

IGM strategic panel

Where mind and markets meet





Urs Zeller

President Intergas Marketing



Presentation - Generalities



Intergas Marketing was created by IGU in 1951
IGM contributes to the development of gas
economy in the area of marketing

Since 2003 IGM became the first organisation
affiliated to IGU

Members are Countries represented by delegations
composed of gas associations and gas companies



Presentation - Generalities



Today 15 countries-members:
Belgium, Croatia, Czech Republic, Denmark,
Finland, France, Germany, Great-Britain, Hungary,
Ireland, Italy, The Netherlands, Portugal, Spain,
Switzerland



Marketing



Marketing prepares products / services to satisfy needs of clients

The steps in a marketing approach include:

- market study
- clients and prospects expectations for new offers
- competitors' analysis
- segmentation of markets and customers
- existing and new products and their marketing channels



Marketing



The steps in a marketing approach include:

- Multi services and overall offer (equipment, installation, financing...)
- Customer Relationship Management
- Advertising and brand's policies
- Measuring the client's satisfaction,...

The opening of the gas markets is giving Marketing an increased role



The work of IGM



4 main categories of working during IGM sessions

- ❖ Reflections and experience exchanges
- ❖ Comparative studies to review the best marketing practices
- ❖ Prospective studies to determine the marketing opportunities
- ❖ Launching of actions to promote natural gas or certain particular usages



Past works of IGM



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- ❖ Usage of gas for the production of electricity and cogeneration, 1995
 - ❖ Gas partnership for individual gas heating, 1997
 - ❖ IGM reports at the IGU World Gas Congress, Nice
 - The development of air conditioning in large buildings
 - Natural Gas Vehicles : From vision to reality
 - Changes in Gas Marketing



Past works of IGM



-
- ❖ E-business, a marketing opportunity for gas companies? 2001, update 2002

 - ❖ Studies outsourced by IGU to IGM, 2002
 - Marketing and safety; opportunity for new services
 - The impact and opportunities for natural gas marketing resulting from the decisions to limit pollution emissions



Past works of IGM



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- ❖ IGM reports at the IGU World Gas Congress, Tokyo
The role of Marketing in the promotion of new environmentally friendly products:
 - NGV (Natural Gas for Vehicles)
 - Natural gas and Environment
 - Natural gas and Renewable Energies

