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**MGT 406 STRATEGIC MANAGEMENT  
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**PETRON COMPANY STRATEGIC PLAN**

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## **Section 1: Executive Summary**

As the largest petrochemical supplier in the country, Petron Corporation, has a combined refining capacity of 268 000 barrels-per-day for Filipinos and Malaysians. The company has over 2,400 service stations nationwide that sells gasoline, liquefied petroleum gas (LPG), diesel, kerosene, jet fuel, asphalts, and petrochemicals. For Petron, living on the company's vision to provide "total customer solutions in the energy sector and its derivative businesses," became their purpose. Thus, the company always gives their best in producing the finest oil products.

The following is a plan in creating a brighter future for Petron. The goals include the increase of market share by at least 5% from its current 2021 position within the next one to two years of operation. Others are its improvement in services and end-user relationship, increase in refinery capacities and strengthen its global presence. This also addresses the company's weaknesses on monitoring individual stations and employees' behavior, monitoring distributed loyalty cards and hard competition on the market. This also recognize Petron's strength as a company with strong brand recognition in addition to its large and efficient distribution network while providing high-quality products.

For its products, Petron always envisions itself providing the best of the best oil and gas products in the Philippines. However, aside from this, a proposed plan in taking innovative actions toward electric vehicles (EVs) is included. This suggests the initial plans of adding charging stations dedicated for EVs on every gasoline station as this type of vehicle became more and more popular nowadays while maintaining its reasonable prices for customers. An increase in the budget for internet promotion is put forward with regards to the large number of internet users in the country. Aside from the further research and development of products, this also challenges the company's weakness on its employees by designing training programs that could improve themselves and their customer services skills which would be beneficial in the improvement of the company's relationship to its end-users.

For the year 2022, the projected income before tax is 794 590.00 with a net income of 556 213.00. It is also forecasted that by the end of the year, the company will have a total assets of 1 234 000. 00 in addition to the owner's equity of 1 025 900.00. The increase on the given figures shows the company's capabilities to reinvest in itself and its shareholders for the succeeding year. This could also help settle debt payment and allot more budget in finding more ways to grow the business.

## **Section 2: Elevator Pitch**

Petron Corporation (Petron) is a Philippines-based company engaged in the refining of crude oil and the marketing distribution of refined petroleum products in Philippines and Malaysia. It was incorporated on December 22, 1966 as ESSO Philippines Inc. To ensure the Philippines fuel supply in 1973, Philippine National Oil Company (PNOC) acquired Esso Philippines and renamed it Petrophil Corporation. In 1988, Petrophil Corporation changed its corporate name to Petron.

The company has over 2,400 service stations nationwide. San Miguel Corporation (SMC), one of the leading family groups in the Philippines owned 74.94% of Petron. It sells a range of refined petroleum products including gasoline, liquefied petroleum gas (LPG), diesel, kerosene, jet fuel, asphalts, and petrochemicals. Its refinery is located at Limay, Bataan, and it has a crude distillation capacity of 180,000 barrels per day. Petron also operates a state-of-the-art lube oil blending plant at Pandacan Oil Terminals, where it manufactures lubes and greases.

It is the only remaining crude oil refiner in the Philippines which operates in Bataan since Shell closed its refinery in Batangas last August 2019. The company plays a significant role in the Philippine market. Based on the average utilization in 2019, Petron supplied about 30% of the Philippines petroleum products requirement. Moreover, Petron reacquired the convenience store brand Treats to expand its non-fuel businesses. They have partnered with major fast-food chains, coffee shops, and other consumer services to give its customers a one-stop full service experience.

In May 2020, Ramon S. Ang the president and CEO of Petron Corporation temporarily shut down their \$3.5 billion refinery in Bataan, leaving the Philippines with no choice but to rely on imports. The reason for this closure is primarily due to the uneven playing field between oil importers and refiners which Petron experiences as part of the industry. In a market with a way -perhaps thousands of competitors, it becomes more difficult for businesses to make a mark that will affect the main audience they are intended for. This is why it is so important for a business to develop a strategy that will give them an edge.

### **Section 3: Company Vision and Mission Statement**

Petron Corporation envisions itself as a supreme and trusted brand in the energy sector in the world. To achieve that, Petron's mission is to first establish itself in Asia before venturing and expanding into a more global market. In doing so, it devotes itself in delivering quality goods and services to its customers by continuous innovative efforts in every aspect of business to gain competitive edge in the industry, broadening its acts of compassion for the community and environment, enriching the sense of familial work environment in balance with professionalism, and genuinely caring for all stakeholders.

Since the goal is to be a renowned brand internationally, it would be vital for it to be acknowledged first within the region of its origin. After having successfully exhibited its ability to be an internationally recognized brand within Asia, it can then move forward to working in other continents. In the process of doing so, it would be important for Petron to keep its core substantial, consistently practicing its devotion to its customers when it comes to delivering services and products. Of course, to do that, innovation will always be required to be able to provide more than what customers expect and to an extent gain competitive advantage. In today's age, corporate social responsibility is essential especially since this particular sector of industry causes a lot of damage to our environment - from exploring and drilling to possible oil spills - making sure the company tries to give back as much as it takes in the name of ethical operations would be significant. Such practice can also help gain customer interest in the brand because of its heart. Within the organizations, it would help the business in general if the employees feel at home in work to get comfortable sharing their ideas and insights which may be utilized by the company while also maintaining a professional relationship. In the end, all stakeholders should feel secure and valued by the corporation through its honorable actions.

#### Section 4: SWOT

STRENGTHS	WEAKNESSES
<p><b>Strong Brand Recognition</b></p> <p>Petron, as a pioneer company in the oil and gas industry, has set itself and its brand high. As of the first half of 2021, Petron was the leading petroleum company in the Philippine market with a share of about 18.6%, followed by Shell with just about 15.5%.</p> <p>More so, as evidence of its strong brand recognition internationally, Petron Malaysia in particular was awarded and recognized multiple times since 2012. <a href="#">[1]</a> More so, at the end of 2010, Petron was conferred with the Gold Trusted Brand Award in the Petrol Station category by Reader's</p>	<p><b>Additional Cost for Investment</b></p> <p>Advertising a new product through conventional channels such as the television and radio was enough back then. But advertising a new site/product is a bit harder nowadays since the presence of the internet makes it almost compulsory for every single company to add advertisement budgets for internet users for wider audience reach.</p> <p>Not taking out major ads using traditional marketing that already comes with a hefty price for a single advertisement, Petron should find the correct balance in budgeting the costs for both traditional and digital marketing. While traditional marketing is more temporary, 57% of the world wide population are internet users. Year 2022 also "deepens the connection between</p>

<p>Digest for the 11th consecutive year.</p>	<p>influencers and buyer decisions as the creator economy expands beyond the \$104 billion mark." <a href="#">[4]</a></p>
<p><b>Large and Efficient Distribution Network</b></p> <p>Petron has a wide geographic presence having their brand known with over 2,400 service stations in the Philippines alone and by the end of 2020, it has established over 720 stations in Malaysia. As of today, Petron has an operational presence in the Philippines, India, Malaysia, Japan, Singapore, South Korea, Pakistan, Thailand, and UAE.</p> <p>Furthermore, through various improvements in the company's different facets, as stated in the firm's 2020 annual report, the company achieved a nationwide delivery fulfillment of 100% for company-served retail accounts. (Petron 2020 Annual Report p.11)</p>	<p><b>Customer Loyalty Cards Hard to Monitor</b></p> <p>In a very technically inclined generation, having apps for banks and their cards have been a necessity to have easy access to such numbers. Petron in this aspect is also able to offer an app to easily monitor the points in the card. But as seen in the site, reviews of the app's performance have been staggering low. Various issues about the app have been cited. <a href="#">[5]</a></p>

High-Quality Standard/ Products	Poor Service on Branches/ Stations
<p>Petron Bataan Refinery (PBR), which has a Nelson Complexity Index of 13, ranks in the top 10% of all refineries in Asia. Ensuring a stable fuel supply amid hard times.</p> <p>A refinery's complexity index measures its ability to convert crude into higher-value products, thereby providing better economics. (Petron 2020 Annual Report p.14)</p>	<p>While Petron is outstanding in delivering the best products they always fail in monitoring individual branches regarding the services within the gasoline station such as employee behaviors, equipment, and the overall outlook of the sites. Several complaints relating to these destroy the customers' image about Petron. Though each station has their own sets of customer complaints, the most recurring are the comments regarding poor service and improper behavior of gasoline boys, low number of staff and lack of proper management on vehicle lanes inside the gasoline station that makes the place congested. <a href="#">[6]</a></p>

Huge Operation/ Supply Capacity	Competitors
<p>As of 2020, through the New Lube Oil Blending Plant, Petron was able to produce 54 million liters for its local and overseas market, including the Lubricants and Greases (L&amp;G) requirements of Petron Malaysia.</p> <p>Petron, with its local and international plants, has a cumulative capacity to refine 268,000 barrels a day. And in the Philippines alone, Pteron supplies 40% fuel requirement through its Bataan refinery that has a capacity of 180,000 barrels per day. (Petron 2020 Annual Report p.3)</p>	<p>The rivalry among other fuel supplying companies is being flared up by the sudden increase in product prices which would be bad for Petron who holds and values quality above anything. Due to the company's large scale of operation, they can't compete on smaller companies much more than those that sell their products for lower prices and oil products attained through smuggling which does not include tax payments on their pricing, widening the gap on prices. According to the Institute for Development and Econometric Analysis (IDEA), 23% of oil consumption during 2000-2006 alone came from smuggled gasoline accounts. <a href="#">[7]</a></p>



