

CONOCO-MALAYSIA

A Case Study Analysis

Presented To:

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In Partial Fulfillment of

Strategic Management (MGT 585)

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Date Of Submission:

March 21, 2001

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A. History creates Legend

1. First Phase: 1875-1928

The company millions call Conoco today began 125 years ago as the Continental Oil and Transportation Co., one of the first petroleum marketers in the West. Isaac Elder Blake, Conoco's founder, observed that town's people in Ogden, Utah still used candles and whale oil to light their homes. Although kerosene was available, hauled by the case from a primitive refinery in Colorado, it was too expensive for the thrifty pioneers. Blake figured if kerosene were imported from eastern refineries by railroad tank cars and sold in bulk, prices would drop and demand would rise.

Suprisingly, at this time the founder of Conoco Blake has found the first ergonomically designed dispenser that will enable the customer to easily lift up the heavy container. It is evidence that he put great concern on customer satisfaction. Here are some events that took place in the first phase:

□ 1885: Taken over by the others...

Standart Oil has taken Continental oil by request of the U.S Supreme Court but then relinquishing it in 1913. By the time the Continental Oil was recognised as the top distributor of oil petroleum in the Rocky Mountain region and most of their output are processed into gasoline as the usage of car on the road keep on increasing.

□ 1909: First filling station...

West's filling station was built in 1909 by Continental Oil, followed by the investment in a fleet of deliver trucks comprises of 3 tanks to deliver different types of fuel. Later supported glass cylinder was installed in the station so that will enable the customer to see with his or her own eyes as the fuel is pumped.

B. About Conoco

1. Principle Business

Conoco, a major, integrated, global energy company, has three operating segments: upstream, downstream and emerging business. Upstream activities included exploring for developing, producing and selling crude oil, natural gas and natural gas liquid. Downstream activities include refining crude oil and other feed stocks into petroleum products and transporting distributing and marketing petroleum products. While emerging business beyond their traditional operations with the potential to contribute substantially to long term growth and in addition, they operate in 40 countries world-wide.

At the end of 2000, Conoco had proved world-wide reserves of 2647 million barrels of oil equivalent (BOE), 36% of which were natural gas. Based on 2000 annual production of 240 million BOE, excluding natural gas liquids from gas plant ownership, Conoco had a reserve life of 11 years. Over the last five years, Conoco has replaced an average of 176 % of the oil and gas it has produced each year. As at year-end 2000, Conoco had equity interest in 9 refineries world-wide, with a total crude capacity of approximately 904,000 barrels per day. Conoco had a marketing network of approximately 8100 outlets in U.S, Europe, and Asia Pacific. Conoco reported net income of \$1902 million, which included a net charge of \$46 million for special items, on total revenues of \$39,287 million.