

Current Reforms In The Petroleum Sector and their impact on Nigeria- The Role of NNPC

BPSR Lunch Time Reform Seminar



NNPC Big Tickets

Strategic Theme

NNPC Reforms

The Big Ticket Items

NNPC Roadmap for Growth and Consolidation, ...drive to global excellence



The Big Ticket Items

NNPC Roadmap for Growth and Consolidation, ...drive to global excellence

The Big Ticket Items		Strategic goals	Target Metrics
<i>Upstream</i>	<ul style="list-style-type: none"> Production & Reserve growth 	<ul style="list-style-type: none"> Unlock deep offshore potential to grow reserve Expand frontier basin exploration Unlock NNPC growth and enhance profitability Review and optimize operating costs (UTC) Renegotiate all unfavourable arrangements/agreements Unlock Deepwater Gas 	<ul style="list-style-type: none"> 3million barrels production; 40billion bbs reserve NNPC among Top 3 Fiscal Terms/PIB passage PSCs renegotiation Conclude EGTL DSA & change of business model Conclude PSC GDA commercial agreements
<i>Gas & Power</i>	<ul style="list-style-type: none"> Expansion of gas sector footprint to stimulate industrialization 	<ul style="list-style-type: none"> Deliver Gas Infrastructure Blueprint Improve domestic gas utilization 	<ul style="list-style-type: none"> TNGP-QIT-Obigbo-OB3,AKK; CPFs 5bscfd dom. gas utilization 5GW power generation Partnerships (TCN etc.)
<i>Refineries</i>	<ul style="list-style-type: none"> Enhancement of local refining capacity 	<ul style="list-style-type: none"> Complete NNPC refinery revamp & improve capacity utilization to 90% Implement Condensate Refinery Implement the refinery business model Domestication of EGTL diesel 	<ul style="list-style-type: none"> Achieve 90% capacity utilization Net exporter in 3years 250kpd Gas / Condensate Refining Conversion of EGTL complex to a gas/Cond refinery
<i>Downstream</i>	<ul style="list-style-type: none"> Petroleum Products supply & National Energy security Availability of critical Downstream infrastructure 	<ul style="list-style-type: none"> Sustain DSDP & Ex-DSDP supply scheme Carry out critical downstream infrastructure revamp & system automation Implement revised business model for NPSC & PPMC Enhance NNPC Trading & Shipping Organizations Expansion and optimization of NNPC Retail operations Implement new LPG business model 	<ul style="list-style-type: none"> Zero fuel queue 30% cost efficiency Automated & Online Downstream processes 30% Retail market share Robust Demand and Supply management system Kick-off new LPG business entity & grow demand to 50% of national production (1,500kT/yr) by 2023
<i>Ventures</i>	<ul style="list-style-type: none"> Ventures capitalization & commercialization 	<ul style="list-style-type: none"> Transform NNPC R&D to a Top-tier research institute Become a strategic player in renewable energy industry Re-position NNPC Medicals to provide first-class Healthcare services to employees & other clients Enhance competitiveness of NNPC Properties to derive optimal value Scale up NNPC Leadership Academy to be a leading training services provider in Africa 	<ul style="list-style-type: none"> To become Africa's Centre of Excellence in Oil & Gas R&D Actualize viable Renewable Energy initiatives Upgrade medical infrastructure & commercialize excess capacity Achieve real estate profitability Establish partnership with renown training providers to capture 60% of oil & gas trainings

Strategic Theme – T..A..P..E

NNPC **Big Ticket Items** is anchored on Transparency, Accountability and Performance Excellence (**TAPE**) and to be delivered in **Safe** and **Secure Environment**, leveraging **Technology and Innovation**.

T

Transparency

Culture of openness & disclosure

A

Accountability

• Accountable to stakeholders in everything we do!

P

Performance Excellence

Effective and efficient operations!

E

“To maintain positive image, shared values of integrity and transparency must permeate every level of the Corporation”

M.K. Kyari, GMD NNPC



Strategic Theme – T..A..P..E

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Transparency

Culture of openness & disclosure!

- Stakeholder communications
- Knowledge and data sharing
- Document & automate key processes.
- Communicate the key business objectives and targets
- Expand transparency in contracting and create a space for feedback
- Zero tolerance to insider trading
- Brand Management and maintain positive image

A

Accountability

Accountable to stakeholders in everything we do!

