



Global Marketing

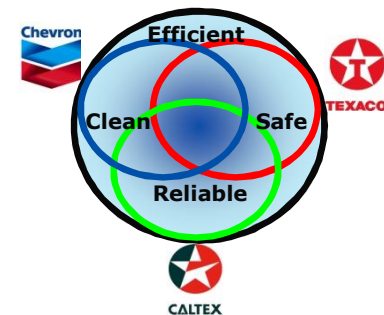


# Oil & Gas Indaba

President Hotel, Bloemfontein

11<sup>th</sup> August 2010

## *Emerging Growth After Rationalization*





# Chevron Transportation & Operations

## Vision

Deliver a clean, safe, reliable and efficient network of terminals and delivery operations, aligned with our operating Markets.

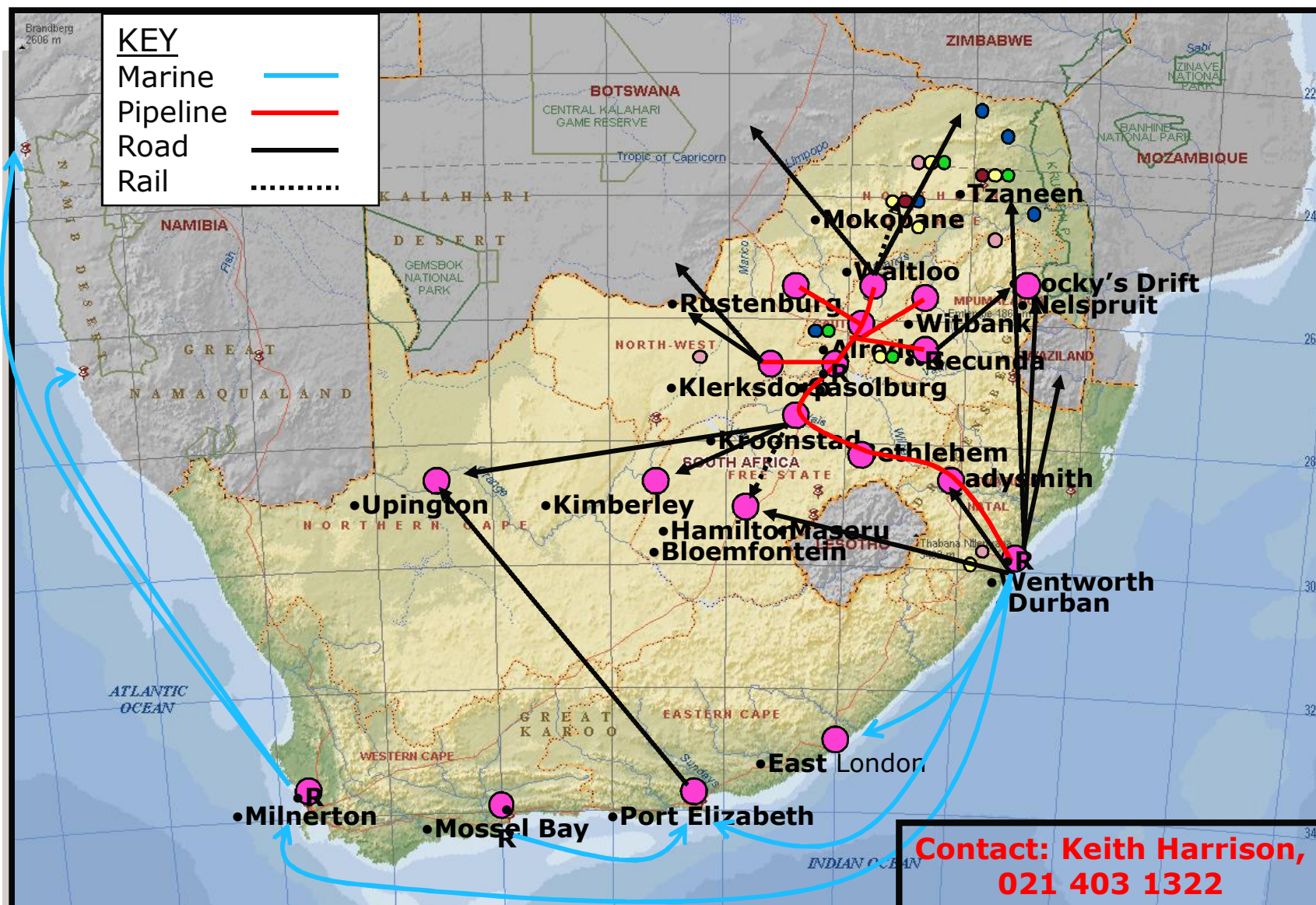
In support of our overall service role, T&O focuses on three key strategic areas:

**Operations:** We will maintain and operate our network of terminals and delivery operations in a clean, safe, reliable and efficient manner.

**Optimization:** We will optimize our operations to ensure that our businesses are cost efficient and properly sized to meet the needs of the market we service.

