



**SAPA CONFERENCE**

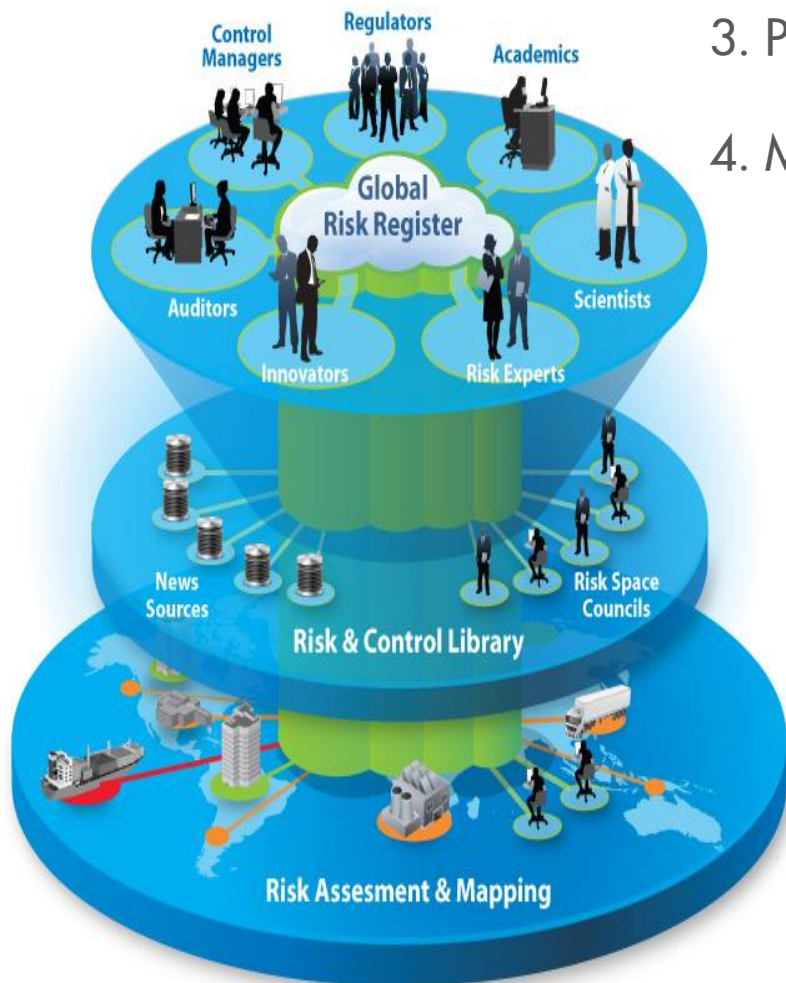
**HEALTHY & SMART ORGANISATION**

**5 AUGUST 2015**

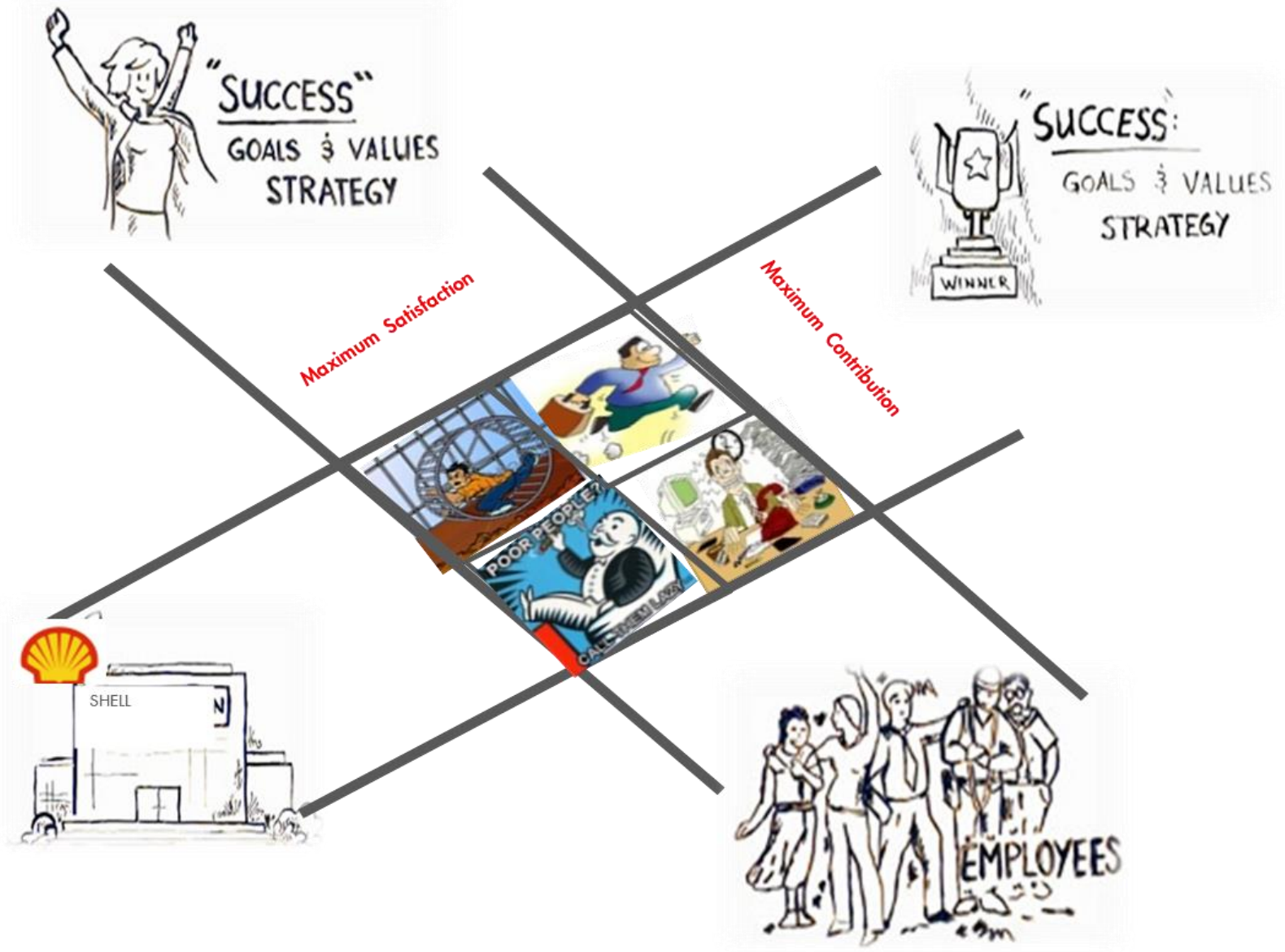
**BONANG MOHALE**

# 2014 GLOBAL RISKS

1. Income Disparity & Attendant Social Unrest
2. Extreme Weather
3. Precarious Government Finances
4. Most People Unhappy With Their Governments



# STRATEGIC ASPIRATIONS



# Both Smart and Healthy Organisation

## Smart

- Strategy
- Marketing
- Finance
- Technology

## Healthy

- Less Politics
- Less Confusion
- Less Staff Turnover
- High Morale
- High Productivity