<p><b>Sustainability</b></p> <p>As a company involved in refineries, it is then generally considered as one of the major causes of pollution of almost every sort in areas where they are located. But in Petron's case, during 2015, it was recognized as one of the top three most sustainable corporations in the Philippines by a Singaporean news channel and agency. [2] More so, for Petron has also been recognized and awarded by the Integral CSR Award. [3] The company also continuously supports multiple environmental activities and organizations such as the Bataan's PG-ENRO, through their Integrated Coastal Management (ICM).</p>	<p><b>Few Talented Employees</b></p> <p>Due to the company's focus on maintaining leadership, Petron's growth in terms of employees is stunted and only a few talented individuals are in the firm which requires more increase in salaries to keep these people working for them. The company put more attention on the development of talents and preparation on future responsibilities. The priority of growing high potential talents through mentoring and coaching leads to the company's number of employees to be only at 2 037 as of 2021 amid the pandemic crisis and 2 681 last 2018 before the pandemic. (Petron Annual Reports 2018, 2021)</p>
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<p><b>OPPORTUNITIES</b></p>	<p><b>THREATS</b></p>
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<p><b>International Expansion</b></p> <p>As the company has had a consistent performance in the past few years, it is very evident that it is not impossible for a local company to rise and have more operational presence internationally. In fact, Petron already operates in countries such as India, Malaysia, Japan, Singapore, South Korea, Pakistan, Thailand, and UAE. In fact, Petron have the capacity to produce 268 000 barrels-per-day of petrochemicals to supply the Filipino and Malaysian market. With the foregoing circumstances in the international oil and gas industry, expanding the company's international operation can be considered as of the moment. <a href="#">[8]</a></p>	<p><b>New Entrants</b></p> <p>Petron does have a lot of competitors, the rivalry among other fuel supplying companies is being flared up by the sudden increase in product prices which would be bad for Petron who holds and values quality above anything. In addition, new entrants to the industry add more competition for the company to consider in their product development in the future. <a href="#">[14]</a></p>
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<p><b>Possibility of International Partnership</b></p> <p>Being one of the many businesses of the San Miguel Corporation Conglomerate, there are opportunities present with regards creating collaborations that will give Petron an edge compared to competitors. An example of this is the existing supply agreements between the company and major aviation carriers such as Emirates. Being able to partner with international brands such as this will give Petron the platform it needs to amplify presence in the oil and gas industry. <a href="#">[9]</a></p>	<p><b>Philippine Government may Buy Back Petron from SMC</b></p> <p>There is a proposal, Petron Renationalization Act or House Bill 244, which pushes to repurchase the corporation from the San Miguel Corporation to once again be a government owned corporation. With the Russia-Ukraine conflict the government sees this as an opportunity to help mitigate oil price hike. <a href="#">[15]</a></p>
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<p><b>Increased and Stable Profitability</b></p> <p>Petron Corporation continues to bounce back from the impact of the pandemic as it closed 2021 with a net income of P6.14 billion, a reversal from the P11.4 billion net loss in 2020. <a href="#">[10]</a> In the midst of the pandemic and the Russian-Ukraine tension, petrol prices have hit another record high. Oil jumped to \$139 a barrel at one point, the highest level for almost 14 years, while wholesale gas prices for next-day delivery more than doubled. <a href="#">[11]</a> Also, as Petron continues to invest in refinery enhancements, service station expansion, and supply chain management and continuous growth of the company, high profit turnover can be expected.</p>	<p><b>Accident Prone Business</b></p> <p>As oil is a flammable material, it is important to have a proper container and safe environment to prevent unexpected accidents. Oil spill might occur when traveling in the bodies of water while carrying the barrels that will surely affect the situation under the sea or ocean. The company has to check first before operations start. This threat will affect the operation if being neglected and that's why it is essential to oversee it. The events at Bataan Refinery 7 years ago, where a worker is killed with 12 more others injured due to work methodology lapses should set an example for Petron Corporation to review and revise its safety and hazards plans regularly, especially on the refineries that is more hazardous than other Petron owned sites. <a href="#">[16]</a></p>
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<p><b>Possibility Collaborations with Local Brands</b></p> <p>Petron as a premium company can have collaboration with local businesses as it can uphold a stronger market position in the place where they have built their stations. An example is the existing partnership with more than a thousand of restaurants and hotel chains in the country who patronize the gas product of the country. More so, being the leading Filipino oil refinery, the possibility of catching the local market through it is more probable. As an example of this opportunity's success is the long-term relationship between Honda Cars Philippines Inc. (HCPI) and Petron Corporation. <a href="#">[12]</a></p>	<p><b>Trend of Transitions to Electric Cars</b></p> <p>Slowly but surely the world is shifting more towards electric cars. As it has been a global mission to lessen carbon dioxide emission to help reverse climate change, transportation was initially thought as one of the hardest to decarbonize. But with the opportunity given by most car providers at the present, the change will inevitably happen. According to the Electric Vehicle Association of the Philippines (EVAP), the annual growth of electric vehicles in the Philippines will be 8% - 12% which is expected to stimulate the EV industry. To further establish itself in the market, the Department of Trade and Industry issues incentives to encourage investments on EV technology. Department of Transportation also pushes the technology by implementing Public Utility Vehicle (PUV) Modernization Programs that replaces old jeepneys to EV. <a href="#">[17]</a></p>
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**Being San Miguel Conglomerate**

Being one of the many businesses of the San Miguel Corporation Conglomerate, there are many opportunities to create collaborations that will give Petron an edge compared to competitors. For example, a card that can only be attained and gathered points. Instead of these points being limited only to gas redemptions, they can also be used to purchase goods that are part of the San Miguel Corporation conglomerate, like alcoholic drinks (beer or gin), beverages, and food. [\[13\]](#)

**Oil Prices Changes Based on the Foreign Exchange Rate**

Wars and disputes within huge nations and even those countries that are fuel reserves can also affect their business. The tension between Russia and Ukraine has flared up the price of the oil affecting the selling price as they have been imported to the Philippines. Also as Petron has a partnership with the Middle East, sources most of our crude oil which means whenever there's turmoil in the Middle East, it will be a threat to their production and business. According to Benjamin Diokno, an oil-price hike due to the Russia-Ukraine conflict would result in a 4.4% -4.7% inflation rate to the Philippine economy. This would lead to the lower sales for Petron. [\[18\]](#)

## **Section 5: Goals**

From the analysis of the company's environment and after looking into the different facets of its operation, Petron has set itself goals in order to advance towards its vision.

In the midst of the entrants of new companies and expansion of the existing ones and the share's drop from 2020's 24.88%, Petron aims to increase its market share in order to ensure that its position in the industry will be sustained. The corporation envisions itself to still be the leading corporation in the oil and gas industry with an expected market share increase of at least 5% from its current 2021 position of 18.6% share and a 5% gap from its competitors within the next one to two years of operation. Aside from this, with the current changes in the industry, the company plans to take advantage of it. Seeing how volatile the industry is, Petron aims to use it for its benefit.

More so, after the analysis, problems regarding services on stations and its current application, which was designed to help its loyalty card holders, arised. From this assessment, the company aims to improve its end-user relationships by focusing on developing its service in areas such as its helpline and equipment, and loyalty membership system based on a more digital and tech-driven approach. This approach was chosen to ease transactions between the consumers to prevent customer attrition and to cope up with the demands of modernization as well.

In addition, as part of the company's aspiration to increase its global presence and become one of the market leaders in its industry in more Asian countries, it also plans to increase its refineries' capacity and increase its Nelson Capacity Index and rank up from its position in the top 10% of all refineries in Asia.

Furthermore, as the demand to use electric vehicles (EVs) increases, even in the Philippines, due to environmental and economical reasons, the company also envisions itself incorporating services related to it. Some of the possibilities is offering car care services for EVs and putting up charging stations in the existing gas service stations and eventually shift onto putting up stations solely for charging EVs in the next five to ten years of the company's operation.

## Section 6: Key Performance Indicators (KPIs)

### CUSTOMER SERVICE IMPROVEMENT

<i>What is the customer's average rating in...</i>	TARGET RATING	ACTUAL RATING		
		<i>In 1 month</i>	<i>In 2 months</i>	<i>In 3 months</i>
a. helpline				
b. equipment				
c. loyalty membership award				
d. staff				
e. gasoline station's appearance				
f. products				

	1 <sup>ST</sup> MONTH	2 <sup>ND</sup> MONTH	3 <sup>RD</sup> MONTH	4 <sup>TH</sup> MONTH
TOTAL SALES				



UNITS SOLD IN...				
A. Product A				
B. Product B				
C. Product C				
D. Product D				
SALES GROWTH (%)				
TOTAL NUMBER OF CUSTOMERS				
NET INCOME				
MARKET SHARE				
INCREASE IN MARKET SHARE (%)				

The following charts intend to test the customer's reactions and ratings to the developments that will be done on the company's services. The first one focuses on the actual rating the customers give on the specific improvements in helpline, equipment, loyalty membership rewards, gasoline station's appearance, and products. To keep track of the company's improvements in these areas, the rating will be checked monthly and will be compared to the target rating the company wants.

