#Winning: Why your strategy needs to reflect your path to victory (an ExxonMobil story)

This presentation includes forward-looking statements. Actual future conditions (including economic conditions, energy demand, and energy supply) could differ materially due to changes in technology, the development of new supply sources, political events, demographic changes, and other factors discussed herein (and in Item 1A of ExxonMobil’s latest report on Form 10-K or information set forth under “Factors affecting future results” on the “Investors” page of our website at www.exxonmobil.com). This material is not to be reproduced without the permission of Exxon Mobil Corporation.
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Transformation Support Manager
11 years with ExxonMobil IT
Likes his family (3 kids?!), mentoring awesome people, soccer, and Belgian frites
Who Are We?
Global trends continue to evolve

- 2x GDP
- +25% demand
- +1.7 billion people
- +10% CO₂ emissions
- -45% CO₂ intensity
Energy powers modern economies and living standards

Global energy needs rise about 25%, led by non-OECD nations

Electricity demand nearly doubles in non-OECD nations

Electricity from solar and wind increases about 400 percent

Natural gas expands role to meet a wide variety of needs

Oil plays a leading role to aid mobility and modern products

Decarbonization of the world’s energy system will accelerate
Three world-class business lines

Fueling the economy and improving the living standards of people around the world

- Participation across the value chain
- Operations in 50+ countries
- 71,000+ employees
- Largest publicly traded international oil and gas company
**win** - /win/ (verb)

to be successful or victorious
strategy - ˈstrædʒəri/ (noun)
a plan of action or policy designed to achieve a major or overall aim.
Typical Strategic Frameworks

- Ansoff Matrix
- Scenario Planning
- Gap Analysis
- Product Lifecycle
- PEST
- SWOT Analysis
- BCG Portfolio Matrix
- Andrew’s Strategy Framework
- Porter’s Five Forces
- 4 Phases of Strategy
- Fishbone Diagram
- Core Competencies
- Diamond Model
- Re-engineering
- Transformational Change
- Implementing Change
- Bowman’s Strategy Clock
- Value Chain
- Tipping Point
- Bottom of the Pyramid
- Strategy Maps
- A3 Strategies
- OKRs
SWOT Analysis

- **Strengths** (Helpful)
- **Weaknesses** (Harmful)
- **Opportunities** (Helpful)
- **Threats** (Harmful)

**Internal Origin**

**External Origin**
McKinsey’s Three Horizons of Growth

1: **Defend + Extend Core Business**
2: **Nurture Emerging Business**
3: **Create New Business**
# Business Model Canvas

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
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<tbody>
<tr>
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<tr>
<td>Key Resources</td>
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<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Channels</th>
<th>Customer Segments</th>
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<thead>
<tr>
<th>Cost Structure</th>
<th>Revenue Streams</th>
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Strategy Alignment Frameworks

Balanced Scorecard

Vision
Mission
Strategic Priorities
Strategic Results

<table>
<thead>
<tr>
<th>Strategic Objectives</th>
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<tbody>
<tr>
<td>Financial</td>
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<tr>
<td>Customer</td>
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<tr>
<td>Internal Processes</td>
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<tr>
<td>Organizational Capacity</td>
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</tbody>
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<thead>
<tr>
<th>Focus:</th>
<th>Strategy A3</th>
<th>Dept:</th>
</tr>
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<tbody>
<tr>
<td>Performance, gaps, and targets</td>
<td></td>
<td>This year's action plan (milestone chart)</td>
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</tbody>
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<th>Reflection on last year's activities and results</th>
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<tbody>
<tr>
<td>Rationale for this year's activities</td>
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</table>

Objectives & Key Results (OKR)

OBJECTIVE
- Key Result
- Key Result
- Key Result

OBJECTIVE
- Key Result
- Key Result
- Key Result

OBJECTIVE
- Key Result
- Key Result
- Key Result

OBJECTIVE
- Key Result
- Key Result
- Key Result

October
Stakeholder Analysis
“All models are wrong. Some are useful.”
– George E.P. Box
STRATEGY IS ABOUT MAKING CHOICES THOSE NEVER SAYING NO DON’T HAVE ONE