# Organisational Health

A cohesive team trust one another, engages in constructive conflict, commits to group decisions and holds one another accountable



# Three Biases to be overcome

1. Complexity/Sophistication Bias
2. Adrenalin Bias
3. Quantification Bias

# Five Dysfunctions of a Team

For any team to consistently accomplish the results that it sets out to achieve, it must overcome five common dysfunctions



Inattention to Results

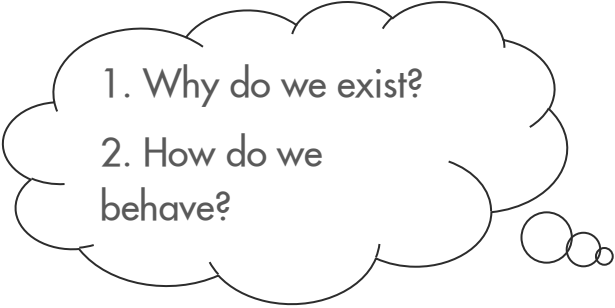
Avoidance of Accountability

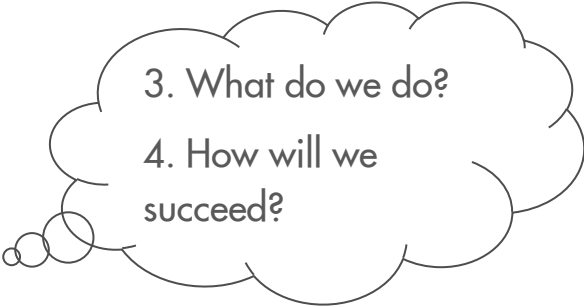
Lack of Commitment

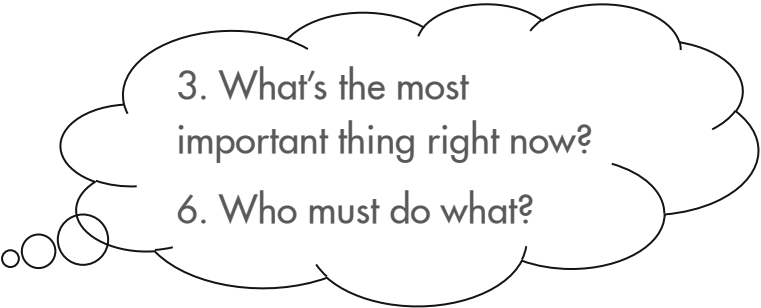
Fear of Conflict

Absence of Trust

# Six Questions To Ask

- 
1. Why do we exist?
  2. How do we behave?

