

SYNCRUDE: A TRANSFORMATION SUCCESS STORY

A CASE STUDY ON HOW **SYNCRUDE CANADA** AND **STRATEGIC DECISIONS GROUP** SUCCESSFULLY TRANSFORMED SYNCRUDE'S STRATEGIC PLANNING WITH THE **DIALOGUE DECISION PROCESS**

by *Carl Spetzler and
Phil Lachambre,
with John Celona**

It was late September 1989, and the yet-distant gloom of northern Alberta's winter seemed to cast a premature pall on the autumnal brilliance of Fort McMurray in Alberta, Canada. At least, that's how it looked to Eric Newell, newly installed CEO of Syncrude Canada Ltd.

By his reckoning, Syncrude could be perched on top of the world figuratively as well as geographically. It held two surface mining leases to the oil sands in the Fort McMurray area near the Athabasca River (see map on page 2). The area's oil sands are estimated to contain enough economically recoverable, gooey bitumen to yield a mind-boggling 300 billion barrels of oil—20% more than in all of Saudi Arabia. Syncrude had complex, proven, and improving technologies and facilities for mining the sands year-round in the harsh conditions (from -40° F to 90° F) and for extracting half a barrel of light, "sweet," low-sulfur crude oil from each ton. Syncrude had been on stream and producing since 1978 and—buoyed by a decade of high oil prices—had enjoyed positive cash flow and earnings every year. Production was up to approximately 150,000 barrels per day.

And yet, a winter of discontent loomed.

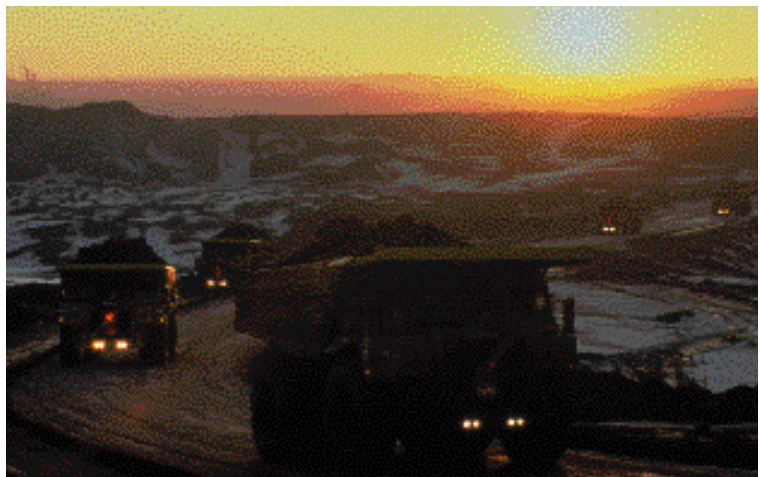


Eric Newell, CEO
Syncrude Canada Ltd.

FACING GROWING CHALLENGES

With the easing of the oil shocks of the mid '80s, world oil prices had stabilized at about half their peak levels. Each drop shaved Syncrude's profit margins and eroded the value of its Fort McMurray leases. And unlike a conventional oil well operator, Syncrude lacked the luxury of turning down the spigot and awaiting better times. Although Syncrude has startlingly low acquisition costs for reserves—less than a penny a barrel versus \$5-\$10 for conventional oil and gas—it made up the difference with immense capital requirements and high operating costs for extracting bitumen and upgrading it to yield the coveted light, sweet crude. Syncrude needs to run a 24-hour, 365-day, full-tilt operation to pay ongoing costs and to recover the multibillion-dollar capital outlay. The company is essentially a "just-in-time," continuous process manufacturer—with very high volumes and low operating margins.

The market and cost structure challenges were compounded by a daunting array of technical and

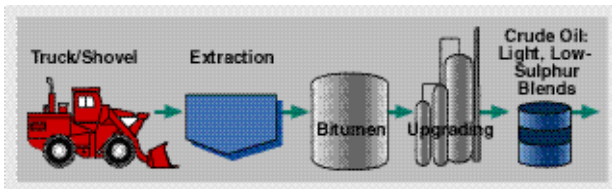


Syncrude's Fort McMurray plant perches atop the vast oil deposits in the Athabasca oil sands.