On the other hand, the second chart is to check the actual growth of the company every month with regards to the total sales and how it affected the company's market share. In accordance with the goal that wishes the company to stay on the top of its game, it is necessary to have a quick view of how the improvements affected the sales of different products and point out which product is most patronized by the customers.

**DESIRED OUTCOME:** increase its market share by at least 5% from its 2021 position of 18.6% and reach a 5% gap from its competitor within the next one to two years.

<b>Why does this outcome matter?</b>	Petron aims to increase its market share and gap from its closest competitor in order to ensure that its position as the market leader will be sustained. Aside from this, the data obtained can be used as indicators of the relative competitiveness of the products and services provided by the company compared to its competitors. More so, increased market share means opportunities to achieve more with its operations and increased revenue as well which can be utilized to achieve the company's other goals.
<b>How are you going to measure progress?</b>	Revenue, Market Share and Relative Competitive Position
<b>How can you influence the outcome</b>	One of the more common ways to achieve this involves the company's product, but as products in the oil and gas industry can be considered as 'cash cows' in the Boston Consulting Group Matrix, wherein it doesn't require significant amount of investment to maintain their position and competitiveness, the company would focus on internal factor such as employees and external factors such as customer

	<p>service, market positioning, technology, and competitors. More so, the company would also focus on product and services innovation and expansion in order to keep up with the shift and increasing demand for such in the market and in the industry where it is involved.</p> <p>In addition, a more thorough explanation of the specific programs and activities to be done in order to influence the outcome will be mentioned in the following goals since every goal of the company, when executed successfully, will lead towards the growth of the company's market share.</p>
<b>Who are the people involved in achieving the business outcome?</b>	Every department and employee of the company will take part in achieving the desired goal.
<b>How will you know you've achieved your outcome?</b>	If the company reached or exceeded 23% of market share and a gap of at least 5% from its closest competitor by the end of the two-year mark.
<b>How often will you review progress towards the outcome?</b>	The company's performance will be reviewed every fiscal quarter and fiscal year within the two year mark.

**DESIRED OUTCOME:** improve its end-user relationships

<b>Why does this outcome matter?</b>	Customers are considered as the bloodline of every existing business so ensuring an optimal experience is vital. Moreso, it was identified in the environmental analysis that one of the most notable issues occurring within the company concerns the consumer.
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<p><b>How are you going to measure progress?</b></p>	<p><b>Customer Service Related KPI:</b> Average Server Response Time. App Review on Google Play, App Store, etc.; Average Speed to Answer; Call Abandon Rate</p> <p><b>Customer Loyalty Related KPI:</b> Customer Loyalty Index, Customer Lifetime Value</p> <p><b>Customer Related KPI:</b> Spend Lift, Customer Satisfaction Score (CSAT), Customer Effort score (CES), Churn Rate, Customer Retention Rate</p>
<p><b>How can you influence the outcome</b></p>	<p>In order to address this and for the company to achieve its goal, it will focus on its employees and services provided.</p> <p>Regarding the main internal factor such as the employee, it will mainly focus on those on the ground or the employees situated on each service station since these employees are the ones who directly interact with the consumers and how people perceive their performances and quality of service impacts the company's market position. A way to ensure that the company has one of the best employees in the field, an extensive training that is focused on their core competency and company mission and vision will be provided before hiring and even during the employment period. More so, to further motivate employees to give out their best performance, the company may offer better salary and other benefits, both tangible and intangible. Although this may seem as additional expenditure, it will then reduce the expenses related to employee turnover. More so, employee's performance can also be attributed to how they were managed, therefore a form of management that involves both the management and employee can be put in action such as Management by Objective, wherein company objectives are clearly defined and agreed upon by both parties.</p> <p>Furthermore, it was mentioned in the company's goal that it will focus on a more digital and tech-driven approach of customer service and loyalty card system. As for the poor reviews in the loyalty app of Petron, further improvement and system revamping will be implemented in accord with the customers' reviews and data obtained from it. More so, a loyalty card catering to the type of vehicles they use,</p>

	i.e. PUV, PUJ, private vehicles can also be considered to ensure that every type of consumer is tended to. Furthermore, an improved system for customer service calls, feedback and such will be put into action.
<b>Who are the people involved in achieving the business outcome?</b>	The whole of the company is involved, especially the employees in the field and in the department of customer service and tech development.
<b>How will you know you've achieved your outcome?</b>	When the Customer Loyalty Index exceeded its current score; When the app rating reached at least a 4-star score in all platforms; When every customer-related KPIs exceeds their current status; When the company's churn rate decreases
<b>How often will you review progress towards the outcome?</b>	This will be assessed every fiscal quarter and year.

**DESIRED OUTCOME:** increase its global presence and become one of the market leaders in its industry in more Asian countries

<b>Why does this outcome matter?</b>	Petron aims to increase its global presence in more Asian countries to become one of the market leaders in its industry. By expanding the business global presence, the company will have more chances to explore markets, increase sales, and gain access to millions of customers who have never seen its products and services before. Aside from this, global expansion can diversify their assets that can protect the company against unforeseen events.
<b>How are you going to measure progress?</b>	Number of Foreign Branches ; Revenue, Market Share and Relative Competitive Position on every country;
<b>How can you influence</b>	Start opening branches within Asia and spreading towards Europe and America.

<b>the outcome</b>	Once the market becomes stable and data are available, decisions regarding establishing refineries in other continents can be made. With the goal of offering both oil and electricity energy, it would be smart to determine which would be the most focus between the two since the trend in today's market shows a steady incline in electric vehicles, in the next five to ten years the market would possibly be more involved in the charging stations. If that would be the case, it would render forfeiting the idea of building oil refineries in other countries.
<b>Who are the people involved in achieving the business outcome?</b>	The whole of the company, especially those in the operations and marketing department.
<b>How will you know you've achieved your outcome?</b>	When the company has increased its foreign branches in countries, the number of added stations in every country may also vary depending on its current status. An example is Malaysia, with more than 7,000 branches, at least 200 stations added can be considerably high. Also, the key indicator if the goal has been reached is the current status of the whole company
<b>How often will you review progress towards the outcome?</b>	This will be assessed semi-annually of the fiscal year of operation.

**DESIRED OUTCOME:** Expansion and innovation of services provided i.e. venturing into charging stations for EVs.

<b>Why does this outcome matter?</b>	The outcome of this venture is important because this is a threat to their business but once they utilize it to their advantage, this could be their strength. Since this is within the energy sector and the trend in the market of electric vehicles has increased through the years, the need to cater to this segment would be inevitable. To avoid it being affecting their business negatively, they should pioneer themselves in offering charging stations and other services particular to electronic
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	vehicles. Once they have established a successful service here in the country, it would be easier for them to offer it with quality and experience abroad. In the US and Europe, electric vehicles are purchased and the shift from gas to electricity has been openly made ahead of other countries. Sooner or later, the whole world would catch up as various car manufacturers make these electric cars accessible to consumers.
<b>How are you going to measure progress?</b>	Market Research, Sourcing Quality Materials, Building the Charging Station, Marketing the Service, Catering the Service and Gaining Loyal Customers
<b>How can you influence the outcome</b>	If Petron Corporation is able to be the first in the Philippines to offer charging stations along side their oil stations, it would be an edge. Pioneering it in the country, they will have more time and experience with in and therefore troubleshoot initial difficulties faced in the transition and venture.
<b>Who are the people involved in achieving the business outcome?</b>	All shareholders would be involved in the achievement of this business outcome since it will definitely pan in to an entirely new energy source for vehicles and cause conflicts of interest. The board of directors would definitely be involved in the decision making process especially in the determination of when to actually establish themselves as a wholistic energy providing sector which caters to both oil and electricity needs. The venture to cater to electric vehicles would be crucial and the marketing department and product development would be heavily involved.
<b>How will you know you've achieved your outcome?</b>	The corporation will know that they have successfully achieved their outcomes once they earn the spot of being the first and top electric vehicle charging station in the Philippines, then Asia and eventually in the global market as well.
<b>How often will you review progress towards the outcome?</b>	Once the decision to act on the interest on the electrical vehicle charging has been made, the review of progress will be done every six months to establish the pace the corporation is doing towards the outcome. It is ideally for Petron to be the first major charging station in the Philippines without compromising its title of being the largest and renowned oil refining and marketing company in the country.

## **Section 7: Target Customers**

In order to address all of the goals said above, Petron should be more versatile in setting their target customers. Having said that, they should focus most on gathering loyalties from people who own personal vehicles. According to Move as One Coalition, the road space used by public transportations is only 22% which is lower than the 30% space used by those who are using private vehicles. From this, it can be concluded that despite having more commuters, there are more private vehicles than public ones. Individual and separate loyalty cards and benefits should be provided for the two categories. It should be noted that public transport drivers, particularly jeepney drivers, are mostly owned by the drivers themselves and it is their occupation and therefore they should be entitled to loyalty card convenience that would fit their best interest. Their partnership with Grab should also be constantly kept up to date to cater to timely demands. In a time where there is constant oil price hike, offering a one day promo of giving discounts to card holders to encourage more vehicle owners to purchase the card and stay with the brand.

By targeting this group of people the company could highlight its edge among other fuel supplying companies, especially its high-end products that are more pricey than others. However, they can compensate for this by providing more convenient and cleaner gasoline stations that have approachable staff, proper equipment and other services dedicated for customers' convenience.