- Delivering our commitments and answerable for our actions
- Comply with Business ethics, Policies and Regulations
- Reliable financial reporting
- Know the job and how it contributes to the bottom line
- Eliminate discretion
- Enforce consequence management

P

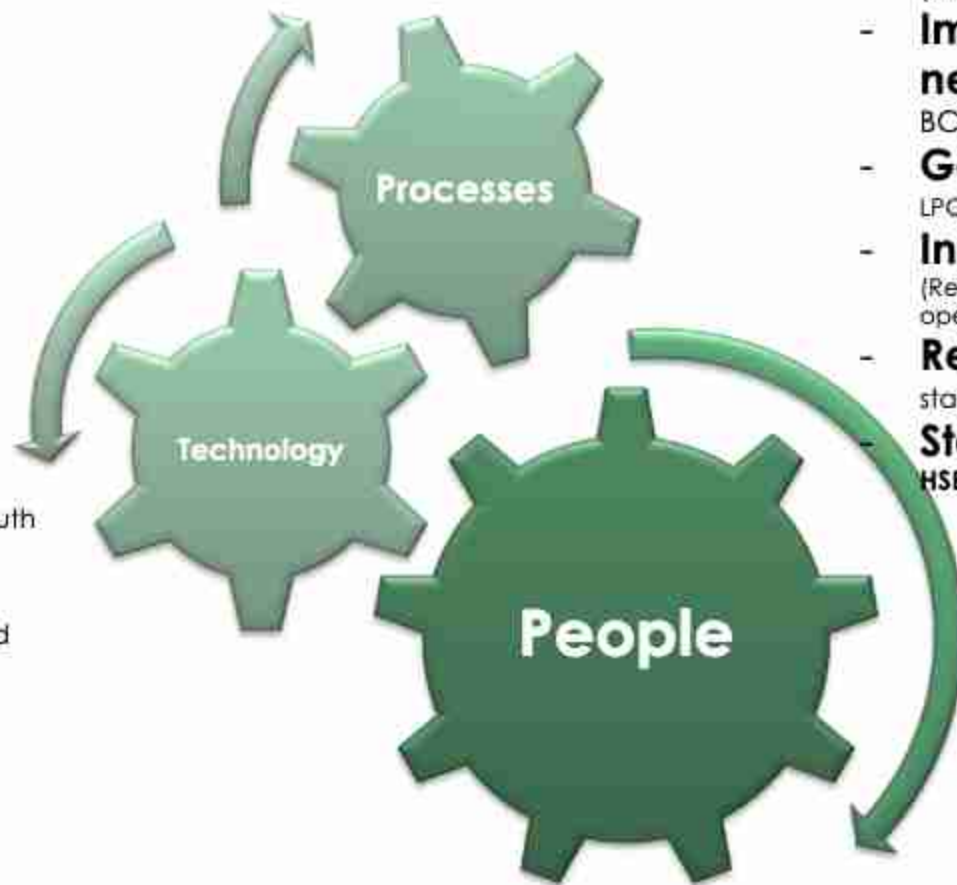
Performance Excellence

Effective and efficient operations!

- Define team's strategy in line with strategic business objectives and the expected results
- Effective and Efficient service delivery
- Institutionalize Performance Management System
- Performance based rewards & recognition (revenue/efficiency targets driven)
- Build skills, capacity & staff empowerment
- Pursue deliberate improvement in value creation
- Promote collaboration
- Make results and consequence visible to improve performance
- Corporate & socially responsible NNPC



NNPC TAPE Reforms.... People, Processes and Technology



- Technology Adoption

- ECM
- Cloud technology
- Collaboration
- Budgeting
- Performance monitoring
- Data Management for single truth

- RTI

- Innovating at scale
- Deploying Technology at speed

- Business Automation

- Online payment, customer express

- **Increase Transparency** (AFS, contracting, NEITI)
- **Improve and emplace new business processes** (BCP, MOR, CASP, PSAP, PMO)
- **Gas utilisation drive** – CNG, LPG, AKK, NLNG Train 7, IPPs
- **Increase refinery footprint** (Refinery rehab, Condensate ref., ref operating Model)
- **Renewable Drive** – Retail stations,
- **Standardisation** – ISO- QMS, HSE

