative market share position and high growth rate. The divisions in question mark are explorations and production, oil products and chemical. Whilst the oil sands and corporate are in the dog's quadrant.

The suitable strategies for gas and power division (stars quadrant) are forward, backward and horizontal integration; market penetration; market development and product development. Strategies should be adopted for explorations and production, oil products and chemical divisions (question mark quadrant) are intensive strategies – market penetration, market development and production development; or to sell them. In the oil sands and corporate divisions (dog quadrant), retrenchment will be the best strategy to pursue.

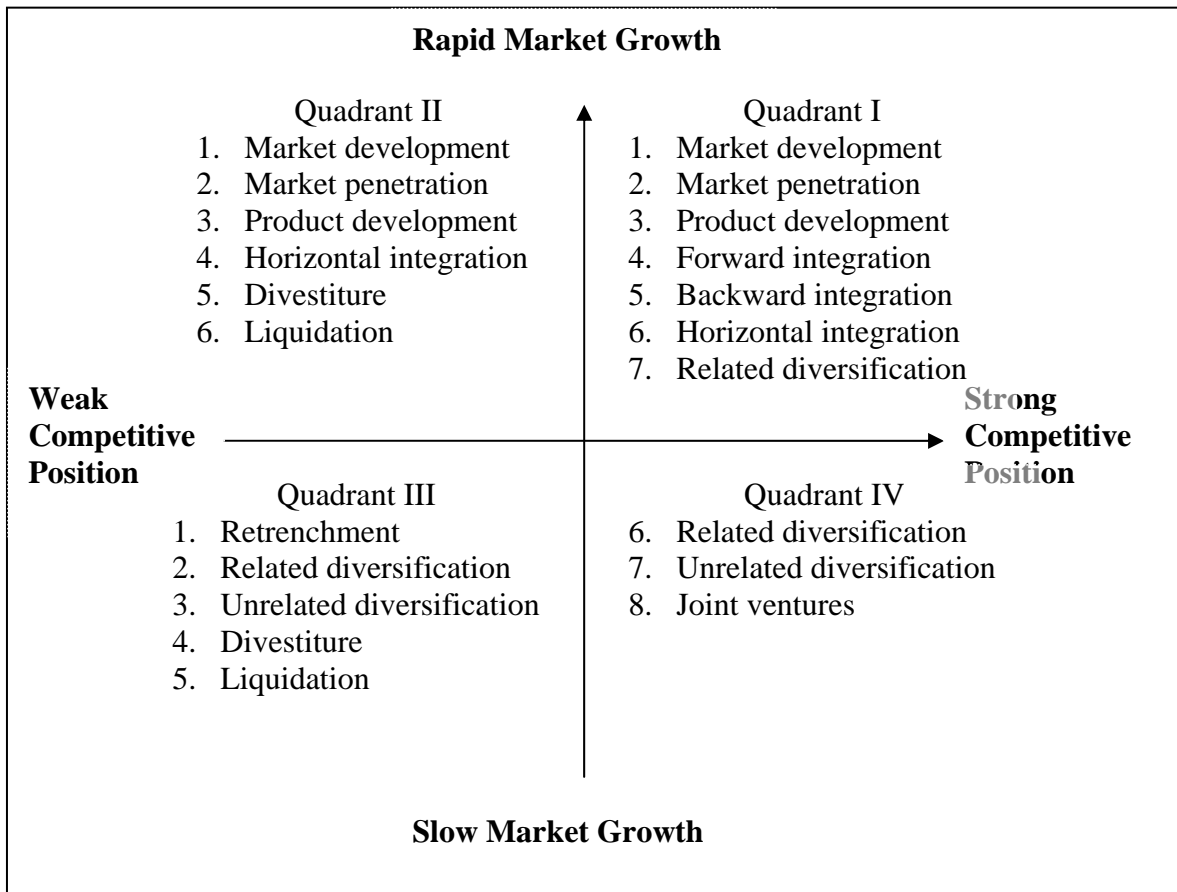
8.4 Internal-External Matrix (IE Matrix)