*This case study (February 1996) was prepared by John Celona based on presentations made by Carl Spetzler, Chairman of Strategic Decisions Group, and Phil Lachambre, Chief Financial Officer, Syncrude Canada Ltd. ©2001, Strategic Decisions Group.

political decisions and risks facing Syncrude. Its capital- and labor-intensive cost structure forced it to keep pushing the technological envelope to improve its operating efficiency and profit margins. But which mining and extraction technologies should it pursue? The price of reducing costs further was either huge additional capital investment or investment in improving operating efficiency. And Syncrude had been striving for continuous improvement in existing operations from day one.

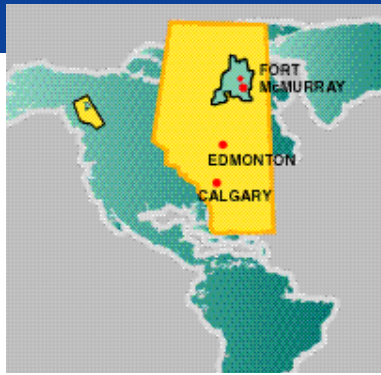
Bitumen supply options were available beyond the existing pair of leases. How big did Syncrude want to be, and how much were its current investors (or new investors) willing to invest? What royalty and tax terms (which, in the past, had been negotiated with governments on a project-by-project basis) would apply to new project investments? What environmental opportunities and challenges were posed by expanding Syncrude's already vast surface mining operations?



Syncrude's business requires capital-intensive mining, extraction, and upgrading of the resulting bitumen to produce light, sweet crude.

Charged with jointly navigating these strategic shoals was a fractious and frustrated Management Committee composed of representatives from the companies that originally launched or bought into the Syncrude joint venture. This amalgam of companies (in 1989) consisted of: Esso Resources Canada Ltd., the Province of Alberta, Petro-Canada Inc., Alberta Energy Company Ltd., PanCanadian Petroleum Ltd., Gulf Canada Resources Ltd., Canadian Occidental Petroleum Ltd., HBOG-Oil Sands Limited Partnership. (Mocal Energy bought in in 1992 and Murphy Oil Company Ltd in 1993; Athabasca Oil Sands bought out the Province of Alberta's share in 1995.)

On top of these strategic issues, a serious fire at Syncrude had, along with low and volatile oil prices, heightened the Joint Venture Management Committee's concern with Syncrude's operational reliability. As a result, instead of focusing on the critical strategic choices facing Syncrude, the annual "strategy" sessions had degenerated into detail-intensive attempts to micro-manage the business from the top. "We needed a way to focus our Board and senior management on longer term strategic issues as opposed to delving into shorter term



Syncrude's corporate headquarters is located in Fort McMurray, 440 kilometers northeast of Edmonton, Alberta.

operational items," notes Jim Carter, COO and VP, Operations.

The lack of a coherent strategy was exacerbated by differing objectives and views among the owners. As Newell recounts, "We had a very complex and cluttered strategic agenda. In fact it was worse than that. We had four owners wanting to harvest the business and four owners wanting to grow it. So we had no consensus on what path we should be on."

Further disagreements on whether to grow the business or milk the existing investment festered for lack of a strategic dialogue. Crucial planning information and assumptions were deemed too sensitive for each owner to share openly around the table.

After frustrating and dysfunctional strategy sessions with the owners in 1988 and 1989, Newell decided to implement a change in approach to create success in the next annual strategy session. Syncrude needed a way to unblock the strategic agenda and begin developing the value they believed the business could yield. Phil Lachambre, CFO and VP, Business & Corporate Affairs, describes how this belief drove the search for a solution.

"We had a shared belief amongst all our owners that there was value in this business if we could get at the right levers on the technology front, the cost front, and marketing," says Lachambre. "There was enough of a belief in the future potential of this industry that everyone was willing to work the strategic process in earnest, even though we were running at close to break-even in those days."