In the next five to ten years, Petron also envisions itself to cater to electric vehicles. It has shown interest back in 2018 in venturing into charging stations but it can only be presumed that the pandemic altered many of its plans. The trend of the market purchasing electric vehicles has steadily increased in the recent years though, sooner or later Petron has to start acting on this plan. If it pioneers itself as one major charging station in the country, it would benefit the corporation because that image will stay with them forever. Being the first, they would also have the advantage of more time and experience in this new venture and because of that, they have the leeway to perfect their service in this sector before other major competitors come close.



## **Section 8: Industry Analysis**

Petron Corporation is the largest integrated oil refining and marketing company here in the Philippines which engages in the provision of customer solutions in the energy sector and its derivative businesses. In the midst of the pandemic, the corporation has been able to cope up and have a positive growth in terms of sales and income unlike other companies who have suffered losses and are closing their business. Petron Corporation continuously soaring and remains steady as 2021 closes; the net income of the corporation is P6.14 Billion pesos, a reversal from the 2020 net loss of P11.4 billion. In the first year of the pandemic, the corporation has faced several problems and hindered them to their goals but they remain to uphold their mission and vision to serve the Filipino people. They are able to bounce back and recover from the loss they had experienced. This growth became possible because of the easing of restrictions and by the slow re-starting and re-opening of the economic activities in the country. As the progress in the battle for pandemic continues, it opens the door for the company to invest more in refinery enhancements, service station expansion and supply chain management in which the goal is to satisfy more customers and gain more income as the country copes with the pandemic. The company was also able to establish a strong relationship with their employees that drove them in their good position in the market industry. Employees were treated with good treatment resulting in more enthusiastic and goal-driven employees. The corporation remains committed to their code of conduct and ethical business policy. Despite the pandemic crisis, the corporation is able to hold their employees and they have given subsidiaries to them.

The Petron Corporation as the conglomerate of the San Miguel Corporation has successfully surpassed the impact of the pandemic and contributed to the lives of many as their products and services was being very useful to the Filipino people in their everyday living. The corporation had helped also some community with their corporate social responsibility (CSR) such as providing assistance to frontliners through donating a Petron Value Card, giving a PPE sets to hospitals in Metro Manila. They have donated fuel to MMDA's Libreng Sakay and other good deeds. The Petron Corporation is continuously striving for a better outcome and reaching their goals successfully with the employees and sticking to their strategic plan.

## Section 9: Competitive Analysis & Advantage

Competitive Analysis & Advantage			
	Petron Corporation	Shell	Chevron
<b>Company Profile</b>	Founded 1933. It is an oil refining and marketing company, which engages in provision of customer solutions in the energy sector and derivative businesses.	Founded 1907. It is an international energy company with expertise in the exploration, production, refining, and marketing of oil and natural gas, and the manufacturing and marketing of chemicals.	Founded 1879. It is an integrated oil and gas company. It operates in the oil and gas value chain including exploration and production, storage and pipeline transportation to refining, marketing and distribution of oil and gas products.
<b>Target Market</b>	Industries such as power generation, manufacturing, mining, agribusiness, public transportations, and other oil consumers.	Industries worldwide including transport, mining, manufacturing, power generation, and home energy.	Energy and oil consumers.
<b>Products &amp; Services</b>	Petron offers full range of petroleum products including gasoline, diesel, LPG, jet fuel, kerosene, petrochemicals, oil, and natural gas.	Shell offers oils, fuels, car services, exploration and production, and petroleum products.	Chevron offers fuel, lubricant, chemicals, petrochemicals (Delo), oil, gas exploration and production, and natural gas.
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Strong Brand Recognition:</li> </ul>	<ul style="list-style-type: none"> <li>Market controlling</li> </ul>	<ul style="list-style-type: none"> <li>Brand Price: Chevron ranks</li> </ul>

	<p>Petron, as a pioneer company in the oil and gas industry, has set itself and its brand high. As of the first half of 2021, Petron was the leading petroleum company in the Philippine market with a share of about 18.6% and was conferred with the Gold Trusted Brand Award in the Petrol Station category by Reader's Digest for the 11th consecutive year.</p> <ul style="list-style-type: none"> <li>● <b>Large and Efficient Distribution</b></li> </ul>	<p><b>position:</b> Shell's operations are done upstream and downstream in over 70 countries of the world. It is one of the biggest oil companies in the world, having various fuel brands under its shelter like Shell V-Power, Shell LPG, Shell Rotella etc. The seat of power gives Shell significant bargaining power in the industry.</p> <ul style="list-style-type: none"> <li>● <b>Vertical Integration:</b> Shell has successfully integrated its</li> </ul>	<p>63rd in line with the Brand Finance report. The price of his emblem is \$ 17.822 billion. It is the fifth-biggest oil corporation withinside the world.</p> <ul style="list-style-type: none"> <li>● <b>Vertical Integration:</b> Chevron has successfully integrated its business operations vertically by engaging in exploration and production of natural gas, crude oil, etc. The upstream market, involving exploration and production. In the downstream market, it is in</li> </ul>
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	<p><b>Network:</b>          Petron has a wide geographic presence having their brand known with over 2,400 service stations in the Philippines alone and by the end of 2020, it has established over 720 stations in Malaysia. As of today, Petron has an operational presence in the Philippines, India, Malaysia, Japan, Singapore, South Korea, Pakistan,</p>	<p>business operations vertically by engaging in exploration and production of natural gas, crude oil, etc. The upstream market, involving exploration and production. In the downstream market, it is in the marketing of refined products. They enjoy quality control and cost benefits as competitive advantages by vertical integration.</p> <p>● <b>Research and Development:</b>          Shell is continuously trying to</p>	<p>the marketing of fuel and lubricants. They enjoy quality control and cost benefits as competitive advantages by vertical integration.</p> <p>● <b>Research and Development:</b>          Chevron is continuously trying to improve its technology to decrease its carbon footprint and greenhouse emission while trying to extract more fuel with fewer efforts. Chevron has many patents registered in their name and Chevron has sustained investment in R&amp;D. R&amp;D</p>
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	<p>Thailand, and UAE.</p> <ul style="list-style-type: none"> <li>● <b>High-Quality Standard / Products:</b> Petron Bataan Refinery (PBR), which has a Nelson Complexity Index of 13, ranks in the top 10% of all refineries in Asia. Ensuring a stable fuel supply amid hard times.</li> <li>● <b>Huge Operation / Supply Capacity:</b> As of 2020, through the New Lube Oil Blending Plant, Petron was able to produce 54 million liters</li> </ul>	<p>improve its technology to decrease its carbon footprint and greenhouse emission while trying to extract more fuel with fewer efforts. Shell has many patents registered in their name and Shell has sustained investment in R&amp;D. R&amp;D helps in reducing expenditure and also gives competitive advantages.</p> <ul style="list-style-type: none"> <li>● <b>Capable to Explore:</b> Shell has invested in developing technology for exploration</li> </ul>	<p>helps in reducing expenditure and also gives competitive advantages.</p> <ul style="list-style-type: none"> <li>● <b>Gigantic Geographic Presence:</b> Chevron has a big geographic presence across the world. It is found in more than a hundred and eighty nations. Its fundamental hobby is focused in nations including the United States, Nigeria, Congo, Angola, Sierra Leone, South Africa, China, Cambodia, Myanmar, South Arabia, Russia, Denmark, Norway, Canada, Brazil, etc.</li> </ul>
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	<p>for its local and overseas market, including the Lubricants and Greases (L&amp;G) requirements of Petron Malaysia.</p> <ul style="list-style-type: none"> <li> <b>Sustainability</b> : As a company involved in refineries, it is then generally considered as one of the major causes of pollution of almost every sort in areas where they are located. But in Petron's case, during 2015, it was recognized as one of the top three most sustainable </li> </ul>	<p>purposes. With the help of geophysical data, Shell has developed its methods for exploring oil and gas and thus has been able to efficiently explore more oil and gas in the last few years. This resulted in a decrease in the US's dependence on Gulf countries for fuel.</p>	<ul style="list-style-type: none"> <li> <b>Sponsor of automobile:</b> Chevron fuel and lubricants are officially recommended by prominent Renault, Nissan, and Mitsubishi Alliance members. Chevron is also the official sponsor to provide fuel and lubricants to professional auto racing teams and the world's car championships. </li> <li> <b>Lubricant and Gas Inventories:</b> As of economic 2015, Chevron has a complete 11.2 billion barrels of oil reserves and 29,437 BcF of herbal fuel </li> </ul>
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	<p>corporations in the Philippines by a Singaporean news channel and agency.</p>		<p>online reserves. In 2015, Chevron had 48,485 generating wells. These excessive reserves with Chevron supply it the benefit of being aggressively available in the marketplace and of demonstrating its excessive efficiency.</p>
Weaknesses	<ul style="list-style-type: none"> <li>• <b>Additional Cost for Advertisement:</b> Advertising a new product through conventional channels such as the television and radio was enough back then. But advertising a</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Violation of Laws:</b> Shell has violated a few laws in the past few years. In July 2007, Shell Oil had been involved in violation of corruption laws in the US in case of using freight forwarding</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increasing of Debts:</b> Chevron has been experiencing a growing debt for the past few years. In FY 2015 the debt of the company was \$27.8 Billion. In FY 2021 the debt of the company increased to \$38.6 Billion.</li> </ul>