Division	Revenues (\$ million)	Revenues (%)	Profits (\$ million)	Profits (%)	EFE scores	IFE scores
1. Exploration and Production	20,841	4	20,235	77	3.1	2.8
2. Gas and Power	24,576	5	5,328	20	2.9	2.7
3. Oil Sands	558	1	941	4	2.4	2.7
4. Oil Products	368,853	80	446	2	2.1	1.8
5. Chemicals	43,494	9	(405)	(2)	2.1	2.4
6. Corporate	39	1	(69)	(1)	1.3	1.7
Total	458,361	100	26,476	100		



The exploration and production division is located in the quadrant II; the company should grow and build this portfolio, strategies should be adopted are intensive strategies and integrative strategies. The gas and power, oil sands and chemical divisions are positioned in the quadrant V; the hold and maintain strategies should be used for these divisions, such as market penetration and product development. Meanwhile the oil products and corporate divisions are positioned in quadrant VI and IX respectively. However, these portfolios should adopt harvest or divest strategies.

8.5 Grand Strategy Matrix



Shell has rapid growth in market and has strong competitive position. Based on this grand strategy matrix, Shell is positioned in quadrant I, therefore it can consider to use strategies such as market development, market penetration, product development, forward integration, backward integration, horizontal integration and related diversification.

8.6 Quantitative Strategic Planning Matrix (QSPM)

STRATEGIC ALTERNATIVES

KEY FACTORS	WEIGHT	INVEST IN SOLAR & WIND ENERGY		INVEST IN BIOFUEL	
		AS	TAS	AS	TAS
<i>Opportunities</i>					
1. Increase usage for energy	0.12	2	0.24	4	0.48
2. Increasing price of energy	0.13	2	0.26	4	0.52
3. Increasing propensity of people to spend	0.06	2	0.12	3	0.18
4. Increasing mobility of labor, capital and technology	0.08	2	0.16	3	0.24
5. Demand shifts for renewable energy	0.05	4	0.20	3	0.15
<i>Threats</i>					
1. Regulations restricted excessive emission of CO2	0.08	3	0.24	1	0.08
2. Depletion of natural energy resources	0.12	2	0.24	3	0.36
3. Exxon Mobil is rivalry in the industry	0.09	-	-	-	-
4. The credit crisis and volatile commodity prices that emerged in the second half of 2008 affected many aspects of the business environment	0.10	-	-	-	-
5. The hurricane impact in the US Gulf Coast region, currency exchange impact	0.07	2	0.14	1	0.07
6. Disruption in gas supply to the Nigeria LNG venture	0.06	-	-	-	-
7. Currency exchange losses of \$650 million in 2008 were mainly driven by the appreciation of the US dollar	0.04	-	-	-	-
	1.00				
<i>Strength</i>					
1. Strong financial position with income of \$26.5 Billion and capital investment \$38.4 Billion	0.11	3	0.33	4	0.44
2. High production capacity - producing 2% of the world's oil, 3% of the world's gas and selling 7.5% of the world's LNG	0.09	-	-	-	-
3. Worldwide customer base	0.07	2	0.14	3	0.21
4. Investment in R&D more than \$1.2 Billion	0.08	2	0.16	3	0.24
5. Spending on alternative energy and CSS \$1.7 Billion in the last 5 years	0.06	-	-	-	-
6. Generating wind power for nearly 250,000 homes	0.05	4	0.20	1	0.05
7. Operating in more than 100 countries and with around 45,000 service stations worldwide	0.09	1	0.09	4	0.36
8. Running more than 25 refineries and chemical plants	0.09	1	0.09	3	0.27
<i>Weakness</i>					
1. Loss of \$474 millions in chemical and corporate portfolios	0.12	-	-	-	-
2. LNG sales of 13.05 million tonnes, down 1%	0.04	2	0.08	1	0.04
3. Oil Sands – higher operating costs, lower bitumen production volumes	0.09	-	-	-	-
4. Chemicals – significantly lower margins, lower income from equity-accounted investments and higher operating expenses	0.11	-	-	-	-
	1.00		2.69		3.69