Syncrude began to consider strategy consultants as a way to unblock the strategic agenda and begin realizing this potential. But they would need a team that was capable, experienced, and had an approach that would fit and work with Syncrude's composite ownership structure and culture.



Phil Lachambre, CFO and VP, Business & Corporate Affairs Syncrude Canada Ltd.

CHOOSING A CATALYST FOR CHANGE

Prior experience led Newell and his team to open discussions with the management consulting firm of Strategic Decisions Group (SDG), as a possible catalyst for this transformation. SDG offered experience in capital- and process-intensive industries, genuine enthusiasm for building strategic excellence and competencies right into large organizations like Syncrude, and a unique capability: the Dialogue Decision Process.

SDG's Dialogue Decision Process offered a new paradigm for strategic, change, and operational management. Instead of the widely used advocacy approach (in which a proposal is presented, then accepted or rejected), the Dialogue Decision Process employs a multi-level, multi-stage collaboration. The multiple levels ensure that the people from the Board of Directors down to the technical expert line managers contribute their best knowledge and insight to the process. The multiple stages guide a systematic development of the decision basis (including values, alternatives, and information) to ensure a logically correct and defensible decision. The collaborative nature of this process builds credibility through the right involvement of the right people and ensures their commitment.



Dr. Carl Spetzler
Chairman
Strategic Decisions Group

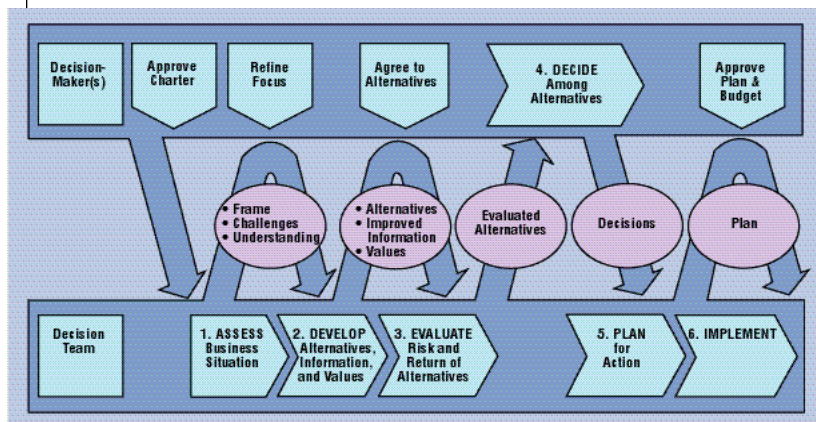
ing other companies through the transformation process would be critical.

LAUNCHING AN AMBITIOUS PILOT PROGRAM

The joint Syncrude/SDG team embarked on an ambitious effort in the winter of 1989-90 to complete a full (albeit pilot) cycle of the Dialogue Decision Process. As they worked through the process, it became clear to Syncrude personnel how the six main steps combined to meet the requirements of a high-quality decision:

- Establishing an appropriate frame for the decision
- Developing high-quality alternatives
- Obtaining, developing, and using meaningful, reliable information
- Building a clear set of values and understanding the trade-offs between them
- Applying logically correct reasoning
- Building commitment to action.

Syncrude personnel also saw deployment of the full arsenal of SDG's decision analytic tools, including strategy tables, advanced spreadsheet modeling techniques, influence diagrams and decision trees, and sophisticated deterministic and probabilistic analysis techniques. It became clear why experienced talent was needed to apply them and how



SDG's Dialogue Decision Process builds decision quality by involving decision-makers and team members in carefully crafted stages.

In short, this systematic process enhances the quality of both the technical content and organizational context of a decision. This process seemed to be what Syncrude and its joint venture owners needed, if SDG could make it work with them.