- BJARTE BOGSNES
Do ALL THE THINGS!!!
Our Model
Our Model

Strategic

Commodity
Our Model

Enabler ← Direct Value
Our Model

- Strategic
- Direct Value
- Enabler
- Commodity
Our Model

- Enabler
- Commodity
- Strategic
- Direct Value

Direct Value Delivery
*cost may not matter* (investment)
Our Model

Focus on Short Lead Times
*cost only important in cost of delay*

Strategic

Direct Value Delivery

Enabler

Direct Value

Commodity
Our Model

Focus on Short Lead Times

Direct Value Delivery

Enabler

Direct Value

Commodity

Automate It

*minimize time & cost*
Our Model

Strategic

Direct Value

Enabler

Focus on Short Lead Times

Direct Value Delivery

Automate It

Commodity

*cost a factor*

Just Buy It
Ideas to Implement
Where do teams and leaders think they operate?
Plot your work / products on the map
The “Everything’s Strategic”

![Diagram showing a strategic enabler direct value commodity matrix with points scattered across the axes.](image)
The “Everything’s Valuable”

- Strategic
- Enabler
- Direct Value
- Commodity

Diagram showing a matrix with axes labeled 'Strategic' and 'Commodity' on the vertical axis, and 'Enabler' and 'Direct Value' on the horizontal axis. The diagram includes several data points plotted on the matrix.
The “We’re Perfectly Aligned with Our Customers”

Strategic

Direct Value

Enabler

Commodity
The “can’t decide”
The “I can’t see winning that way”
Impacts to Org
Design & Strategy
Characteristics of teams focused on strategic work

**Strategic**
- Skills baked into the organization
- Heavy investment in skill development (both technical and product)

**Direct Value Delivery**

**Focus on Short Lead Times**

**Enabler**
Characteristics of teams focused on strategic work

- Optimized to value stream for flow efficiency (may disregard cost efficiencies)
- Constant customer engagement
- Co-location typical of team and customer

**Strategic**
- Skills baked into the organization
- Heavy investment in skill development (both technical and product)

**Focus on Short Lead Times**

**Direct Value Delivery**

**Direct Value**
Characteristics of teams focused on strategic work

- Value stream may be optimized more towards economies of scale
- Customers often aren’t “end customers”
- Globalization / LTS teams more common, but co-location still important

- Optimized to value stream for flow efficiency (may disregard cost efficiencies)
- Constant customer engagement
- Co-location typical of team and customer

Focus on Short Lead Times

Direct Value Delivery

Enabler

Direct Value

Strategic

- Skills baked into the organization
- Heavy investment in skill development (both technical and product)
Characteristics of teams focused on commodity work

- Desire to remove from cognitive load (i.e. "Don’t make me think about this")
- Less care of who does it, or even how it’s done, as long as it’s there when I need it
- Deep technical skillset required
Characteristics of teams focused on commodity work

- It may be difficult to define a “strict” customer
- Co-location with customers is not typical
- More oversight required
- Additional skillsets around vendor management and contract negotiation are required

- Deep technical skillset required
- Desire to remove from cognitive load (i.e. “Don’t make me think about this”)
- Less care of who does it, or even how it’s done, as long as it’s there when I need it

Just Buy It

Automate It

Commodity

Enabler

Direct Value
Direction Matters
Products likely to shift as a part of their natural lifecycle
## Skills Analysis

<table>
<thead>
<tr>
<th>SKILL</th>
<th>MIKE</th>
<th>JEFF</th>
<th>STEPH</th>
</tr>
</thead>
<tbody>
<tr>
<td>🧐 Scoot Over, I know what I'm doing</td>
<td>🍋</td>
<td>🍋</td>
<td>🍋</td>
</tr>
<tr>
<td>🧐 OK, with Google help</td>
<td>🍋</td>
<td>🍋</td>
<td>🍋</td>
</tr>
<tr>
<td>🧐 I know what it is, what the what?!</td>
<td>🍋</td>
<td>🍋</td>
<td>🍋</td>
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</tbody>
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<table>
<thead>
<tr>
<th>INTEREST</th>
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<tbody>
<tr>
<td>🎉 Woot! Let's Go!</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>🧐 SHRUG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ew. No, thanks.</td>
<td></td>
<td></td>
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**Presentation Building**

**Public Speaking**

**Dance Moves**
#Winning

- **Strategic Direct Value**
- **Enabler**
  - **Focus on Short Lead Times**
  - **Automate It**
- **Direct Value Delivery**
  - **Just Buy It**
- **Commodity**