8.6.1 Advantage and disadvantages

Strategy 1: Invest in solar and wind energy

Advantages

- Solar and wind energy are cleaner and produced more naturally
- Require less labor to monitor the energy production as the energy created and transmitted to the end-user directly
- Global warming could be due our energy craving lifestyle, so we should look into more environmentally friendly energy sources

Disadvantages

- The solar technology is costly due to high price of the solar generating equipments
- The solar energy depends to heat while the wind energy depends to continuous wind, it is logically hard to get the continuous wind and solar energy unless battery is used to store the excessive energy and reused later

Strategy 2: Invest in biofuel

Advantages

- Biofuel is more acceptable and easily target-able to the market because the fuel market is matured while the natural resource depleting and the demand for fuel remain high.
- Biofuels substantially reduces greenhouse gas emissions when compared to petroleum and diesel.
- Biofuel is less explored as it requires high investment which Shell affords because of their continuous investment in R&D.
- The UK Government in particular has introduced many incentives to drivers of 'green cars' based on emissions - with reduced taxation dependent on how environmentally friendly consumer's vehicle is. This would gradually generate demand for biofuels.

- Save costs for the consumers because biofuel is lower price compare to fossil fuels.

Disadvantages

- Many first generation biofuels are not sustainable. It is necessary to create sustainable biofuel production that does not effect food production, and that doesn't cause environmental problems.
- If biofuels become lucrative for farmers, they may grow crops for biofuel production instead of food production. Less food production will increase prices and cause a rise in inflation.
- To develop biofuels, large number of oil plantation land would be required and therefore large numbers of rainforests need to be sacrificed.

9.0 Recommend specific strategies and long-term objectives

Recommending strategy

We are recommending the Shell to invest and focus in Biofuel to produce cost effective fuels as an alternative to the current depleting fossil fuels. Biofuel is encouraged by government through tax reduction for consumers who uses Biofuel or environmental friendly cars. This would gradually increase demand for the biofuel from the consumers and if Shell take the initiatives to execute the strategy, they would become the leader in producing cost effective biofuels that would cater the demand.

Recommending long-term objective

1. Become the leading biofuel supplier in the world by promoting the biofuel advantages throughout the world and supply the biofuel in every service station.
2. Make biofuel the main contributor to Shell's energy resources as much as 30% in 8 years time.
3. Improve the productivity and utilization of biofuel energy by continuous R&D.

9.1 Project Costs

Projected cost of investment for next 5 years (in Billion)

	2010	2011	2012	2013	2014
Invest in America	14	16	18	10	10
Invest in Europe	10	14	15	8	8
Invest in Asia	8	9	10	6	6
Total investment	32	39	43	24	24

We should invest large amount in first year based on region and reinvest the accumulated earning for the next 2 years. From the fourth year onward, we would standardize the investment to maintain the same level of growth.

9.2 Comparison of Strategies

Shell's existing strategy is to invest in the development of major growth projects, primarily in the upstream businesses of Exploration & Production and Gas & Power. Thus their current strategy is focusing on new oil and gas projects where technology is a differentiator; building integrated gas opportunities; and continuing to unlock unconventional oil and gas resources. On the other hand, our strategy is to invest and focus in Biofuel to produce cost effective fuels.

The comparison shows that both strategy are in align with each other whereas Shell strategy is to invest and develop major growth project in Gas & Power while our recommendation narrow it down to Biofuel investment which is also Gas & Power. Their plan to focus on oil and gas project match with our recommendation to invest by region as Biofuel is an alternative energy that has high potential of replacing fossil fuels in those regions.

10.0 Implementation of Recommended Strategies

We should invest large amount in the first year based on region and reinvest the accumulated earning for the next 2 years. We should invest region by region and the costs are different for each of the region. This is because the cost is an investment planned based on the region's population and their popularity for biofuel.

For the first year, we invest 14 billion in America region followed by 10 billion in Europe and 8 billion in Asia. The investment would be used to acquire current biofuel plantations, develop new plantations, build biofuel processing plant, develop biofuel supply network, increase biofuel specialized service stations, and advertise widely to create consumer awareness on biofuel.