 - ❖ Customers satisfaction survey, 2004

 - ❖ Promoting new gas products and / or services, 2005

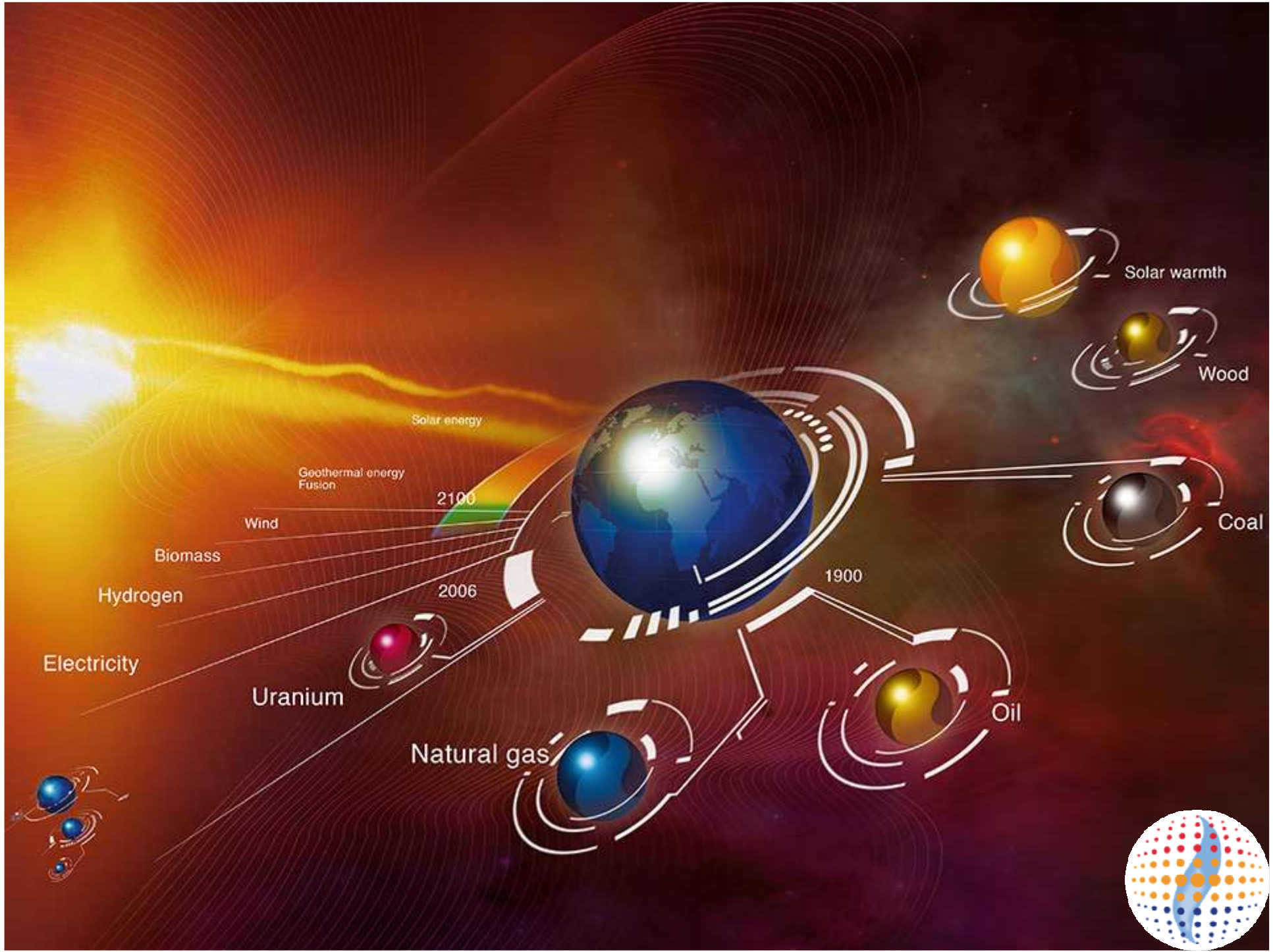


Today's IGM Panel



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- ❖ What are Major Companies communicating strategically?

 - ❖ J.M. Hensch, SAGI, Switzerland
 - ❖ B. Warner, Gasunie Trade & Supply, Netherlands
 - ❖ M.A.M Boersma, Essent, Netherlands
 - ❖ W. Eschment, VNG Verbundnetz Gas, Germany
 - ❖ P. Moraleda, Gas Natural Group, Spain

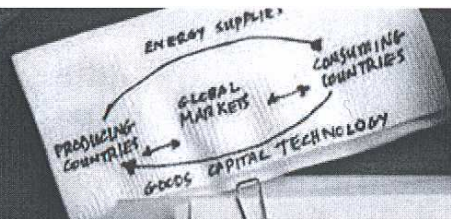


It took us 125 years to use
the first trillion barrels of oil.

We'll use the next trillion in 30.

So why should you care?

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DAVID J. O'REILLY
CHAIRMAN & CEO
CHEVRON CORPORATION



Energy will be one of the defining issues of this century. One thing is clear: the era of easy oil is over. What we all do next will determine how well we meet the energy needs of the entire world in this century and beyond.

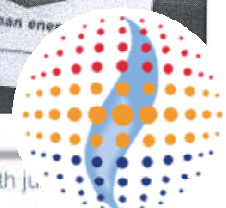
Demand is soaring like never before. As populations grow and economies take off, millions in the developing world are enjoying the benefits of a lifestyle that requires increasing amounts of energy. In fact, some say that in 20 years the world will consume 40% more oil than it does today. At the same time, many of the world's oil and gas fields are maturing. And new energy discoveries are mainly occurring in places where resources are difficult to extract, physically, economically and even politically. When growing demand meets tighter supplies, the result is more competition for the same resources.

We can wait until a crisis forces us to do something. Or we can commit to working together, and start by asking the tough questions: How do we meet the energy needs of the developing world and those of industrialized nations? What role will renewables and alternative energies play? What is the best way to protect our environment? How do we accelerate our conservation efforts? Whatever actions we take, we must look not just to next year, but to the next 50 years.

