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Coursework Headersheet

Coursework is accepted on the understanding that it is the student's own work and that it has not, in whole or part, been presented elsewhere for assessment. Where material has been used from other sources it has been properly acknowledged in accordance with the University's Regulations regarding Cheating and Plagiarism.

Please provide feedback for the tutor who will mark your work. This feedback will reflect on your experience of writing this assignment. You may use below points for guidance.

1. Student's comments on own work

In preparing your reflection you may wish to consider the following:

- a) any feedback you have received on a past assignment, indicate how that helped you prepare for and write this assignment
- b) any feedback (verbal, written, peer) received in preparing this assignment, indicate what the key points were and what action you took to respond to the feedback to help you prepare for and write this assignment
- c) a few words about what did you do well in this assignment and what do you feel could be improved
- d) if you would like specific feedback on any aspects of your assignment essay, please make a note of what you would like your marker's feedback on

Appreciated all tutorials and suggestions provided by the professors at Greenwich and LSBF for this module. My comments as followings:

- a) Past case analysis coursework feedback identified the need for more thorough examination and improved scholarly source integration. This prompted me to analyze CNPC more thoroughly and source the company carefully.
- b) During group discussions, peer criticism placed an emphasis on clarity and efficient use of visual aids. In response, I made my writing clearer and suggested using tables to illustrate the most important findings.
- c) I believe my thorough analysis and use of academic sources were strengths in this assignment. However, I could improve on conciseness and better utilization of visual aids upon the insights of CNCP.
- d) Any input on my essay would be very appreciated.

A Strategic Analysis of China National Petroleum Corporation: A Reflection Report

1. Introduction

With its headquarters in China, the China National Petroleum Corporation (CNPC) is a well-known global producer of oil and gas. Since its founding in 1988, CNPC has grown its business to become a major player in the world energy market. Petroleum and its byproducts are explored for, produced, refined, and marketed by the firm (CNPC, 2023). This report's purpose is to convey the results of the group presentation for the Global Strategy Analysis and Practice module's strategic analysis of CNPC. This report will examine CNPC's current business strategy, how it aligns with the company's internal and external environment and provide strategic improvement recommendations. Additionally, the report will reflect on the personal learning and contributions that were made during the group presentation process.

2. Description of CNPC's Strategy

CNPC aims to lead the Chinese market and expand globally, especially in Asia, Africa, and South America. (CNPC, 2023). Its strategic initiatives include investing in exploration and production projects, developing new technologies for oil and gas extraction, and improving its refining and marketing capabilities. This aligns with Mintzberg's (1987) concept of strategy as a pattern, where CNPC's consistent focus on technological development and market expansion forms a pattern that defines its strategy. CNPC's competitive advantage lies in its vast reserves, advanced technology, extensive distribution network, and strong government support. This is in line with Peteraf's (1993) resource-based theory of competitive advantage, which contends that a company's special assets and competencies can serve as the foundation for its strategy and competitive edge. The company's strategy

aligns well with its external environment, which is characterized by growing energy demand, especially in developing countries, and increasing global concern for environmental sustainability. Internally, CNPC's large scale, technological capabilities, and human resources support its strategic objectives.

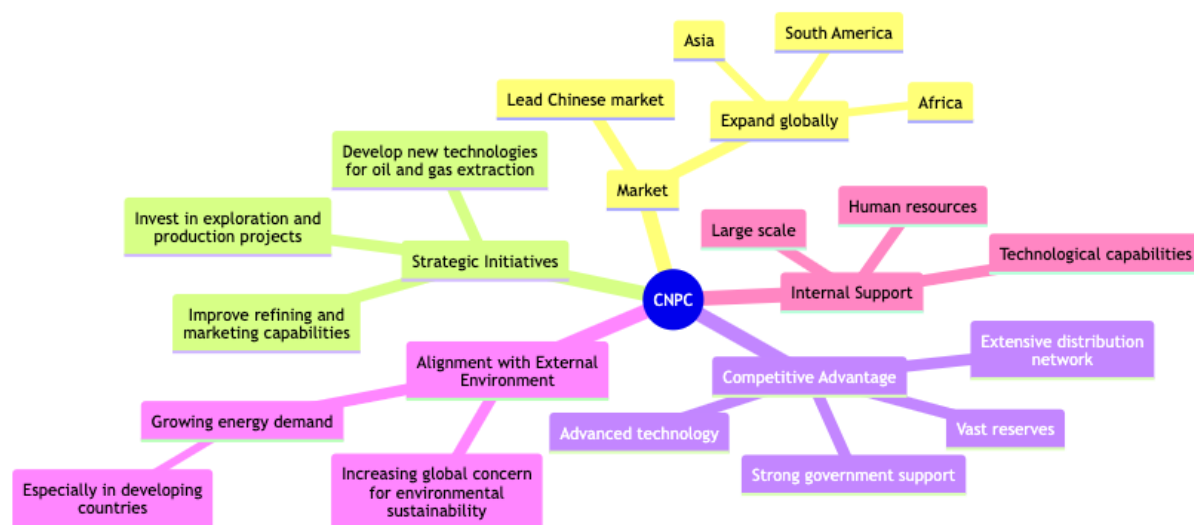


Figure 1: Strategic Overview of CNPC

(Created by the author, 2023)

3. Analysis of the External and Internal Environment of CNPC

External Environment of CNPC operates in a complex external environment that affects its strategy and operations. The PESTEL framework (Johnson et al., 2017) shows the macro-environmental factors that influence CNPC.