	<p>new site/product is a bit harder nowadays since the presence of the internet makes it almost compulsory for every single company to add advertisement budgets for internet users for wider audience reach.</p> <ul style="list-style-type: none"> <li>● <b>Customer Loyalty Cards Hard to Monitor:</b> In a very technically inclined generation, having apps for banks and their cards have been a</li> </ul>	<p>Panalpina and violating corruption rules from the Foreign Corrupt Practices Act. The fine for violating the corruption law was \$30 million. This also affected the brand image and goodwill of the company.</p> <ul style="list-style-type: none"> <li>● <b>Increasing of Debts:</b> Shell has been experiencing a growing debt for the past few years. In FY 2012 the debt of the company was \$37774 million. In FY 2015 the debt of the company increased to</li> </ul>	<p>The increasing number of debt means increasing business risk and a sub sequential amount of cash flow goes for payment of interest. This may increase the number of financial obligations in future.</p> <ul style="list-style-type: none"> <li>● <b>Shortage of Technical and Financial Resources:</b> The business has experienced a shortage of technical and financial resources, which has reduced its ability to grow its service locally and globally.</li> <li>● <b>Strong Government Regulations and</b></li> </ul>
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	<p>necessity to have easy access to such numbers. Petron in this aspect is also able to offer an app to easily monitor the points in the card. But as seen in the site, reviews of the app's performance have been staggering low.</p> <ul style="list-style-type: none"> <li>● <b>Poor Service on Branches/Stations:</b> While Petron is outstanding in delivering the best products they always fail in monitoring individual branches regarding the</li> </ul>	<p>\$58379 million. The increasing number of debt means increasing business risk and a substantial amount of cash flow goes for payment of interest. This may increase the number of financial obligations in future.</p>	<p><b>Policies:</b> There are strong government rules and regulations that make operational efficiency low and create a hindrance in the working of a company.</p> <ul style="list-style-type: none"> <li>● <b>History of Environmental and Social Impacts:</b> Chevron has been criticized several times for increasing carbon emission globally. Also, the company is listed under the top 100 companies responsible for 0.9% of global emissions.</li> <li>● <b>Legal Issues:</b> Chevron has been worried</li> </ul>
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	<p>services within the gasoline station such as employee behaviors, equipment, and the overall outlook of the site.</p> <ul style="list-style-type: none"> <li> <b>Competitor:</b>  The rivalry among other fuel supplying companies is being flared up by the sudden increase in product prices which would be bad for Petron who holds and values quality above anything. </li> <li> <b>Few Talented Employees:</b>  Due to the company's </li> </ul>		<p>about some of the prison's intended and illegal actions. It has been fined through the US Environmental Protection Agency (EPA), civil research through the Pennsylvania Department of Environmental Protection, and the Occupational Safety &amp; Health Administration of the US. It became additionally fined for violating legal guidelines as that they'd now no longer stated extra emissions withinside the State of New Mexico. Such a prison count</p>
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	<p>focus on maintaining leadership, Petron's growth in terms of employees is stunted and only a few talented individuals are in the firm which requires more increase in salaries to keep these people working for them.</p>		<p>harms the emblem photograph of the company.</p>
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## **Section 10: Marketing Plan**

### **Products**

Petron Corporation deals with products and products-related-services which includes petrochemicals, natural gas and petroleum products such as diesel, unleaded petron, engine oils and many more. During the past years of its operation, it has continuously met and exceeded global standards and innovated its petroleum products to cater to the volatile demand of its market therefore establishing a reputation for its brand worthy of recognition locally and internationally. Moreover, Petron provides products and services fit to specific demands and facets of the environment where it exists and a clear instance to show this is how the company sources and formulates its additives suited to the country's driving condition.

With the encouragement for extensive appropriation of EVs use in the country, Petron aims to put into action its initial plans before the pandemic of putting up charging stations for EVs. Although the company won't be the first to offer commercial EVs charging stations within the Philippines as companies such as SM Malls have now set up a few, Petron still aims to market itself as one of the pioneers when it comes providing this sort of services to larger scale of operation with wider geographic scope. And despite the fact that the EV industry in general is distinctive from oil and gas, this still falls under the vision of the company in the perspective of being the market leader in the energy industry. Moreover, being one of the firsts in the country to offer this will give the company the opportunity to form more grounded brand acknowledgment, customer loyalty and competitive edge. In addition, this may also serve as a fallback if ever there is a decline in the demand in the oil and gas industry as the prospect of switching to electro-mobility in the country is at sight as there comes a louder call for sustainability and as the Senate also approved the Senate Bill 1382 or the Electric Vehicles and Charging Stations Act.

Furthermore, thinking beyond the actual product itself, the company also aims to market itself to the consumers as a brand with an innovative after-sale or online support helpline and a more consumer-and-user-friendly application for its loyalty card holders.

### **Price**

When it comes to new developments and upgrades, the price of a product or service always rises in tandem. It is Petron's goal to provide customers with a price list that is reasonable for each of the products that are introduced into the market, as a company that places a high value on customer satisfaction. In order to avoid any financial loss on the company's part, determining factors such as the accumulated costs during manufacturing, building upgrades, and loss/gain in rearranging employees should be calculated. It is

important to remember that if prices are set too high, the likelihood of gaining customers will be reduced as well. If, on the other hand, the exact opposite is done and the company's high-quality products are priced lower than the total costs, a significant loss in income and capital can be clearly seen.

Currently, the company prides itself in a manner that is similar to that of its competitors, such as Shell, Caltex, Total, and so on. Because they compete in a high-stakes environment, the company must take into account all factors, including external factors such as the scarcity of gasoline and oil in today's world. Based on the current situation in Russia and Ukraine, they are the primary source of these resources, and as a result, the price of these resources in the Philippines is significantly affected. Petron attempted to keep its daily operations running by instituting promotions and VIP benefits in order to stay afloat even in the face of such adversity.

### **Place/Positioning**

Petron currently operates over 2,400 stations throughout the country. Their strategy is to ensure that they are stationed in as many accessible locations as possible because gasoline and oil are necessities in the country. Petron can currently be seen on highways throughout the world. Throughout their expansion, they strategically position themselves in areas where they can be easily identified by a variety of vehicles. Highways, urban areas, and other densely populated areas are examples of this. Furthermore, as Filipino is not that over-particular on petroleum, Petrol would carefully place small convenience stores or cafes that enable people to check out available products

Because they are easily accessible and visible to a large number of people, they will be able to attract and gather more customers. Additionally, Petron has established itself in rural areas that are easily accessible by public transportation; however, there are only a few gasoline stations in these areas that are easily accessible. This is why Petron is also attempting to establish a presence in that rural area, as doing so will provide them with the opportunity to expand their brand recognition and revenue. To achieve this result, Petron should opt into creating smaller gasoline stations that could be strategically placed on locations that are not at the main roads but do have equally competitive numbers of vehicles that pass each day. The same design that'll be used for this can also be used for rural areas that do not have overflowing vehicles like the traffic-rich places on Metro Manila.

## **Promotion**

Nowadays, multimedia has taken the lead in setting fashion trends, particularly on the internet, where a large number of celebrities and influencers post their content. They may include product promotion, product testing, product reviews, and/or the attachment of official advertisements from companies on the content, whether written or in the form of video. In some cases, they include images of the company, its employees, and the types of services it provides. Yet another method of promoting their brand is through collaborations with social events such as auto racing and the use of well-known musicians to promote the brand. Furthermore, it will improve Petron's brand recognition and enable the company to reach a greater number of people on a more widespread basis.

Petron should plan on increasing the budget for internet promotions in order to make better use of this information in the future. This is also taken into consideration in light of the fact that 73 percent of the population in the Philippines has access to the internet. Customers can also accrue points, which they can then use to purchase products or take advantage of special offers, as the company is currently offering a reward system for loyal customers. In addition to that, Petron's reward system offers customers a discount every time they fill up their vehicles with gas.

In order to make it more eye-catching and appear brand new, the company should go the extra mile and concentrate on a single factor that has an impact on the company. Given the fact that Petron maintains its commitment to providing world-class products, a tagline that showcases and emphasizes the word "world-class" should be devised and implemented. The style of video and print advertisements would be determined by a single tagline as a result of this. It is important to note that taglines help to elevate a company's "branding." It reflects the company's mission and vision, as well as its goal and the way the company wants its products to be perceived.

## **Physical Evidence**

Unlike in the United States of America where oil pumping is self service, in the Philippines there are designated employees who do this. Aside from that, they may sometimes offer free windshield cleaning especially when pumping the gas would take time. Petron should maintain a unified image in their customers mind, as professionals and respectful help in this process.

There should be a standard uniform for every employee and it should be worn all the time. Employees should always be presentable, with a proper cut and complete uniforms to show professionalism. When engaging with customers, they should be

respectful and cleaning windshields should be a standard practice whenever the instance makes it possible to do so. Maintaining an image of this would help maintain their customers and maybe even encourage other vehicle owners to try their product.

Regarding the Car Care Center of Petron, it should be available in almost all regions around the country so that they are able to reach to more probable customers. Since Petron Car Care Centers can also be found as independent stops not necessarily beside Petron Gas Stations and considering that they are a trusted brand in the oil industry, they should establish themselves better in the car care aspect. Their services should earn the compliments of customers to a point where through word of mouth that reputation becomes known to all.