At Chevron, we believe that innovation, collaboration and conservation are the cornerstones on which to build this new world. We cannot do this alone. Corporations, governments and every citizen of this planet must be part of the solution as surely as they are part of the problem. We call upon scientists and educators, politicians and policy-makers, environmentalists, leaders of industry and each one of you to be part of reshaping the next era of energy.

Dave

willyoujoinus.com





Peak oil?

Contrary to the theory, oil production shows no sign of a peak.

Will we soon reach a point when the world's oil supply begins to decline? Yes, according to so-called "peak oil" proponents. They theorize that, since new discoveries have not kept up with the pace of production in recent years, we will soon reach a point when oil production starts going downhill. So goes the theory.

The theory does not match reality, however. Oil is a finite resource, but because it is so incredibly large, a peak will not occur this year, next year or for decades to come.

According to the U.S. Geological Survey, the Earth was endowed with over 3.3 trillion barrels of conventional recoverable oil. Conservative estimates of heavy oil and shale oil push the total resource well over four trillion barrels. To put these amounts in perspective, consider this: Since the dawn of human history, we have used a total of about one trillion barrels of oil.

Moreover, new technologies — such as multidimensional mapping tools and advanced drilling techniques — have improved our ability

to recover oil from previously discovered fields. Because of such technology gains, estimates of how much recoverable oil remains have consistently *increased* over time. Oil production and production capacity have increased, too.

So there is a lot of oil yet to be tapped. And we are getting better — technically and environmentally — at tapping it every day.

As a large scale, broad-based transportation fuel, oil currently has no equal. Demand for it is increasing to support economic growth worldwide. Thankfully, there is enough potential supply to meet this demand.

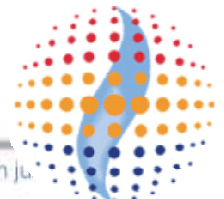
Realizing this potential, however, means we all must do our part. Energy companies help through investment and technology. Governments help by providing an attractive business environment. And we all can help by using energy more efficiently.

With abundant oil resources still available — and industry, governments and consumers doing their share — peak production is nowhere in sight.

ExxonMobil

Taking on the world's toughest energy challenges.™

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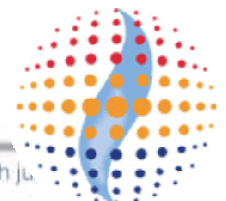


WGC 2006, 5th - 9th ju.



In just a few short years, the prevailing atmosphere has shifted from belief in the near inevitability of globalization to deep uncertainty about the very survival of our global order

[Kofi Annan, Davos, 2004]