Politically, CNPC has strong government support in China, but faces political risks abroad. Economically, global economic growth increases energy demand and benefits CNPC. Socially, environmental concerns challenge oil

and gas companies and motivate CNPC to invest in cleaner energy. Technologically, innovations in oil and gas extraction and renewable energy affect CNPC's operations and strategy. Environmentally, regulations and carbon reduction goals impact CNPC's operations. Legally, CNPC must comply with various laws in different countries. The market forces that impact CNPC are revealed through Porter's Five Forces model (Porter, 2008). CNPC faces highly competitive rivalry from international and Chinese oil companies. Due of strong entry hurdles, there is little threat from new competitors. Because of renewable energy sources, there is a long-term threat from substitutes. The bargaining power of suppliers is low due to CNPC's size and market importance. The bargaining power of customers is low due to the large-scale and commodity nature of CNPC's products.

Internal Environment of CNPC CNPC's internal environment consists of its resources, capabilities, structure, and culture, which give it a competitive edge. CNPC has abundant oil and gas reserves, advanced exploration and production technology, a wide distribution network, and a large skilled workforce. These resources and capabilities help CNPC dominate the Chinese market and grow globally (CNPC, 2023). CNPC has a hierarchical structure, with the top management team overseeing various business units. This structure facilitates efficient decision-making and coordination across the company. CNPC has a culture of innovation, sustainability, and responsibility. The company invests in research and development to improve its technology and efficiency. It also reduces its environmental impact and supports social development in its operating areas (CNPC, 2023).

Analysis	Internal	External
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Positive	<p>Strengths:</p> <ul style="list-style-type: none"> ● Government backing ● Oil and gas reserves ● Technology for exploration and production ● Distribution network ● Workforce expertise 	<p>Opportunities:</p> <ul style="list-style-type: none"> ● Global economic growth ● Cleaner energy sources
Negative	<p>Weaknesses:</p> <ul style="list-style-type: none"> ● Environmental impact ● Social responsibility ● Coordination and adaptation 	<p>Threats:</p> <ul style="list-style-type: none"> ● Political risks ● Environmental regulations ● Carbon emissions ● Renewable energy sources

Figure 2: Environment SWOT Analysis of CNPC

(Created by the author, 2023)

4. Conclusion and Recommendations

The strategic analysis of CNPC reveals a robust business strategy that aligns with its internal and external environment. However, CNPC faces challenges including changing social attitudes towards environmental sustainability, the increasing viability of renewable energy sources, and political risks in its international operations. These challenges highlight the importance of Brandenburger and Nalebuff's (1995) game theory in shaping strategy, as CNPC must anticipate and respond to the strategies of other players, such as governments, competitors, and the public. To address these challenges,

CNPC should increase its investment in renewable energy sources, develop strategies to manage political risks in its international operations, promote innovation, and enhance its corporate social responsibility initiatives.

5. Personal Learning and Contribution

The group presentation process was a transformative learning journey. It not only deepened my understanding of global strategy but also shed light on the intricate dynamics of strategic management in the global oil and gas industry. Analyzing CNPC's strategy, in particular, revealed the importance of aligning business objectives with both internal capabilities and external market conditions. This insight has reshaped my perspective on strategic planning, emphasizing the need for a holistic approach that considers all facets of a business and its environment. In contributing to the group presentation, I took on the responsibility of conducting the PESTEL analysis of CNPC's macro-environment. It demanded rigorous research, critical thinking, and the practical application of theoretical concepts. Overcoming these challenges, I honed my research skills and developed a deeper understanding of how to translate theoretical frameworks into meaningful real-world analysis.

In the process of preparing for the presentation, I also had the opportunity to delve into various sources to gather information about CNPC. I studied CNPC's transition to renewable energy and its attempts to enhance the proportion of renewable energy in its domestic primary energy output, for example, and I learnt about the strategic cooperation agreement between the two companies (World Benchmarking Alliance, 2023). This research was instrumental in understanding the external environment of CNPC, particularly the increasing viability of renewable energy sources and changing social attitudes towards environmental sustainability. Furthermore, I gained insights into the challenges faced by Chinese NOCs, including CNPC, in the face of the energy transition, and how they are aligning with state goals and moving

into lower-carbon energy (Cahill & McNamara, 2023). These insights were valuable in formulating the recommendations for CNPC to address the challenges it faces.