Before involving the owners, though, Newell wanted a test of whether the Dialogue Decision Process could meet the challenges posed by the organizational and technical complexities at Syncrude. As Tony Grace, VP Human Resources and Technology, puts it, "Because of its joint venture structure of eight (now ten) shareholder companies, Syncrude needed an especially good strategic process to get everyone on-side."

For this test run, Newell assembled a team of his top staff to work with SDG on a pilot project applying the Dialogue Decision Process. The pilot project would involve only Syncrude employees and would report to an executive team. If successful, Newell would then tackle the crucial step of involving the Management Committee of owner representatives as full participants in the process.

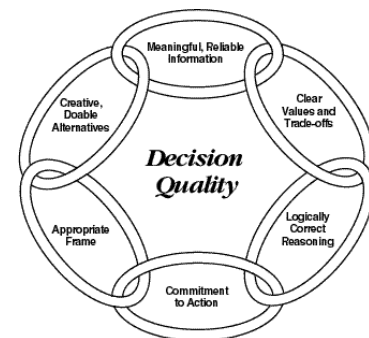
To meet this challenge, SDG deployed a seasoned team, including Dr. Carl Spetzler, then Managing Director and currently Chairman. The team's experience in guid-

ing their application in adept hands could forge clarity of thought and action in even the most complicated and risk-fraught situations.

The technical complexity of Syncrude's business also became clear as work on the strategic

issues progressed through that winter. Operations were very capital intensive, and the intricate relationships that made the whole techno-economic system work made it easy to err in assessing the consequences of decisions.

Decisions had to be made despite a lag of up to six years before results would come on stream and 25 years or more of economic life. And the right decisions



A chain illustrates the interlocking requirements of decision quality.

In short, this systematic process enhances the quality of both the technical content and organizational context of a decision.

had to be made in the midst of a commodity oil price environment subject to large quarterly—even daily—swings.

As Spetzler puts it, “Managing Syncrude is like steering a supertanker where you have to think forward 100 miles—instead of steering an armada of speedboats where you can turn and react quickly. That’s an important characteristic for Syncrude because it’s so different from the culture that most of the joint venture’s owners come from.... [Conventional oil and gas] is a much more flexible and fast-moving business that you can speed up or slow down from quarter to quarter or year to year. If you applied that kind of thinking to Syncrude, you’d destroy the business.”

Newell agrees. “This is not a business for the faint of heart, even in the best of times.”

A further issue was posed by the operational integrity challenges. Newell knew the pilot Dialogue Decision effort was constrained by the Management Committee’s concern with Syncrude’s operational performance. Syncrude would have to demonstrate impressive progress on operational excellence to win the right to think more broadly about the business.

This constraint—plus the technical complexity and the need to build a strategic cultural transformation for successful implementation—forced a prioritization of the strategic agenda. Initial efforts would focus on technology and plant configuration and investments. Later efforts—if and when the Management Committee signed on—would focus on the long-term bitumen supply and growth options.

Work progressed through the long Fort McMurray winter and into the spring of 1990.

BUILDING A MANAGEMENT CONSENSUS

As the strategic and technical opportunities and options began to crystallize, the team started to focus more intently on the organization’s challenges to signing on the Management Committee and initiating a transformation of Syncrude’s strategic process. Summarizing these challenges produced a daunting list.

The eight owners came from different cultures, bringing with them different methods and interests. Some of their representatives on the Management Committee were empowered to make decisions; others required approval from their top management. Some were trying to sell their shares in Syncrude; others were committed for the long term. Changes in ownership and frequently changing owner representation resulted

in greatly differing degrees of understanding of the Syncrude techno-economic system and its issues.

As if the divergence of interests and experience weren’t enough, the owners were further divided by different assumptions and expectations about oil prices, inflation, exchange rates, and other key economic and financial business parameters. The calculus of value itself was at issue.

Newell, Lachambre, and Spetzler conferred with other Syncrude executive team members Jim Carter (COO), Tony Grace (VP), and Thane Waldie (VP). The team resolved to begin tackling this entire knot of technical and organizational issues at an intensive, three-day strategic retreat in September 1990.