Globalization

Deglobalization

Peace

Conflict





Producing

Not producing

**Not
importing**

Importing





Resource owner

Buyer

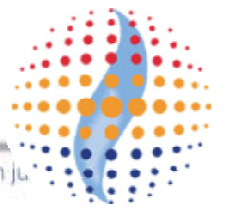
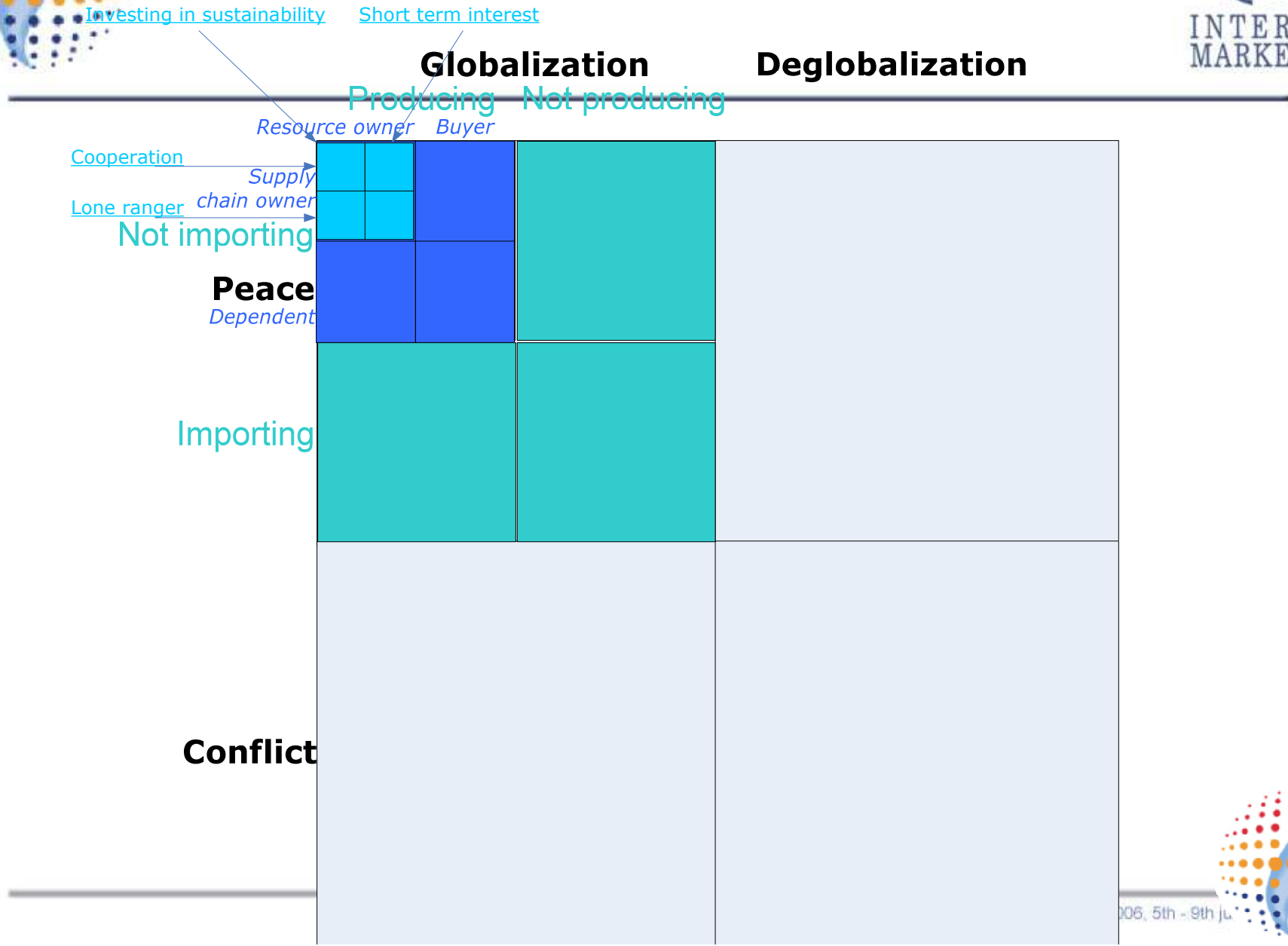
Chain supply owner		
Dependent		





