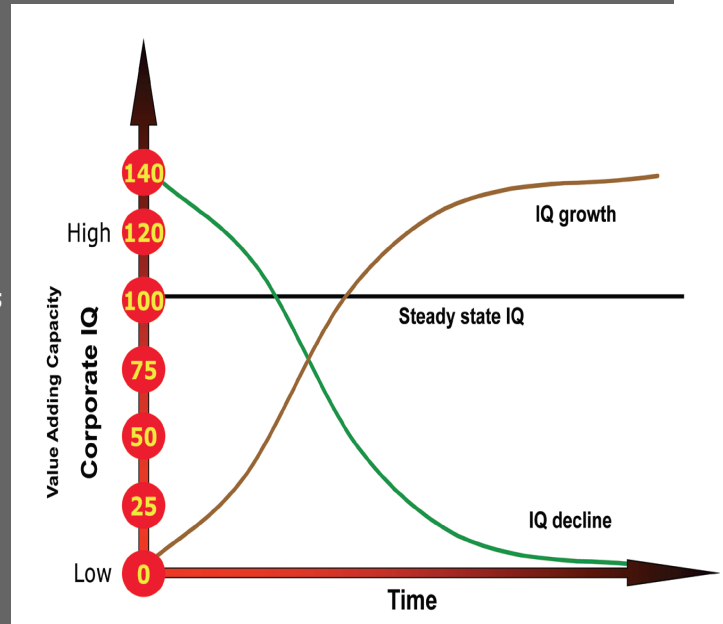


Energy Strategy Value Series



Corporate IQ Assessment

Corporate Intelligence enables energy companies to upgrade information into goal-oriented applications and is needed to create asset value by making the right decisions at the right time. The assessment of a company's Corporate IQ is done via an internal survey that probes whether managers see bottlenecks in their companies that could slow down organizational learning. The IQ survey tests also assess the quality of the corporate decision-making process. The outcome of the IQ assessment provides an index for your company's Corporate IQ, with 140 as a ceiling. In short, the Corporate IQ is a performance indicator for the effectiveness of your company's Corporate Brain.

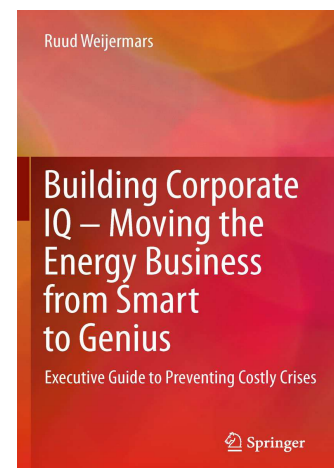


Corporate IQ Assessor™ is based on research published and validated in the peer-reviewed scholarly domain. It has been applied successfully to benchmark the relative performance of Oil Majors, Independents, National Oil Companies, Natural Gas Transmission Companies and Energy Utilities.

1. Building Corporate IQ – Moving the Energy Business from Smart to Genius: Executive Guide to Preventing Costly Crises

Springer, London, 2011, ISBN 978-0-85729-678-8

This book gives a clear outline of organizational intelligence and provides a framework for practitioners of good leadership. The synthesis starts with an overview of the fundamental skills and competencies mastered by leaders and team members in organizations. 'Building Corporate IQ' includes a corporate IQ test that is designed to help leaders gain insight into how their organization can stay at the competitive frontier. 'Moving the Energy Business from Smart to Genius' explains the guiding principles of organizational learning, with the goal of developing better organizational intelligence. It is intended as an indispensable guide for managers at all levels to help them meet and recognize new challenges in the corporate innovation process. The book is illustrated with case studies from the energy sector.



2. Why energy companies need to monitor their Corporate IQs

First Break, 2011, Vol. 29, Issue 9 (September), pages 45-48.

Why do some companies succeed and others fail? And what can be done if a company has moved into the danger zone of failing? Energy companies need to optimize organizational learning in order to maintain a high Corporate IQ. Smarter companies recognize potential problems early and thus avoid costly failures.

Such failures are not restricted to the energy business. But energy companies are increasingly challenged to take on bigger risks, for example, in ever more complex offshore fields. Company’s ability to innovate and adapt to new business opportunities must grow in step with the speed of change. Major failures have rippled through the energy business from time to time.

Companies in pursuit of competitive profits under technological and financial pressure have sometimes overstepped the boundaries of compliance with rules and regulations. Examples are Enron (utility trading violations), Amaranth (energy option trading violations), Shell (SEC reserve scandal), BP (maintenance failures), and many unnamed others.

Organizations with lower Corporate IQs miss the tell-tale signals from external and internal business indicators that should have urged them to accommodate change. Because their internal organizational capacities are inflexible and slow in recognizing and adapting to change, such companies consistently underperform and often struggle to stay profitable. Alboran’s Corporate IQ Assessor™ provides a comprehensive tool to monitor the organizational intelligence in your company.