- 
3. What do we do?
  4. How will we succeed?

- 
3. What's the most important thing right now?
  6. Who must do what?



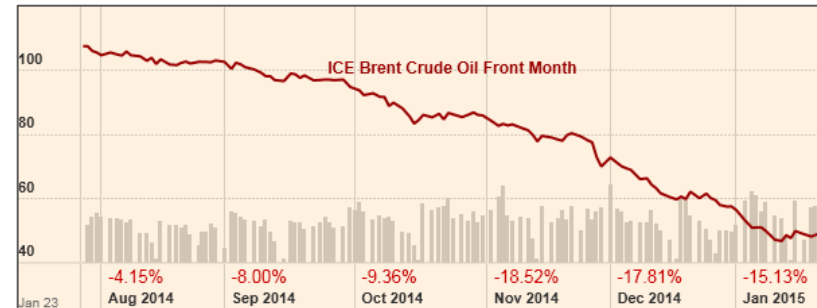
# DON'T JUST EMPOWER – EMANCIPATE!


DON'T DO THIS!		DO THIS!	
Leader-follower		Leader-leader	
Take control		Give control	
Give orders		Avoid giving orders	
When you give orders, be confident, unambiguous, and resolute.		When you do give orders, leave room for questioning.	
Brief		Certify	
Have meetings		Have conversations	
Have a mentor-mentee program		Have a mentor-mentor program	
Focus on technology		Focus on people	
Think short term		Think long term	
Want to be missed after you depart		Want not to be missed after you depart	
Have high-repetition, low-quality training		Have low-repetition, high-quality training	
Limit communications to terse, succinct, formal orders		Augment orders with rich, contextual, informal communications	
Be questioning		Be curious	
Make inefficient processes efficient		Eliminate entire steps and processes that don't add value	
Increase monitoring and inspection points		Reduce monitoring and inspection points	
Protect information		Pass information	

# INDUSTRY REACTS TO OIL PRICE: IOCS VARYING ACTIONS




"We are re-discovering that oil is a volatile commodity... We have to react, but not overreact... The best way to face this volatility is to have the company strong enough to lower your cash break-even."  
-Patrick Pouyanné, CEO Total



 ExxonMobil OK with oil at \$40: CEO

 Chevron halts big Arctic offshore drilling project 'indefinitely' due to oil price slide

 Total to cut capital spending by 10% amid oil price rout

 Qatar, Shell Scrap \$6.5 Billion Project After Oil's Drop

 Oil slump forces BHP to cut shale; faces up to \$US250m in impairments

 Oil companies Schlumberger and BP cut jobs as price plunges

 "Statoil to cut costs by \$1.3 billion by 2016... The cost-cutting must be intensified. We've seen a higher cost level and reduced profitability."

"We estimate **companies need to cut costs by US\$170 billion** to maintain net debt at 2014 levels at US\$60/bbl... Capital discipline in 2015 will be **less about choice and more about survival** for some players... **US\$112 billion of spend on pre-FID projects in 2015 is vulnerable** to being pushed out, and a **further US\$145 billion in 2016.**" -WoodMac

# PREVAILING ENVIRONMENT

Oil tumbles as Opec cut seen less likely

Brent crude drops to new four-year low of \$75.48

Shares in energy groups fall after Opec decision

Global growth fears weigh on oil prices

Is economic growth permanently lower?

China rate cut unlikely to halt slowdown, say analysts

Market turmoil casts further doubt over Europe revival

GM struggles with first Latin American slowdown in a decade

Global growth shifts away from emerging economies

Ready or not – currency volatility is back Resurgent dollar set for sustained rally

Lower fuel prices lift sales of gas guzzlers US airlines and cruises lifted by fuel hopes

- 

**\$160**  
Price needed for **Venezuela** to balance its budget in 2014
- 

**\$130**  
Price needed for **Iran** to balance its budget
- 

**\$115**  
Breakeven price required for **highest-cost US shale** oil developments
- 

**\$110**  
Price needed for **Russia** to balance its budget
- 

**\$100**  
Price needed for new **Canadian oil sands** mining operations to be commercially viable
- 

**\$95**  
An average crude price of \$95 in 2015 could boost **airline operating profits** by \$15bn
- 

**\$90**  
Price needed for **Saudi Arabia** to balance its budget
- 

**\$50**  
Price needed for **Kuwait** to balance its budget
- 

**\$40**  
Breakeven price required for **lowest-cost US shale** oil developments

## IOCs



## NOCs



## Independents