**Organizational Capability:** We will develop the people, processes and key stakeholder relationships to support achieving our Vision.

# Overview: SA Transport & Storage Network



# Building transporters into Strategic Partnerships



- ❑ High risk, high cost, area of opportunity. Therefore entry and participation in fleet operations is regulated by strict adherence to standards and controls.
- ❑ Rationalized number of contracted transporters.
- ❑ Select, build & grow through partnerships:
  - ✓ Operational performance reviews
  - ✓ Reduced number and severity of incidents
  - ✓ Annual Road Transport Assessments
  - ✓ Recognition Awards
- ❑ On going supplier accreditation through procurement, building a pipeline for future transport contracting opportunities.
- ❑ Key Highlight – Chevron is a Level 4 BBBEE Contributor
- ❑ **Contact: Sheila Houghton, 021 403 7630**

# Proprietary Fleet Operations – Growing From Within



## ❑ Driver Learner Ships

- ✓ Ran 2 driver learner ship programs in 2008 & 2009.
- ✓ Covered cost of training, travel & accommodation.
- ✓ The classes were held during working hours in JHB, DBN & CT by an appointed service provider.
- ✓ Program accredited by TETA. Delay in TETA issuing certificates.

## ❑ Trainee Mechanics

- ✓ Over the last 5 years have assisted unskilled employees to achieve qualification as diesel mechanics.
- ✓ The classroom sessions are done on a full time basis. Employees attended technical college for a 3 month period over 3 years.

# Business Opportunities available through Storage Facilities



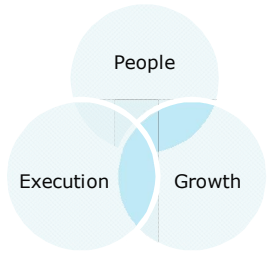
- ❑ Currently have a preferred supplier database for tank fabrication, mechanical and civil construction.
- ❑ Suppliers are accredited and CHESM ranked in order to qualify to do work in the terminal network. Other selection criteria include safety records, BEE, cost estimates and adherence to schedules.
- ❑ As part of the supplier development process, suppliers who meet these criteria are invited to participate in an RFP.
- ❑ Currently market presents a limited number of contractors who have past experience.
- ❑ The current agreements with the contracted suppliers expire in 2011 and will form part of the procurement contracting plan. **Contact: Fabian Magerman, 021 403 7382**
- ❑ Rationalization will present opportunities for gantry upgrades.





## Channel Marketing

- ❑ Represents Prospects or Opportunities for Small Business.
- ❑ Most of Road Transportation delivered volume is migrating into Channel Marketing Concepts.
- ❑ Chevron has developed various partnership opportunities across its vast retail and commercial network.



## Is the Branded Marketer concept new and unique?



- ☐ Not dissimilar to the Commercial Distributor concept which operates widely in South Africa.
- ☐ In line with industry trends overseas. Already implemented in South Africa.
- ☐ Drives mutual profitability through the complete value chain for all participants.
- ☐ Through the BM, an exceptional opportunity is created for entrepreneur(s) to participate in the Oil Industry as a Licensed Wholesaler, by the ownership of Retail Assets and the right to market the Chevron Brand in a defined geographical area through Retail outlets.
- ☐ Has Image, Service and Investment performance criteria and measurements.
- ☐ **Contact: Jaime Mabota, 021 403 7281**





## Indirect Channel

- ❑ Indirect Channel is made up of Distributors. 35% of them are 100% BEE. The balance are either BEE compliant or have plans in place.
- ❑ The distributor network covers most of South Africa, supplying fuel & lubricants to government, agriculture, mining, transport, construction & retail.
- ❑ Distributors are allowed to purchase depot & storage facilities. They receive financial assistance to acquire storage facilities.
- ❑ Distributors get first preference to purchase redundant trucks.
- ❑ They are assisted & supported in preparing tenders for major fuel & lubricant businesses eg. Eskom, Transnet, etc...
- ❑ Chevron secures product supplies for the distributor.
- ❑ Distributors receive rebates in order to be successful in the market place.
- ❑ Provided with training.
- ❑ **Contact: Frik Botha, 011 280 2000**



# Leadership Development Opportunities

- ❑ Participate in the industry Leadership in Oil and Energy Programme.
- ❑ A skill development intervention that accelerates the talent pipeline for middle management as a succession plan into senior management positions.
- ❑ Chevron has been in the top 3 positions since the launch of the Program.
- ❑ LOE graduates and current incumbents:
  - Are on a formal mentorship program to foster a supportive learning environment. Graduates mentor current participants.
  - To further development and retain staff, some graduates have been sent on 12 to 24 month international assignments.
  - In the current Re-organization of Chevron South Africa, graduates have been promoted into higher positions. They are also seconded into high profile regional projects.
- ❑ **Contact: Qanita Rustin, 021 403 7972**



**Thank you**