As Petron Corporation's goods sale would be highly dependent on the service rendered by employees on site, it is important that they are able to present themselves to the customers as the corporation would like themselves to be known. These employees who get to face the customers are the only extension of the business that would determine whether the customers would come back or not. Training, honing and making them feel equally important would be vital for the success of the corporation.

## **People**

As the company is involved both in manufacturing and services and so recruiting, training and developing the right individuals with the right aptitude will doubtlessly give an edge to the business. Investing in human capital, in this case and any case for that matter, is unarguably vital as development is most likely inferred from increased return of knowledge and improvement of human assets.

More so, as aforementioned in the previous sections, the company will focus more on employees on the ground as they are the one who interacts with the consumers and how they perceive the company as a whole is dependent on how they perceive the employees and their service as they also become the face of the brand.

Also, with the aid of its employees, Petron strives to create the most excellent service that is as consistent as they could in the midst of changing variables that may dictate it such as management, training, empowerment and such in order to build valuable relationships with customers. In addition, the company will also pay attention to the presentation of its employees aside from guaranteeing that they are well-trained and company core values are instilled to them. This implies that each employee within the

company, especially those in service stations, would have to maintain tidiness and and would moreover pay consideration to their attire and presentation as a whole.

Additionally, with the prospect of venturing into another industry under the energy sector, being able to hire the correct people who understands the brand and its core values is very crucial in determining if the expansion will be successful or not.

In conclusion, this will be incredibly useful as providing a positive consumer experience related to interaction with employees could mean a more prominent possibility of higher customer lifetime value and custom and retention rate and at the same time lower churn rate. To attest to this, in an article of Marketing91, it was mentioned that from a survey conducted, 64% of customers who experienced negative encounters will opt not to do business with the organization and 91% of them would rather transact or do business with the competitor, therefore showing the importance to granting out the most optimal experience to the consumer.

## **Process**

Every company aims to provide an efficient, effective and customer-friendly journey to their consumers and that's the same case with Petron; the company strives to ease the method of doing business with the customers. And, as the time changes and modernization and advancement shows no sign of abating down, it is only deemed fit that companies keep up with this in order to provide the best conceivable experience for their consumers to keep up their client base.

Due to this, the company will heed more attention to its previously mentioned objectives as they are correlated. An example is Petron's goal of improving its end-user relationship by focusing on a more tech-driven approach of customer service and loyalty card membership. By developing a better system and improving its existing loyalty membership application, the company envisions easier transactions in the future for its customers. More so, it was also specified that customer service helplines and such will be improved in order to respond to the demands and suggestions of the consumers better which will then be utilized as a premise for further enhancement.

More so, plans to fortify the human resource aspect of the company is another way of easing the process as the employees' performance will greatly affect how the business transaction is undertaken and if it'll result in benefits for the company.



Another imperative perspective in order to improve the entire operation is ceaseless research and development. Since it was already said that there's limited possibility of development regarding products, this will center more on the customers and their demands and suggestions, to other technological process or sort that can be embraced by the commerce for its betterment, and of course researching and developing factors apropos the company's core values to assess if the current and future market situation will require patching up or diverting the company into a new path towards more success.

Lastly, since impediments regarding product innovation have been mentioned multiple times, what the company would do with respect to its products is guarantee total quality management and continuously aim to exceed the global standards when it comes to petroleum and products in its industry since it's still an imperative aspect in easing the whole experience of customers especially if the products and service provided is beyond satisfactory.

## **CSR**

As a big corporations part of a conglomerate of successful companies, Petron Corporation's Corporate Social Responsibility should first focus within their operations. Oil companies, particularly fossil fuel companies, are large contributors to greenhouse gas emission that has constantly endangers our environment. The Department of Environment mandates a standard when it comes to the measurement in their effort of lessening carbon footprints of such industries. Petron should set an example and make sure to follow the requirements and if innovations within the corporation makes it possible, they can continuously formulate a more advanced product that is better than what was set.

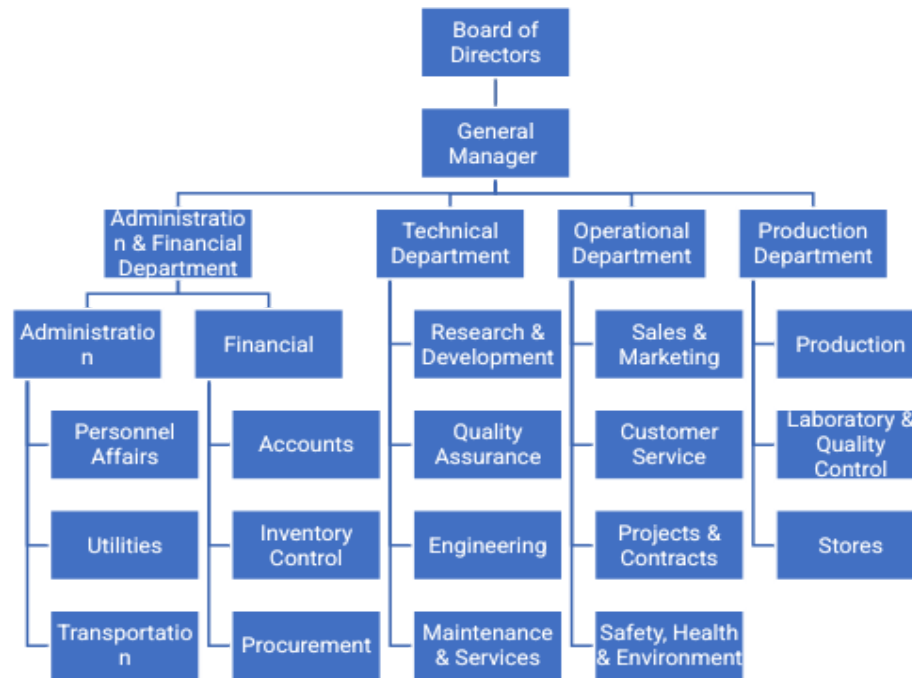
Externally, as the leading oil refinery in the country should be able to give back to the environment which they are highly dependent on. Reforestation should be one of its aim and a specific target which increases by year should be established. To do this efficiently, it would be helpful if they become transparent to the public about it so the citizens of the country can hold them accountable and at the same time develop appreciation for their dedication in their efforts. Through this, they might even gain customers who will recognize the brand for its heart.

Moving on to helping the citizens, they can do this through employment opportunities. They can offer employment for working students while also providing them scholarships until they finish their studies. By doing so, they are able to produce homegrown employees who knows their way around Petron and have firsthand experience with the customers, this can be an edge. Their degrees maybe anything related to the business, be it engineering or management, as long as they the corporation can also utilize

them once they earn their degrees. Aside from this, even start building schools in less privileged areas to encourage the importance of education within the country.

Overall, it is obvious that Petron corporation focuses in impacting their triple bottom line consisting of people, planet and product.

## Section 11: Team



- Board of Directors – oversee the development of and approve the Company’s business objectives and strategy, and monitor their implementation, in order to sustain the Company’s long-term variability and strength. It is responsible for formulating the Company’s strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management’s performance.
- General Manager – responsible for improving efficacy and increasing departmental profits while managing the company’s overall operations. They oversee several elements in a business, including hiring staff, operating budgets, and launching price promotions that could attract more customers.
- Administration & Financial Department – ensures the efficiency to support the organization as a whole to focus on its core business and thus attain its targets through the provision of finance and administrative services. Administration and financial department manage various administrative tasks, such as accounting, financial reporting, HR, facility management, thereby allowing the organization to avoid excessive staff costs for multiple admin departments.

- Technical Department – develop elemental technologies and processes for commercialization of the results of R&D, and the scale up processes using pilot plant and production facilities. It also collaborates with business divisions to provide product information hearing and technical support to customers, and they promote product design against market needs. Technical department is responsible for developing its areas such as helpline and equipment, and loyalty membership system based on a more digital tech-driven approach. This department will also explore the use of electric vehicles.
- Operational Department – typically attends to the logistical and other duties that are necessary for the company's day-to-day functioning. It also ensures that the production process is completed from start to finish.
- Production Department – responsible for the safe and efficient operation of the company's wells, while meeting the requirements of federal and local government regulations. It also plays a key role in quality control, planning, and improving systems.