They agreed their challenge was to engage the Committee members and begin building trust in the process as soon as possible. To do this, they chose to apply a little Kissinger-style diplomacy by individually interviewing the Management Committee members prior to the joint session. Shared frustration with previous sessions prompted Committee members to agree to this unusual tactic.

If successful, the interviews would help lay the groundwork for the strategic retreat and allay Committee skepticism of SDG and of the Dialogue Decision Process. SDG was not well known in Canada’s oil industry, nor was the Dialogue Decision Process standard management fare.

The owners responded in the pre-meeting interviews with startling candor. They acknowledged that relationships between Syncrude and the Management Committee were poor and that advocacy-based decision-making exacerbated the problem. As one owner commented, “Syncrude has moved from being open to wanting to present ‘packaged positions’ on which the owners felt they had less opportunity to have input.”

Another commented, “The relationship between Syncrude and the Committee has eroded over the years. We find out more about Syncrude from consultants than from Syncrude itself. This is not right. The problem is in the relationship at the top.” Another owner put it even more bluntly. “The Management Committee is a prisoner of the past operation and management agreement and joint venture structure.”

Decisions had to be made despite a lag of up to six years before results would come on stream and 25 years or more of economic life.

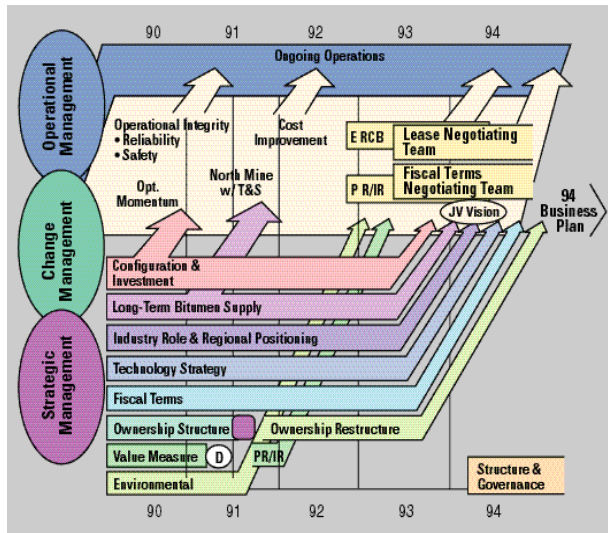
With groundwork laid in the interviews, Newell and the joint Syncrude/SDG team were ready at the retreat to immerse the Management Committee in the Dialogue Decision Process. Spetzler facilitated the

session. It was a make or break point for the strategic transformation process.

As Spetzler said later, “My first impression was that here were experts in the conventional upstream oil and gas business. That wasn’t Syncrude’s mining, extraction, and upgrading (refining) operation by a long shot. We had a real challenge on our hands.”

With communication channels opened, the joint session crackedled with contentious, thoughtful, and exhilarating debate. The owners felt they were at last getting at the strategic issues that had eluded them for so long. How can the Management Committee spend its time to add value to the business? Should Syncrude be grown, or milked as a cash cow? How should ownership be structured and required investments handled when some owners are capital constrained? Should Syncrude grow to assume a regional position? And on the most fundamental level, how should the value of Syncrude’s operations and options be measured?

Spetzler knew better than to try to build quality decisions for these complex and long-term questions in the course of a few days. Instead, he and the Syncrude executive team used the time to work with the



Syncrude’s unblocked strategic agenda shows the tremendous progress made in moving issues from strategic to operational management.

Committee to identify and prioritize a strategic agenda and to illustrate with the pilot project results how the Dialogue Decision Process could systematically address the owners’ concerns while driving to high-quality strategic decisions. They highlighted the value delivered by the pilot project and applied the process at the session itself to gain agreement on the frame for a broad strategy effort.

The success of the meeting astonished everyone. Finally a start had been made at unblocking and defining the strategic agenda and dealing with the key

strategic issues. Everyone was engaged and being heard. The transformation process had begun to gel for Syncrude. Grace notes, “It was crucial to involve the representatives of our owners early on in the process in those strategic sessions to get everybody on-side with the major strategic decisions facing Syncrude.”