In conclusion, the group presentation served as a practical platform for applying and enhancing my knowledge and skills in global strategy analysis. The challenges encountered and the insights gained throughout this process have been instrumental in my learning journey, providing valuable lessons that extend beyond the classroom.

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Appendix

Global Strategy: Analysis and Practice

Group research direction: strategic discussion of CNPC

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Company profile

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CNPC strategy

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Conclusion

This report will introduce the enterprise structure, strategic direction, internal and external environment analysis of CNPC, as well as the countermeasures of global trade and the social responsibility of sustainable development.

01. Company profile

China Oil and Gas Co., Ltd. is the largest oil and gas production and distribution company in People's Republic of China (PRC) and one of the largest energy companies in the world. The company is also often referred to as CNPC for short.

Founded in 1988 and headquartered in Beijing, CNPC's main business covers oil and gas exploration, production, storage and transportation, sales and oil and gas engineering and technical services. The company has business networks all over the world, including Asia, Africa, America, Europe and Oceania. The company is also one of the main traders of Brent crude oil futures, the international oil price benchmark.

CNPC has been committed to achieving sustainable development and green energy transformation, improving energy efficiency and reducing environmental pollution. The company is also actively seeking and developing new energy resources, including natural gas, shale gas and renewable energy.

In China, the company is the largest producer and supplier of natural gas and liquefied petroleum gas, and also the main producer and distributor of gasoline and diesel oil. China Oil and Gas Company has extensive sales network, including self-operated and franchised retail stations, providing services to consumers all over China.

CNPC is one of the largest enterprises in China and one of the largest listed companies in the world. The company is listed in Shanghai and Hong Kong, and has been included in several major stock indexes around the world. The company's financial performance is stable and it has always maintained a leading position in the global oil and gas industry. The company is also widely praised for its commitment to social responsibility and its role as a corporate citizen.

02. CNPC strategy

1. Energy transformation strategy
2. Globalization strategy
3. Technological innovation strategy
4. Environmental and social responsibility strategy
5. Talent cultivation strategy

03.

Business environment analysis

This part will analyze and evaluate the business model and strategy from a macro perspective.



Macro-environmental analysis

Economic factors: With the development of the global economy, the demand for energy continues to grow, especially in developing countries. However, due to the impact of the economic cycle, oil and gas prices may fluctuate, which has a direct impact on the company's income and profits.

Factors of policies and regulations: The policies of governments on environmental protection and carbon emission are getting stricter and stricter, which puts higher demands on the oil and gas industry. At the same time, the global energy policy is also affecting the pattern of the energy market.

Socio-cultural factors: The increasing demand for clean energy and sustainable development poses new challenges to traditional energy companies.

Major opportunities and threats

Opportunity

Development of new energy: With the development of new energy technologies, such as natural gas, shale gas and hydrogen energy, it provides new development opportunities for China Oil and Gas Company.

Opportunities of globalization: China Oil and Gas Company can use its powerful global business network to further expand the global market and enhance its influence in the global energy market.

Threaten

Environmental pressure: With the increasingly prominent problems of environmental protection and climate change, China Oil and Gas Company needs to find a balance between reducing environmental impact and realizing economic benefits.

New energy competition: With the development of new energy technologies, such as solar energy, wind energy and nuclear energy, it may pose a threat to the market share of the oil and gas industry. .

Internal environment analysis

- 1.Resources and capabilities of value
- 2.Unique resources and capabilities
- 3.Evaluation of unique resources and capabilities
- 4.Advantages and disadvantages

Does the strategy formulated by CNPC conform to the external environment?

1. Energy transformation strategy
2. Globalization strategy
3. Technological innovation strategy
4. Environmental and social responsibility strategy
5. Talent cultivation strategy

To sum up, the strategy of China Oil and Gas Company meets the needs of the external environment to a great extent, and also meets the company's own resources and capabilities.

Conclusion

The company's strategy is in line with the needs of the current external environment to a great extent. The strategic directions such as energy transformation, globalization, technological innovation, environmental protection, social responsibility and personnel training have not only adapted to the changes in the global energy market, but also responded to the voice of society for environmental protection and sustainable development.

With its rich resources and profound capabilities, CNPC has sufficient strength to implement these strategies. Whether it is the global business network, the deep experience in the oil and gas industry, as well as the ability of technology research and development and talent training, all provide a solid foundation for the company to implement the strategy.

Although faced with many challenges, such as the competitive pressure of new energy, the pressure of environmental protection and climate change, CNPC has shown strong adaptability and development potential through active strategic planning and innovative response.

On the whole, the strategic planning of CNPC is successful and feasible, which can help the company maintain a leading position in the global energy market and achieve long-term and stable development.

This strategic report provides us with an in-depth understanding of CNPC's strategic planning and a powerful tool to evaluate its competitive position and future development in the global energy market.

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**Thank you for
watching.**