## Section 12: Operations Plan

**GOAL #1:** Increasing Market Share and Gap from Closest Competitor

**GOAL #2:** Improving End User Relationship

**STRATEGY #1:** Human Resource Improvement and Expansion

KPI	2022	2023	2024	Tools	Allotted Budget	Expected Output	Risk	Mitigation
Number of Employees	Document ation of Existing Activities	<b>Human Resource Training</b>	<b>Human Resource Improvem ent</b>	<b>Employee Training Program</b>	The average total budget allocation will be derived from the sum of :	Company reached or exceeded 23% of market share and a gap of at least 5% from its closest competitor by the end of the two-year mark.	No potential for growth for employees	Develop fit technology and digital platforms.
Number of Key Hires	Analysis of Existing Activities	Developin g Goals and Means to Measure Effectivity of Programs	Developin g Digital Mindset	Group Training for Service Station Employees	<i>employee's base salary</i> * 1.25 -1.4.		Poor compensati on and benefits	Integrate appropriate leadership skills and
Employee Net Promoter Score	System Constructi on	Developm ent of Employee Training Program	Providing sufficient incentives, and benefits	Skill Based Training for Managerial Employees	This calculation of employee cost is most applicable for budgeting		Errors in setting goals reduces productivit y	Regular auditing and monitoring of HR
Employee Cost	Specific Phase Result Constructi on	Developm ent of Employee Training Program	Balancing Autonomy and Structure	Profession al, Safety and Quality Training for			Superior - Subordinat e relationshi ps	Understan d local and int'l labor laws related to the company
Employee Engageme nt	Resource Manageme nt	Developin g Training Materials	Improving Ethics					
Balanced Job Scorecard								
% of "A"		<b>Human</b>						

Players”	<i>Resource Assessment</i>	<b>Resource Recruitment</b>	<b>Human Resource Management</b>	<i>Refinery Employees</i>	newly hired employees. [1]		Inadequate technological development	Ensure fair rewards, benefits and compensation
Total of Customer Interaction	<i>Resource Planning</i>	Assessment of needed employees based on company status	Instilling company core values to employees	<i>Technology-based Learning</i>			Inadequate information systems	Hold the right people accountable for failure of proper implementation
	<i>Resource Sourcing</i>	Establishing standards for applicants based on job design	Instilling 3Ps and 4ps principle esp. to Service Station Employees	<b>Training Materials</b>			Inadequate trainers, managers, etc.	Ensure efficiency and effectivity of training
	<i>Resource Allocation</i>	Outsourcing applicants and reviewing of application	<i>3Ps - Professionalism, Patience, People First Attitude</i>	<i>Training Manuals</i>				
	Budget Allocation	Screening, assessment and selection of applicants most fit for	<i>4Ps - Promptness, Politeness,</i>	<i>Job Aid</i>				
	Support Plan for the System Constructed			<i>Applications</i>				
	Introduction of System to Company			<i>HR software</i>				

		the job Onboardin g and Training  Evaluation and Monitoring	<i>Profession alism, Personaliz ation</i>					
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**GOAL #1:** Increasing Market Share and Gap from Closest Competitor  
**STRATEGY #2:** Improving End User-Relationships

KPI	2022	2023	2024	Tools	Allotted Budget	Expected Output	Risk	Mitigation
<i>*to be stated thoroughly in goal #2</i>								

**GOAL #1:** Increasing Market Share and Gap from Closest Competitor  
**STRATEGY #3:** Company and Brand Expansion

KPI	2022	2023	2024	Tools	Allotted Budget	Expected Output	Risk	Mitigation
<i>*to be stated thoroughly in goal #3</i>								

**GOAL #1:** Increasing Market Share and Gap from Closest Competitor  
**STRATEGY #4:** Products and Service Innovation

KPI	2022	2023	2024	Tools	Allotted Budget	Expected Output	Risk	Mitigation
<i>*to be stated thoroughly in goal #4</i>								

**GOAL #2:** Improving End User Relationship

**STRATEGY #2:** Improving Customer Experience through Tech-driven Approach

KPI	2022	2023	2024	Tools	Allotted Budget	Expected Output	Risk	Mitigation
<b>Customer Service Related KPI:</b> Average Server Response Time  App Review on Google Play, App Store, etc.  Average Speed to Answer  Call	Document ation of Existing Activities  Analysis of Existing Activities  System Constructi on  <i>Specific Phase Result Constructi on</i>  Resource	Developin g Materials to Aid Enhance Customer Experience  Improvem ent of Customer Service Hotline  Developm ent of Easy-to-Na vigate Website/A pplication for	Implement ation of Programs  Evaluation of Implement ed Programs  Reevaluati on and Develop ad  Implement Corrective Actions if needed  Ensuring	<b>Programs to Enhance Customer Experience</b>  <i>Analytics AI to gather and assess data regarding CS</i>  <i>Proactive Measures</i>  Easy-to-Na vigate Website	The average total budget allocation will be derived from the sum of : <i>employee's base salary * 1.25 -1.4.</i>  This calculation of employee cost is most	Customer Loyalty Index exceeded it current score  App rating reached at least a 4-star score in all platforms  Every customer-r elated KPIs exceeds their	Inadequate Informatio n Systems  Inadequate technologi cal developme nt  IT related risk (i.e. privacy leak)  Overloade d workforce	Develop fit technology and digital platforms.  Align controls to manage and engage corrective actions  Ensure efficiency and effectivity of programs  If Petron



Abandon Rate	Management	Customer Review	Total Quality Control in Products	Easy-to-Navigate Application	applicable for budgeting newly hired employees. [2]	current status	Lack of technological trend or trend integration due to fast-phased progression	partners with other company (i.e. Customer Solution Technology) ensure fairness in agreement
<b>Customer Loyalty Related KPI:</b> Customer Loyalty Index	<i>Resource Assessment</i>	Improvement of Existing Application centered on addressing existing issues of users.. I.e.		Tech Development		When the company's churn rate decreases		
Customer Lifetime Value	<i>Resource Planning</i>							Efficient routing protocols
<b>Customer Related KPI:</b> Spend Lift	<i>Resource Sourcing</i>	<i>Creation of Account</i>						Integration of CRM systems
Customer Satisfaction Score (CSAT)	Budget Allocation	<i>Registration Process</i>						
Customer Effort score (CES)	Support Plan for the System Constructed	<i>Points Redemption</i>						
Churn Rate	Introduction of System to Company	<i>User's Data Management</i>						
		<i>User's Data Privacy</i>						

Customer Retention Rate		<i>App Navigation</i>						
Net Promoter Score		<i>Stability of Application / Bugs</i>						

**GOAL #3: Increase its global presence and become one of the market leaders in its industry in more Asian countries:**

**STRATEGY # 1: Market Research on Asian Countries**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
<b>Employee Related KPI:</b>  Employee Cost  % of “A Players”  <b>Customer Related KPI:</b>	Send Employees to Conduct Market Research on Asian Countries   Conduct Observations to Get to					<i>Research Materials</i>  <i>Gadgets</i>  <i>Internet Access</i>  <i>Applications and Software</i>  <i>Allowance</i>	500,000	To produce data, specifically numbers, that can be used as reference for the corporate decision to branch	To be a new entrant in a new country can be challenging especially if there are already established and trusted brands	Since this is done before coming up the decision, when stakeholders think that it is not yet worth the risk they can



	Finalize Decision									
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**GOAL #3: Increase its global presence and become one of the market leaders in its industry in more Asian countries:**  
**STRATEGY # 2: Establish Local Offices in the those Country/Countries**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
Number of Employees Number of Key Hires Employee Net Promoter Score Employee Cost Employee Engagement		Relocate Chosen Filipino Employees to those Country/Countries  Hire Local Employees from the selected Country/Countries  Conduct				<i>Employee Training Program</i>  <i>Group Training for Service Station Employees</i>  <i>Skill Based Training for Managerial</i>	1M	The employees originally from the Philippines can set the example for the new employees to follow.  Coming from different races and	The risk would be the difference in culture which can hinder them from having a healthy work relationship.	To mitigate probable issues, they can address by talking to the parties and having them discuss the situation. If it goes out of hand and hinders

Balance d Job Scorecar d		Seminar s, Training s and Team Building s				<i>Employee es</i>  <i>Professi onal, Safety and Quality Training for Refinery Employee es</i>  <i>Technol ogy-bas ed Learnin g</i>  <i>Trainin g Material s</i>  <i>Training Manuals</i>  <i>Job Aid</i>  <i>Applicat ions</i>		cultures, the seminars , trainings and team building s can help them get to know each other and work better as a team.		them from doing their work properly , the compan y should make it clear what consequ ences awaits those that affects the operatio ns.
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						HR software				
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**GOAL #3: Increase its global presence and become one of the market leaders in its industry in more Asian countries:**  
**STRATEGY # 3: Build Infrastructure and Stations**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
		Establish Location for Various Charging and Gas Stations  Contracting Required Materials and Builders for the Infrastructure	Monitor Building Developments and Progress			Chartt for keeping up the desired timeline  Communication between contractors and the corporate representative incharge	3M	To finally finish production by the year 2024.	The pandemic made it difficult for many processes including building infrastructure so it may prolong the process and natural	Keeping the timeline in mid, monitoring the progress would be important to keep things the production well in time according to the desired

									disasters may also occur.	finish.
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**GOAL #3: Increase its global presence and become one of the market leaders in its industry in more Asian countries:**

**STRATEGY # 4: Marketing and Operations**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
Customer Satisfaction Score (CSAT)			Advertise the Stations and Products by Petron while Utilizing Influential People from each of the Regions	Advertise the Stations and Products by Petron while Utilizing Influential People from each of the Regions	Advertise the Stations and Products by Petron while Utilizing Influential People from each of the Regions		1M	To be able to gain attention of the people and make them loyal customers of the company.	People might not stay loyal to the company and get back to their old gas station or try new ones.	Constantly checking on the market research can help identify where the company is lacking or what can be improved.
Customer Effort score (CES)										
Churn Rate										
Customer Retention Rate			Grand	Constantly	Constantly					

Net Promo			Opening s with the Program s and Endorse rs as Guest	conduct Market Researc h to Indentif y Issues especiall y in the Start	conduct Market Researc h to Indentif y Issues especiall y in the Start					
			Constant ly conduct Market Researc h to Indentif y Issues especiall y in the Start	Conside r Results of Researc h and Create Improve ments and Changes when necessar	Conside r Results of Researc h and Create Improve ments and Changes when necessar					
			Conside r Results of Researc h and Create Improve ments and Changes							



			when necessar y							
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**GOAL #4: Car care services for EVs and putting up charging stations in the existing gas service stations and eventually shift onto putting up stations solely for charging EVs**