	Investing in sustainability	Short term interest
Cooperation		
Lone Ranger		







United States



Globalization

Deglobalization

Producing Not producing

Not importing

Peace

Investing in sustainability Short term interest

Resource owner Buyer

Importing

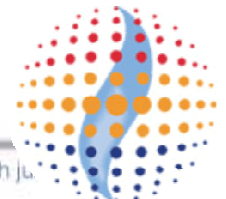
Supply chain owner

Cooperation

Lone ranger

Dependent

Conflict





Russia



Investing in sustainability

Short term interest

Globalization

Deglobalization

Producing Not producing

Resource owner Buyer

Cooperation

Supply

Lone ranger

chain owner

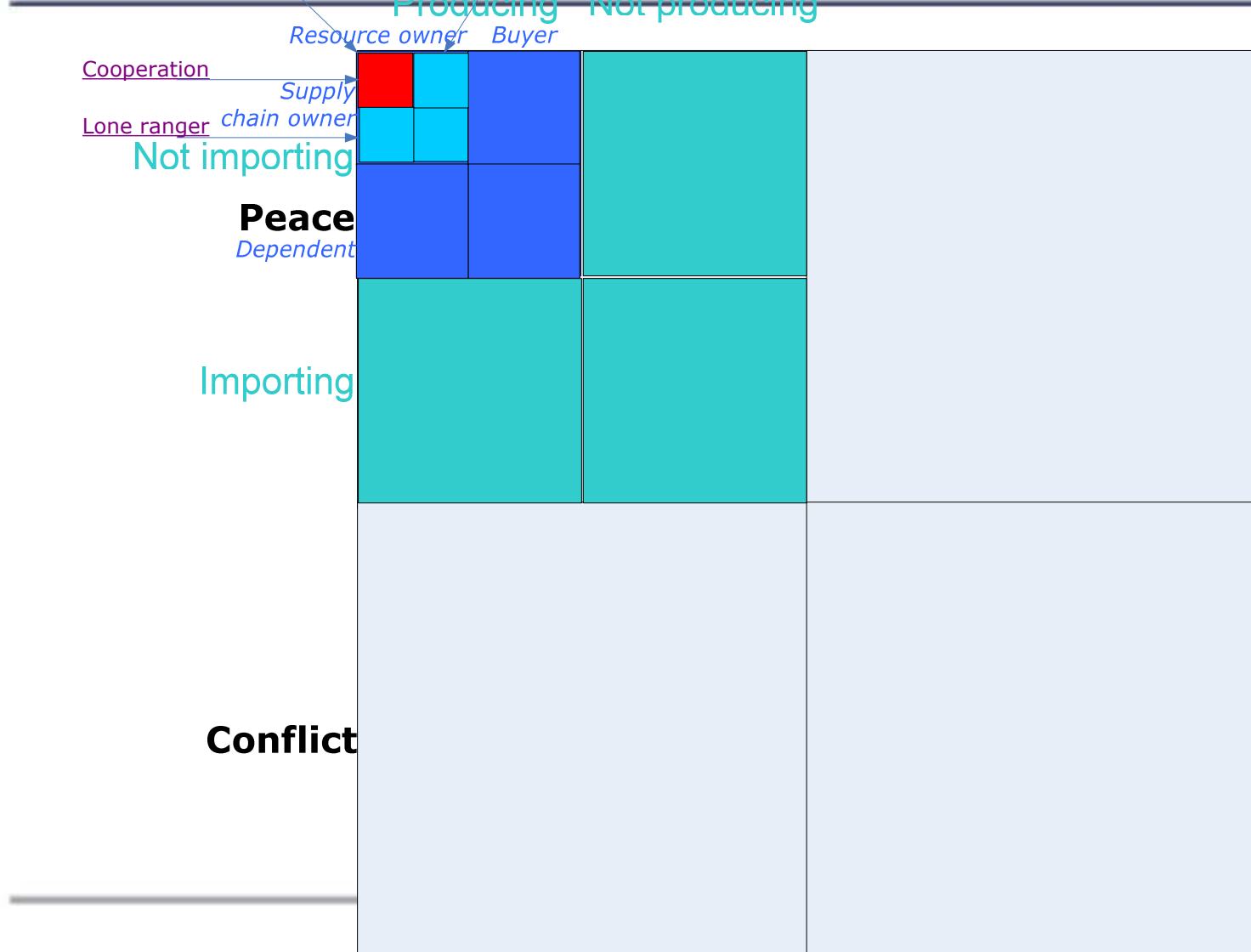
Not importing

Peace

Dependent

Importing

Conflict

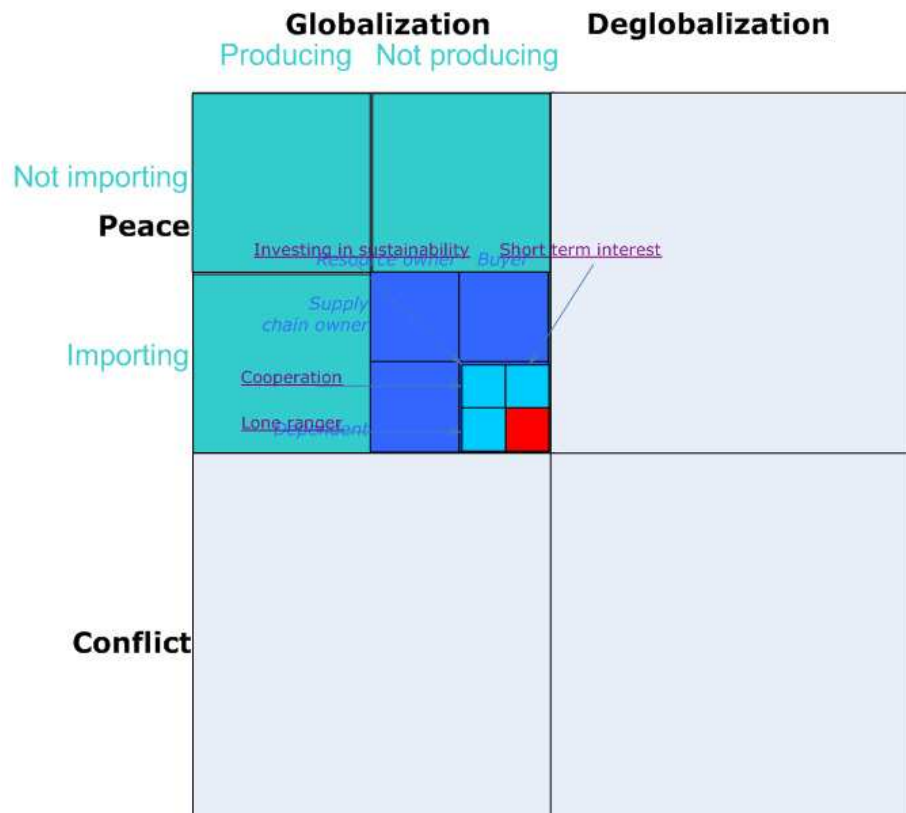




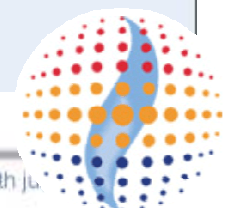
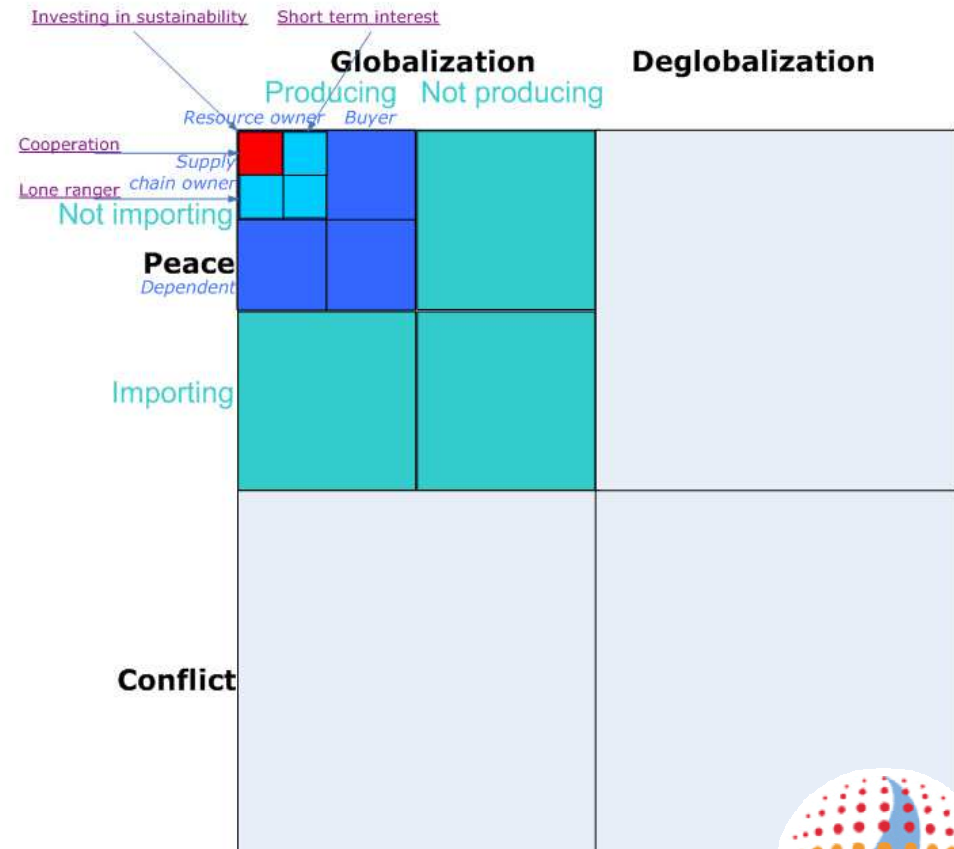
United States vs Russia