The owners gave the go ahead to make a full application of the Dialogue Decision Process to the first two

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items on the strategic agenda: determining Syncrude’s future configuration and alternatives for that.

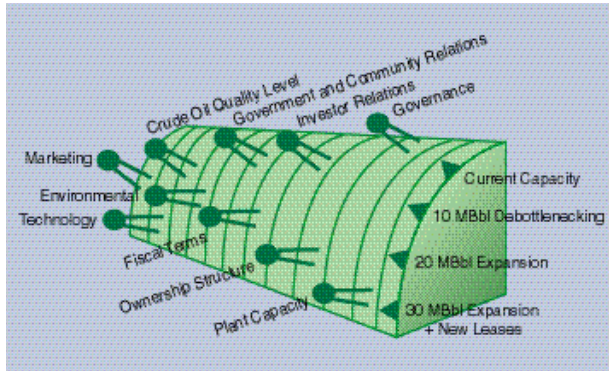
As Spetzler commented later, “The critical point for me was that first meeting. After that, I knew it would be a long, hard road ahead, but we were going to get there. If we have this quality of dialogue, the process systematically drives to a quality decision.” Carter agrees. “The discipline of the process focused the Board and senior management on the longer term strategic issues and on building a better understanding of the overall business. We were more productive and really focused on strategy.”

SHIFTING INTO HIGH GEAR

SDG and Syncrude kicked into high gear in the month following that September 1990 retreat. Issues and alternatives had to be defined. A careful analysis of potential synergies in the business was required to understand where and how Syncrude could best create value. All this had to be captured in a revised vision for the business that would set the framework for developing alternative business strategies.

Work products, reviews, and revisions flowed regularly between Syncrude’s Executive Committee, the Management Committee, and the project task forces as the compressed project schedule played out. Multiple configurations for Syncrude had to be developed to describe alternative visions for the company. Key levers were identified for setting a direction and strategy, including governance options, plant capacity, investor relations options, ownership structure, focus of government and community relations, fiscal terms options, technology options, environmental options, marketing options, and crude oil quality-level options.

This dizzying array of choices was organized into what SDG terms a “strategy table,” in which each decision lever gets a column, and the alternative options for setting that lever are listed underneath. For instance,



The strategic levers for guiding Syncrude—and their many possible settings—organized the dizzying array of options facing Syncrude.

plant capacity could be increased 10 million barrels/year by de-bottlenecking, 20 million with plant expansion, and 30 million with plant expansion and undertaking mining on new leases.

The strategy tables were used to organize the myriad possible choices into a set of coherent and promising alternative strategies. SDG then applied its decision analytic tools to model how the many decisions and risks could impact Syncrude’s ultimate value (as measured by discounted net cash flow), to identify the most critical risks, and finally to show how those risks would impact value. The results were quantified with probability distributions that showed the financial risk and value created by the alternative strategies.

With preliminary results in hand, meetings in 1991 and 1992 furnished a key checkpoint. The results were a sea change in the shared vision for the business.

As Lachambre relates, “We shifted our business focus from maintaining the status quo, minimal capital investment, with a ‘fence around two leases’ to a regional development role. We went from a linear, one-product couple-of-lease business system to acquiring additional leases and developing plans for remote mine/extraction operations and multiple product marketing.”

With a new vision, mission, and objective for Syncrude approved and set in 1992 and 1993, work progressed on specific alternatives to achieve these goals. Spetzler described some of the alternatives.

“We investigated options for unbalanced [value] chains, such as expanding bitumen production capability and selling some on the open market, or buying bitumen and upgrading it. It turns out, when you look at the whole value chain, the most secure position in terms of value and managing the risks of the business came from keeping control over the entire value chain, from bitumen production and upgrading to marketing.”