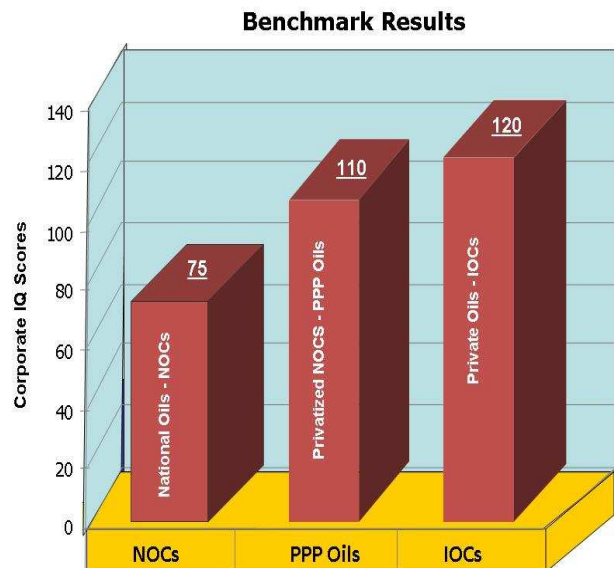
Examples of Corporate IQ Assessments

3. Moving the Energy Business from Smart to Genius by Building Corporate IQ

SPE Economics & Management, 2011, Vol. 3, Issue 3 (July), pages 186-194.

Companies that excel at organizational learning are better prepared to outperform their competitors. A company’s overall effectiveness in creating primary business value from the available knowledge resources (internally and externally) can be expressed as a Corporate IQ score. The new framework defined here allows the monitoring of your corporate IQ, using a questionnaire comprised of 140 questions.

This questionnaire has now been applied to oil operators, service companies and natural gas transmission operators. The sample groups are still small but an interesting pattern emerges that confirms the general notion that internationally operating companies are best at developing organizational intelligence. Their higher Corporate IQ is essential to enable them to operate effectively in a highly competitive market. The new data reported here may provide useful insight for national oil companies that wish to improve their organizational intelligence if required by an ambition to internationalize their operations.

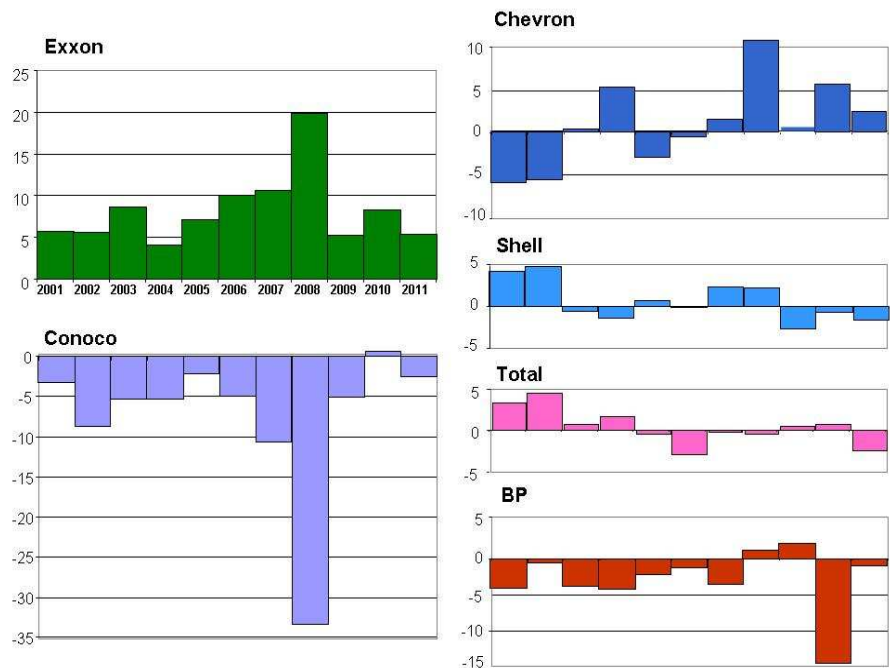


International oil companies also can strive to further the enhancement of their Corporate IQ using the periodic assessment and interventions outlined in this study. The corporate brain must feed on knowledge acquisition and organizational learning that is translated into business performance. Periodic assessment of the Corporate IQ can prevent and mitigate undue decline in a company's organizational intelligence

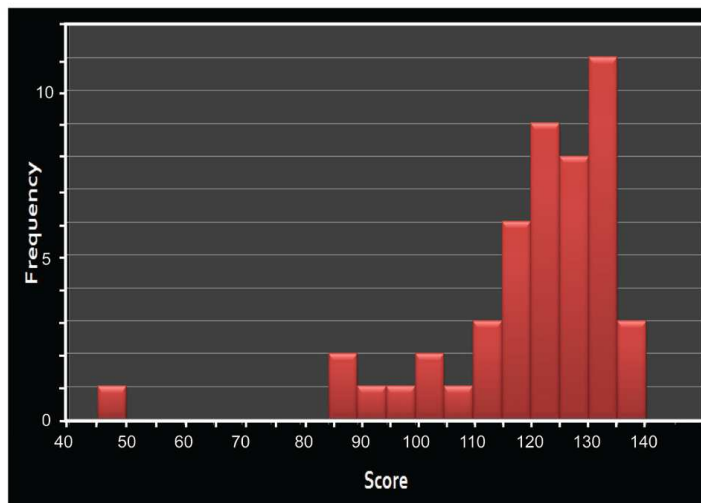
4. Outsmarting Oil and Gas Rivals

Petroleum Review, 2011, Vol. 65, Issue 779 (Nov), page 17.

The Corporate IQ concept explains the lower profitability of some companies as a result of their slower and deficient organizational learning speeds. Slow learning lowers their Corporate IQ Index, which needs to be high to lead among peers. Profitability time-series over the past decade suggest that ExxonMobil is by far the fastest and most disciplined organizational learner, while ConocoPhillips is the slowest learner in its peer group. BP is also slow in learning and past mistakes are repeated. Chevron, Shell and TOTAL are average organizational learners.



Sample of Corporate IQ



We are delighted to provide additional information on our services.

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