United States



Russia

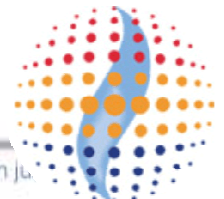




Stakeholders

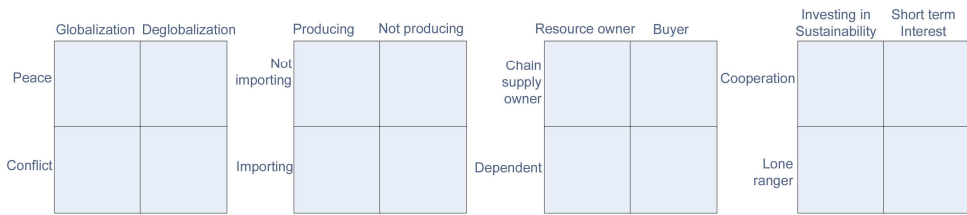


- Shareholders
- Customers
- Staff
- Business relations, like suppliers
- Society at large
- NGO's





Your two paged guide



Strategic aspects and influences			
Internal decisions and conditions		Core business	External influences and interests
Actual position versus desired position by matrix approach		Basic situation and policy	Political and societal demands
Main positions			Main developments
Globalization versus Deglobalization			Geopolitical impact
Peace versus Conflict			State interest and ownership
Producing versus Not producing			Regulations
Not importing versus Importing		Resource owner versus Buyer	Global and climate care
Resource owner versus Buyer		Supply chain owner versus Dependent	Sustainable behaviour
Investing in Sustainability versus Short term Interest		Investing in Sustainability versus Short term Interest	Social responsible operating
Cooperation versus Lone ranger		Cooperation	Corporate Governance
			Code of Conducts
			Individual autonomy
Strategic futuring		Strategic goal setting	
Extrapolation (empirical)		Obstructive aspects	
Scenario selection (rational analysis)		Globalization increases number and impact of influences	
Visionary choice (entrepreneurial approach)		Constant change of data and variables	
		Shareholder doubts and change of core business	
Internal goals		External goals	
Improvement of financial ratios	Cost control	Level of profit	Market share
Product-service improvement	Knowledge growth	Geographical growth	Increase of turnover
		Reputation improvement	
Critical success factors		Means to the goal	
Human resources	Financial resources	Social and political network	
Quality of management	Technology	Public credibility	
Company communications	Marketing force	Timing	
		Competition strength	
Form of action		Form of action	
Process re-engineering	Top-down / Inside out	Enforcement	Alliances
Cultural change	Bottom-up / Outside in	Engineering	Cooperation
Skill's excellence	Shared value approach	Communication	
Strategies		Strategies	
Olympic	Competence and Culture	Take overs	Alliances
Synergy	Achievement control	Market expansion	Shareholders
Portfolio management	Transformation	Unbundling	Insideration
Diversification	Recompetition	Customizing	Costleadership
Resource based		Focus	
		Outside-in main stakeholders	NGO's
		Business relations	Staff/Employees





Strategies of European companies



- Analysis of 19 countries and 33 major gas- and multi-energy companies
- 32 companies announce **GROWTH** strategies of which
 - 26 imply internationalization
 - 18 imply diversification
- 1 company indicates a **CONSOLIDATION** strategy
- Conclusion: The EU will be an arena of **COMPETITION, RESHUFFLING** and **REPARTITION**



Strategies of European companies and the Sustainable Future



- All analyzed companies publish plans or activities regarding renewable energy and a policy in favour of sustainability
- But clear sustainable strategies are not indicated
- Quantification of these strategies or plans are rare and cover not more than 5 years
- In all cases the companies strive after fulfilling legal obligations

Conclusion: The companies especially show **INTENTIONS** and hardly robust Business Targets for the long term.