10.1 Result Expected

We forecasted that the investment would returns the sales of 50% over the investment. The income generated in the first year would be used to reinvest for the next year. Again the investment would be used at the same way but slightly larger than before. On third year, we will implement the same method. On the fourth year onward, we will reduce and standardized the investment as we will reduce cost on advertisement. We will maintain the same investment figure because we encourage the same level of growth for biofuel.

10.2 Projected Financial Statements

Forecast Statement of Income (\$ million)

	2010	2011	2012	2013	2014
Revenue					
Exploration & Production	30,011	36,013	43,216	51,859	62,231
Gas & Power	35,389	42,467	50,960	61,153	73,384
Oil Sands	734	778	1,096	1,259	1,593
Oil Products	492,293	539,878	559,712	612,839	698,531
Chemicals	44,956	48,990	51,003	56,223	58,861
Corporate	32	27	23	25	30
Total	603,415	668,153	706,010	783,358	894,630
Cost of sales	482,447	534,882	552,980	631,992	708,291
Gross profit	120,968	133,271	153,030	151,366	186,339
Selling, distribution and administration expenses	17,982	18,921	20,487	21,942	22,133
Exploration	2,211	2,309	2,746	2,866	3,003
Share of profit of equity-accounted investments	7,391	8,434	8,587	9,342	9,873
Interest and other income	1,092	1,380	1,487	1,032	1,447
Interest expenses	1,209	1,938	2,321	1,993	2,207
Income before taxation	108,049	119,917	137,550	134,939	170,316
Taxation	43,397	46,213	53,909	56,210	61,219
Income for the period	64,652	73,704	83,641	78,729	109,097
Income attributable to minority interest	234	126	656	715	455
Income attributable to Royal Dutch Shell plc shareholders	64,418	73,578	82,985	78,014	108,642

10.3 Timetable for Action

Date	Agenda
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Year 2010	
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January	Acquire current biofuel plantations
February	Develop new plantations
February	Build biofuel processing plant
March	Develop biofuel supply network
May	Increase biofuel specialized service stations
May	Advertise widely to create consumer awareness on biofuel.

Year 2011	
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January	Acquire more current biofuel plantations
February	Develop more new plantations
February	Build more biofuel processing plant
March	Develop more biofuel supply network
May	Increase more biofuel specialized service stations
May	Advertise more widely to create consumer awareness on biofuel.

Year 2012	
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January	Develop more new plantations
February	Develop more biofuel supply network
March	Increase number of biofuel specialized service stations
March	Advertise widely to create consumer awareness on biofuel.

Year 2013	
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January	Enhance biofuel supply network
February	Increase biofuel specialized service stations
March	Limited advertisement

Year 2014	
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January	Enhance biofuel supply network
February	Increase biofuel specialized service stations
March	Limited advertisement

11.0 Recommend specific annual objectives and policies

Annual objectives

- Make biofuel the main contributor to Shell's energy resources increase every year by 4%
- Increase the sales of biofuel by minimum 10% every year
- Improve biofuel energy quality and utilize the production
- Advertise continuously to create brand awareness and retain requirement for biofuel
- Enhance service of biofuel supply and continuously establish wider supply network

Policies

- Encourage employees to use biofuel for their vehicles as the first step of internal marketing the biofuel ensures healthier environment.
- Promote all advertising materials in green and ensure the materials used in the management are environmental friendly.
- Ensure employees working in good and safety environment all the time.

12.0 Recommend procedures for strategy review and evaluation

Review and evaluation helps the firm to ensure the strategies are implemented and carried out appropriately resulting to the desired outcomes. For Shell, the evaluation will be done through review over the sales figures. The analysis will be done by the managers and later reviewed by department managers. Interviews and presentations will be conducted by the department managers presenting the current evaluation of the strategies to the department heads.

The sales report and presentation would be the evaluation tool for the department heads to judge the result of strategies. A good strategy implementation would result to a good evaluation as the forecasted sales achieved and objectives fulfilled from time to time.

13.0 References

1. Royal Dutch Shell Plc Annual Review and Summary Financial Statements 2008
2. Royal Dutch Shell Plc Sustainability Report 2008
3. Fred R. David, Strategic Management concepts and cases, 2007, 11th Edition,
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