



Supporting critical Oil & Gas industry decisions: **Strategy, organisation, operations, technology and mergers & acquisitions**

As the first quarter of 2009 draws to a close, the global Oil & Gas industry continues to work through challenging times. Oil prices remain volatile, investment and activity levels are uncertain and the financial sector is still turbulent. To improve the odds of success in such conditions:

- Commercial oil companies need to focus on the mid- to long term and deliver adequate shareholder returns, reduce marginal costs, sustain scale and pursue as much growth as they can;
- National oil companies must continue managing long-term resource needs, maximise short-term income, make the right commercial and partnership choices—and persist with building infrastructure capacity in the near future;
- The oilfield service sector must work to absorb the new capacity expansion coming on stream, deal with falling client budgets and cope with the increasingly short-term focus of shareholders.

Bain & Company capabilities

Bain helps make companies more valuable. The firm was founded in 1973 on the principle that consultants must measure their success in terms of their clients' financial results. We help Oil & Gas clients make critical decisions about **strategy, organisation, operations, technology and mergers & acquisitions**. We work with top management to develop strategies that focus on results, meet stakeholder needs and generate substantial, sustained financial impact. Historically, our clients have outperformed the stock markets by a factor of four to one.



Strategy

Bain has completed more than 5,000 projects in every industry and region, helping companies develop winning global strategies. Bain's deep insights on the energy industry and proprietary strategy tools help Oil & Gas companies outperform their competitors. Our approach mobilises top management and encourages them to own the strategy and drive results.

External forces are compelling Oil & Gas companies to redefine goals, actively manage their portfolio and, in many cases, reformulate strategy. Building distinctive, resilient and executable strategies will separate top performers from the also-rans. It's a time when "average" is unlikely to be good enough.



Organisation

Effective organisation is at the heart of successful strategy and plan execution. For many major Oil & Gas companies, reducing organisational complexity is a priority in the current climate. We help clients develop high-performance organisations by addressing issues like leadership, decision making, talent, culture and front-line execution.

In the Oil & Gas sector, organisation structure—and the business model it supports—remains a key competitive differentiator. Effective organisation also plays a particularly important role in this sector in lowering costs, capturing new opportunities and realizing the full potential of assets.



Operations

Bain looks at a business as an integrated, cohesive whole and collaborates with clients to deliver operational excellence. This approach helps companies improve their top- and bottom-line performance through better operations. Bain helps clients seek excellence in production optimisation, cost and capital management, maintenance and supply chain management.



Technology

Technology is an essential component of all Oil & Gas organisations today. Bain helps clients develop technology and information-technology strategies and assists with technology transfer and implementation. Bain also offers support for IT programme management and outsourcing.

In the Oil & Gas sector, lower revenue tempts leaders to pull back on technology investment. Our data shows that in the past, industry players have paid a huge price when they cut back on investing in technology and people.



Mergers & acquisitions

Bain has screened more than 30,000 acquisition targets, supported more than 1,000 deals with a cumulative value of more than \$200 billion, and worked on more than 2,000 private-equity valuations and transactions. Bain-supported investments have performed in the top quartile of all leveraged buy-out transactions.

Consolidation in the Oil & Gas industry is underway again. The second half of 2009 is likely to see a wave of deals take place. For many industry players, there will be only two choices: target acquisitions or become a target.

Our clients are bold, ambitious business leaders who are dissatisfied with the status quo. They share our passion for results and are prepared to act decisively to achieve them. They focus on substantial improvements not incremental change.

Our passion for achieving results for our clients has driven our firm for more than 35 years. We seek to align our incentives with those of our clients through performance-related fees so that we prosper only when our clients do. Our True North values system emphasises doing the right thing, not necessarily the easy thing. We listen hard but are suspicious of received wisdom. We have people you can work with: direct, practical and down-to-earth.

We work seamlessly as one firm to serve our clients wherever they need us. We have 39 offices in 26 countries around the world.

For more information, please visit www.bain.com

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