**STRATEGY # 1: Market Research**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
Customer Satisfaction Score (CSAT)		Conduct Market Research on Consumers' Ownership and Interest on Owning Electronic Vehicles					500,000	To produce data, specifically numbers, that can be used as reference for the corporate decision to invest in charging	To be a new entrant in a this specific industry can be challenging especially if there are already established and trusted brands	Since this is done before coming up the decision, when stakeholders think that it is not yet worth the risk they can easily
Customer Effort score (CES)										
Churn Rate										
Customer		Research								

Retention Rate		h Further in the Market of Eletric Vehicle Chargin g Infrustru ctue based on Compan ies that have Thrived in that Business						infrastru ctures.	present beforeha nd.	stop further operatio ns with regards to this strategy or change their country of choice.
Net Promo		Talk to Govern ment Agencie s that will be Involved when the Project Ensues								
		Develop a report								

		<div>for Stakeholders and Board of Directors Regarding the Data Gathered</div> <div>Stakeholders and Board of Directors Vote After Being Informed and Presented with Data</div> <div>Finalize Decisions and Next Steps</div>								
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**GOAL #4: Car care services for EVs and putting up charging stations in the existing gas service stations and eventually shift onto putting up stations solely for charging EVs**

**STRATEGY # 2: Create another Division Solely Focused on EVs services and charging**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
Customer Satisfaction Score (CSAT)		Employ New Workers for this Additional Long Term Project that will Require Attention and Knowledge on the Specific Business					2M	To employ the right people for the job who are competent and knowledgeable enough for the department.	They might not meet the timeline set for them because of external factors.	Keeping the timeline in mid, monitoring the progress would be important to keep the process of the project well in time according to the desired finish.
Customer Effort score (CES)										
Churn Rate										
Customer Retention Rate		Establish								
Net Promo		Locations for								

		Various Chargin g Points								
		Meet and Establis h Partners hip with Existing Electric Vehicle Chargin g Provider s								
		Start Contract ing Require d Material s and Builders for the Infrustru cture								
		Release to the								

		Press Informat ion Regardi ng the Plan to Create Anticipa tion from Custome rs and Future Custome rs alike  Monitor Building Develop ments and Progress								
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**GOAL #4: Car care services for EVs and putting up charging stations in the existing gas service stations and eventually shift onto putting up stations solely for charging EVs**

**STRATEGY # 3: Marketing and Customer Attraction**

KPI	2022	2023	2024	2025	2026	Tools	Allotted	Expecte	Risk	Mitigati
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							Budget	d Output		on
Customer Satisfaction Score (CSAT)			Advertise through Various Media Platforms to Reach the Market Wider while Partnering with Known Personalities				1M	To be able to gain attention of the people and let them try what the company offers.	People might not like the service and product enough to retain them.	Constantly checking on the market research can help identify where the company is lacking or what can be improved.
Customer Effort score (CES)			Advertise through Various Media Platforms to Reach the Market Wider while Partnering with Known Personalities							
Churn Rate			Advertise through Various Media Platforms to Reach the Market Wider while Partnering with Known Personalities							
Customer Retention Rate			Advertise through Various Media Platforms to Reach the Market Wider while Partnering with Known Personalities							
Net Promo			Advertise through Various Media Platforms to Reach the Market Wider while Partnering with Known Personalities							

			<p>ng with Known Personal ities</p> <p>Create a Petron Chargin g System that will be Hassle Free for Custome rs and Test It</p> <p><i>Develop an app for easier reservati ons for chargin g spot while also having reserved spots for cars</i></p>							
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			<p><i>who have not reserved</i></p> <p><i>To encoura ge the Petron loyalty card owners from the past to stay, they can be awarded extra points or other promoti ons when they present their cards for the first few months or so</i></p> <p><i>Create</i></p>							
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			another loyalty card specific for the EVs charging							
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**GOAL #4:** Car care services for EVs and putting up charging stations in the existing gas service stations and eventually shift onto putting up stations solely for charging EVs

**STRATEGY # 3: Grand Openings and Customer Retention**

KPI	2022	2023	2024	2025	2026	Tools	Allotted Budget	Expected Output	Risk	Mitigation
Customer Satisfaction Score (CSAT)			Invest in Publicizing the Opening for to gain more Attention				1M	To be able to make people stay loyal customers of the company.	People might not stay loyal to the company and get back to their old gas station or try new	Constantly checking on the market research can help identify where the company and lacking
Customer Effort score (CES)			Constantly conduct							

Churn Rate			Market Researc h to Identif y Issues especiall y in the Start						ones.	or what can be improve d.
ustomer Retentio n Rate										
Net Promo			Conside r Results of Researc h and Create Improve ments and Changes when necessar y							

### **Section 13: Financial Projections**

Petron Corporation expects the company to grow by the end of 2022 with a gross sales of 550,000.00 and gross income of 794,990.00 that would give a net income of 556,213.00, showing its ability to pay its rightful taxes while maintaining the company's initial figures. The increase on sales will also be evident in the company's financial position that shows lower accounts for liabilities but higher on assets and owner's equity with a combined amount of 2,268,900.00. This result proves the company's capabilities in settling liabilities and debts while continuing the growth of its assets. The company's statement on cash flows is also an evidence that though there are several losses incurred, the company's overall health continues to grow with a continuous increase on its figures. This signs the company's competitiveness in gaining new investments to further increase its operations.

Petron has the potential to grow and invest more and engage in some businesses. The potential to gain more investors is more likely to happen because the present financial health of the company is in good condition. And another thing is liabilities are payable because Petron Company has a lot more assets than liabilities. It is important to have bigger assets and equity than liabilities in order for Petron Company to grow.

At the end of the year, Petron Corporation allotted 98,687.00 for new investments while having a retained earnings of 556,213.00. The company also kept its stock at 213,000.00 and contributed surplus to 158,000.00. By 2023, the projected income before tax is 800,000.00. And by 2024, this is expected to grow to 950,000.00 which shows an increase of 19.56% when contrasted on the projected income before tax of 2022 that is 794,590.00.

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<b>Petron Company Income Statement For the Year 2022 In Millions</b>		
<b>Fuel :</b>		
Gross Sales		550,000
Cost of Goods Sold	-245,000	
<b>Profit</b>		<b>795,000</b>
<b>Store:</b>		
Gross Sales		20
Cost of Goods Sold	10	
<b>Profit</b>		10
<b>Total Gross Income</b>		<b>794,990.00</b>



<b>Expenses</b>		
Salaries	150	
Utilities	100	
Insurances	30	
Rent	100	
Miscellaneous Fees	20	
<b>Total</b>	400	
<b>Income before Tax</b>		<b>794,590.00</b>
Tax Expenses (30%)	238,377.00	
<b>Net Income</b>		<b>556,213.00</b>

<b>Petron Company</b> <b>Statement of Financial Position</b> <b>For the Year 2022</b> <b>In Millions</b>	
<b>Assets</b>	
Cash and Cash Equivalent	590,000.00
Insurance Receivables	200,000.00

Investment in Debt Securities	20,000.00
Deferred Reinsurance Premiums	20,000.00
Land and Equipment	400,000.00
Deferred Tax Assets	13,000.00
<b>Total Assets</b>	<b>1,243,000.00</b>
<b>Liabilities</b>	
Insurance Liabilities	176,100
Accrued Expenses	15,000
Due to reinsures	3,000
Deferred reinsurance commissions	10,000
Sale Tax Liability	3,000
Debt	10,000
<b>Total Liabilities</b>	<b>217,100</b>
<b>Equity</b>	
Stock	213,000.00
Contributed Surplus	158,000.00
Investments	98,687.00
Retained Earning	556,213.00
<b>Total Equity</b>	<b>1,025,900.00</b>

**PETRON COMPANY**  
**STATEMENT OF CASH FLOWS**  
**Years Ended December 21**  
**In Millions**

<b>Cash Flows From Operating Activities</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Income before income tax	950,000	800,000	794,590.00
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation (10%)	-95000	-80,000	-79,459.00
Loss of Sale and Equipment (5%)	-47500	-40,000	-39,729.00
Changes in current assets			

and liabilities			
Increased accounts receivable	20,000	10,000	20,000.00
increase in other assets	16,000	14,000	13,400.00
Decrease in prepaid expenses	5,000	5,000	4,000.00
Increase in accounts payable	-25,000	-20,000	-15,000.00
<b>Net Cash by Operating Activities</b>	823,500	707,000	689,802.00
<b>Cash Flow from investing activities</b>			
Capital Expenditures	-200,000	-140,000	-70,000
Proceed from sale of land	70,000	40,000	20,000

<b>Net cash used to invest in activities</b>	-130,000	-100,000	-50000
<b>Cash Flow from financial activities</b>			
Proceeds from issuing debt	100,000	60,000	30,000
dividends paid	400,000	358,000	220,000
issuance from capital stock	-460,000	-400,000	-250,000
<b>Net cash provided by financial activities</b>	40,000	18,000	0
<b>Net Increase/loss in cash during the year</b>	733,500	625,000	639,802.00