The Committee had all the elements needed to make high-quality decisions on strategies for Syncrude. The consensus was to grow into a regional, integrated

business with high-value added, differentiated products. The settings for the decision levers in the strategy table told how to do it. The probability distributions told what value to expect over a range of assumptions. All the same, Spetzler adds “Finding and adjusting the right settings of the decision levers wasn’t easy.”

Lachambre recounts, “The first cycle of the Dialogue Decision Process played out over nine months. We reached crucial agreements that defined our execution agenda for the next year and a half. Our organization also made tremendous strides in improving its operations. The owners developed a new vision and mission statement for the stakeholders—not just shareholders as used to be the case. It takes more than just capital and shareholders to make things happen in today’s business world: your local community, aboriginal [peoples], suppliers, contractors, employees.... Our shareholders gain in the long term if all the stakeholders gain.”

IMPLEMENTING THE NEW STRATEGIES

With a clear direction set, a clear understanding of how to make it happen, and consensus for action among Syncrude’s owners, Syncrude plunged into strategy implementation, employing SDG’s assistance in change management to ensure the potential value from the chosen strategy would be realized in effective implementation and operational performance. The going wasn’t easy. Lachambre reflects, “1992 was the hardest time. We were in the middle of working on everything without yet seeing value being realized on anything. On top of that, oil prices were down by \$4 from 1990 levels.”

With perseverance, improved operational performance, and continued assistance by SDG at more frequent (twice yearly) strategy retreats, Syncrude soared. From 1989 to 1995, production increased by more than a third. Productivity increased by 71%, driving down costs. Cash flow increased by 149%, and earnings quadrupled. Lachambre comments, “We are now planning on about \$3.0 billion in capital investment over the next seven to ten years to create an expanded, regional, multi-product operation. In five years, we grew

SYNCRUDE SOARS ON VALUE CREATION (\$C)			
VALUE MEASURE	1989	1995	CHANGE
Crude Oil Production	54 MBbls	74 MBbls	+37%
Full Production Cost	\$15.42/Bbl	\$13.69/Bbl	-11%
Work Force	4,670	3,672	-21%
Productivity	11,700Bbls/ person	20,000 Bbls/ person	+71%
Operating Cash Flow	\$247 million	\$614 million	+149%
Earnings*	\$52 million	\$265 million	+410%
Return on Capital Employed	3.1%	8.5%	+187%

*Pro forma

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the value of the business 40%, and we're looking at similar growth over the next five years."

Besides these financial measures, Syncrude's broadened vision and strategic direction led it to perceive that environmentally and socially responsible conduct of the business wasn't just a cost, it was an opportunity to foster relationships and community commitments that directly supported its business. Syncrude became the largest private sector employer of aboriginals in Canada. Newell described one surprising benefit.

"One of the interesting aspects of native culture," says Newell, "is if they are focused on a common objective, they naturally work very well in teams. Here we were paying consultants hundreds of thousands [of dollars] a year to learn to work in teams when we have it right on our doorstep."

Syncrude's land restoration efforts—efforts that commenced with the very first mining operations—assumed a higher profile. Syncrude established a preserve on restored land to help repopulate the endangered wood bison of Alberta. As Newell described, "It was [in 1992] when we moved a small herd of wood bison onto a piece of our mining land we have reclaimed. At that time, wood bison was considered an endangered species. Today, we are very proud how our herd is thriving and how our experiment in creative

land restoration—jointly developed with the Fort McKay First Nation—has proven successful."

These kinds of efforts have been highly successful in creating pride in and public support of Syncrude.

CAPITALIZING ON FUTURE OPPORTUNITIES

The story on the Dialogue Decision Process and value creation at Syncrude is still being written. As Lachambre notes, "The process has served us well, and we've come full cycle. At the 1994/95 sessions, we went through the levers again and came up with a new set of strategy tables to serve as our [business] template for the next few years going forward. We used the tools and the Dialogue Decision Process to test this template for robustness under a variety of scenarios."

Those strategy tables are ripe with new opportunities to create value and grow the business. There are new market opportunities and levers to further increase volume and product quality. There are new mining and extraction technologies, including the cunningly simple idea of hydrotransport.