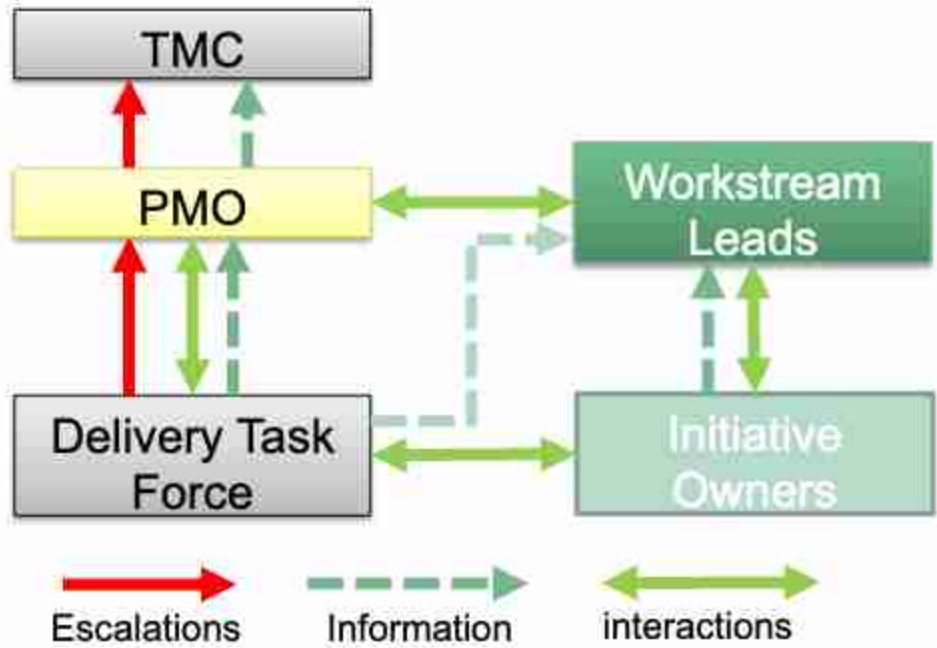
- Empower the People to deliver on its Big Tickets:

- **Structure & Organisation** (culture, commercial focused)
- **Resourcing the business** (new hires)
- **Capacity development & retention** (work-life balance, MPE)
- **Exceptional performance & rewards**



Delivering on NNPC's Big Tickets – The PMO approach

The Programme Management Office (PMO) was setup to ensure the successful delivery of the Big Tickets by tracking and monitoring the implementation of the contributing projects



Key dialogue

Interactions:

- The taskforce interacts daily with initiative owners to align on progress of day to day tasks and deliverables
- The PMO interacts with workstream leads on an ad-hoc basis

Information:

- Initiative owners together with the delivery task force share progress updates with workstream leads
- The PMO shares weekly reporting on progress with the TMC

Escalations:

- The Delivery task force escalates key issues or pending decisions across the units to the PMO
- The PMO escalates to TMC to unlock bottlenecks and/or make decisions across the respective units

Roles and Responsibilities

Initiative owner	Workstream leads	Delivery taskforce	PMO	TMC
<ul style="list-style-type: none"> • Execute and carry out the day to day tasks to deliver the initiative • Align and ensure the execution of dependencies • Provide weekly status updates and ensure data quality 	<ul style="list-style-type: none"> • Ensure the delivery and success of initiatives under workstream • Engage with initiative owners and actively drive solutions to dependencies and escalations from initiative owners • Review and validate status updates to be provided by initiative owners 	<ul style="list-style-type: none"> • Track progress of the implementation • Report and highlight issues to key stakeholders including PMO and workstream leads • Facilitating subject matter expertise and leadership guidance • Manage interdependencies 	<ul style="list-style-type: none"> • Coordinate daily operation of the delivery unit • Manage overall integration across workstreams • Create cross-workstream and leadership transparency • Ensure top management support 	<ul style="list-style-type: none"> • Maintain governance and oversight of overall program • Review the progress update report and debottleneck challenges • Promote continuous improvement



In order to ensure successful delivery of the programme, several activities were carried out by the PMO

- The committed targets were broken down into various related initiatives
- The initiatives were subsequently broken down into actionable tasks and workplans
- An online tracking tool (Milestone) has been deployed to provide the necessary visibility on the implementation
- The developed initiatives and workplans were thus uploaded into the Milestone to enable entry of real time status updates by initiative owners



All

ABU's have provided tracking data



150+

ABU/SBU/CSU staff onboarded and trained on Milestone



170+

Initiatives uploaded and data verified



6000+

Tasks currently being tracked in milestone



Lessons Learnt

- Robust Change Management Plan is critical to a successful reform
 - Prepare for change
 - Manage Change
 - Reinforce the Change
 - Institutionalize the Change

- Successful reforms requires the following Change management Tools
 - Communications
 - Sponsor's buy-in
 - Coaching and Resistance Management
 - Training

- Organisational Agility

- Transformational Leadership



THE END