Hydrotransport has staggering potential for Syncrude. Oil sand is dumped into a cyclofeeder right at the mine, mixed with water to form a slurry, then piped to separation vessels at an extraction plant. Along the way, bitumen naturally begins to separate out from the sand and water mixture. This will enable the mining and extracting facilities to be located at remote dis-

tances from the upgrading and refining operations, eliminating the need for massive conveyors and tumblers now populating the Fort McMurray mines and for integrated mining/refining operations. In a business that lives and dies by its material handling prowess, the cost and productivity improvements will be huge.

Hydrotransport will transform Syncrude's business

and cost structure. And it is now a lever for Syncrude to pull because exploring its potential was a decision reached in the 1991/92 round of the Dialogue Decision Process.

The path is clear: build success upon success. "Over the next 20 years," Lachambre notes, "the oil



Syncrude is proud of the value it has created for all its stakeholders.

“We constantly had to reinforce and shift the process to keep building a strategic culture and not fall back to advocacy-based decision-making or to operational tactics.” —Carl Spetzler

sands industry will triple the current output level, going from 400,000 to 1.2 million barrels per day. With this, we’ll go from 21% to well over 50% of Canada’s crude oil production.”

This optimism is a cultural transformation—removed from the dark days of 1989.

Spetzler reflects on the transformation process. “There was a huge shift from 1989 to now in adopting a value-creation mind-set. In 1989, we couldn’t agree on how you would even measure value. Today, everybody uses the same language to describe and measure it. We didn’t even have agreement in 1989 that value creation was the unifying purpose,” he says.

“We constantly had to reinforce and shift the process to keep building a strategic culture and not fall back to advocacy-based decision-making or to operational tactics. There was a need for constant renewal of the process, especially as new owners entered the group.... By now, the Management Committee plus Syncrude top management naturally use these tools in a way that shows strategic excellence has become a part of their culture. This capability has become second nature to their organizations.”

Lachambre agrees. “We’ve got the tools, the model, and the process to do a lot of it ourselves, to run a refresher course ourselves, and to get the knowledge out to various parts of the organization. We don’t want to keep it in a central planning department. It’s also integrated into our leadership development programs. Our technicians know what our long-term strategy is, they know where we’re headed, and this works into our employee gain-sharing program we introduced four years ago. We’re getting all employees to think and act more like owners of the company. So far, it has worked very well for us.”

The transformation has progressed to the point where, as Spetzler notes, “If someone didn’t have the decision analytic results and key strategic drivers, they’d ask for it. The decision-makers at Syncrude, including the Management Committee, think this way, which I think is the real key to becoming a strategic culture.”

Moreover, as Lachambre recognizes, the value from transforming Syncrude with the Dialogue Decision Process is more than a matter of decision analytic results.

“The process is just as important as the outcomes,” he notes. “Everyone needs to feel they are contributing, that they do have this chance for debate, for discussion of the alternatives, and to be a part of the decision.... The process is important to build trust and relationships between the participants.... The worst thing is to try to drive to consensus or to decision too early.”

This transformation is even more remarkable given the even greater organizational complexity of Syncrude today. As Newell describes, “Today we have ten owners who have very different situations, and we have the strongest consensus we’ve ever had in terms of our business plan and the strategic direction for the future. The discipline of the Dialogue Decision Process enables us to work through the many strategic issues in front of

“The process is just as important as the outcomes. Everyone needs to feel they are contributing, that they do have this chance for debate, for discussion of the alternatives, and to be a part of the decision.” —Phil Lachambre

us and, in the end, to develop a very strong consensus amongst all of our owners about what is the right path and the right strategy for Syncrude to pursue. That is the tremendous value of our strategic planning process.”

Given the choice to go through it all over again, would they? Lachambre leaves no doubt.

“This [was] a major investment for us—of millions of dollars in the strategic planning process,” he says. “We look for a return from that investment just as we do any investment in hardware, in our operations, or in training of our work force. We’ve certainly got the results out of this investment.”



Strategic Decisions Group

