



Research Insights

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# Expanding downstream oil and gas services

An innovation pipeline  
for growth and efficiency

IBM Institute for  
Business Value



## How IBM can help

The IBM Chemicals, Petroleum, and Industrial Products industry team designs and implements solutions for energy, natural resources, and manufacturing. We help these companies turn information into insights that enhance exploration and production, refining and manufacturing efficiency, global trading, risk management, and operations in real time. IBM offers end to end industry solutions, including integration and collaborative platforms, hardware for supercomputing, software to optimize operations, and business and IT consulting. For information about IBM's capability and experience in the oil and gas industry, please visit [ibm.com/industries/oil\\_gas](http://ibm.com/industries/oil_gas)

## Key takeaways

### Services take center stage

Executives view launching new services as their most important business objective. Services deliver both efficiencies in operations and growth through continual revenue streams and new business models.

### Defining a services strategy

We identified a small group of downstream oil and gas leaders—28% of survey respondents—that have a well-defined services strategy. They both excel at service customer satisfaction and have a lower cost of service delivery.

### Four key actions for success

These leading organizations achieve services transformation by setting services strategy, governance, and cross-business alignment; using the right technology and tools, such as IoT, cloud, robotics, and mobile; acting on data and insights; and cultivating talent and managing change.

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## Criticality of services in downstream oil and gas

COVID-19's impact is apparent in the downstream oil and gas industry across oil refining, retail fuel, and finished products. Refining has shifted from a growth orientation to decreased demand, cash preservation, and a reduction in production. Retail stations have seen fewer customers purchasing fuel, thereby reducing inside-the-store sales. With the average margin on non-fuel sales at or above 30%, higher than the typical 5% to 9% for regular gasoline, their earnings have declined.<sup>1</sup> Finished products demand has plunged with increased telecommuting and production shutdowns, with expectations that global lubricants demand will decline more than 15% in the near term.<sup>2</sup>

Even without the pandemic, the downstream oil and gas industry was already challenged—and continues to be—by the rise of alternative fuels, environmental sustainability, shared mobility, advancements in technology, and regulations around data protection and privacy. Customers are also demanding more from service stations. Visits to the service station are no longer just for fuel, with customers choosing to shop in c-stores for their own convenience.<sup>3</sup> Based on Euromonitor analysis, in 45 of the leading economies of the world, convenience demand is expected to nearly double by 2030, growing at more than 5% per annum.<sup>4</sup>

In this environment, companies must offer and deliver services to respond to disruptive market forces driving industry shifts. With commodity products and limited brand loyalty, downstream oil and gas companies are struggling with how to differentiate their value—whether through cost, features, or quality. Services are also essential to enable refiners to drive high asset utilization.

As a result, downstream oil and gas companies have focused on two critical actions:

1. Driving efficiencies in their refinery and gas processing assets through their service providers
2. In retail and lubricants, shifting from selling products to also offering a broad range of services.



# 13%

higher—“service superstars” achieve net promoter score for delivered service experience versus their cohorts



# 94%

of “service superstars”—very effective at launching new services



# 88%

of “service superstars”—improved customer benefits and outcomes from their technology investments

For refining, these services improve the productivity and reliability of their assets. Field technicians can use a variety of data sources, including operational data, maintenance plans, and anomaly detection, to respond proactively to reduce risk, maintenance costs, and downtime.

Service providers have created new services to help owners and operators of refinery, gas processing, and chemicals manufacturing plants run their operations more efficiently. For instance, Baker Hughes offers condition-monitoring solutions for petroleum refiners. This includes hardware, software, and services, from wired or wireless sensors to continuous monitoring systems to portable data collectors and analyzers. These devices are tied together through a unified platform for asset condition monitoring and diagnostics. The company also offers online continuous monitoring for critical assets such as turbines and compressors. For pumps and motors, a periodic online monitoring solution can prove cost effective. And for nonessential assets located in remote or hazardous areas, a wireless solution enables online monitoring.<sup>5</sup> These solutions create a new business and revenue stream—a true services transformation—from offering only products to also offering bundled products and services.

For retail stations, providing services that simplify people’s lives can attract customers.<sup>6</sup> MOL Group, an integrated international oil and gas company, has launched two new services that are detached from forecourts: MOL Bubi, a bicycle sharing network, and MOL Limo, a car rental service where users can book both electric or gas-powered vehicles.<sup>7</sup> Services also help address the sustainability agenda and offer new sources of revenues through retail EV charging stations. As an area for growth, Shell intends to develop 500,000 electric vehicle charging locations by 2025 (up from 60,000 today) and boost attendants in retail and service locations to facilitate charging.<sup>8</sup>

Service offerings can be based on product, performance, and/or usage. Services enable lubricant companies to enhance a customer’s experience across the entire product life cycle. The companies can generate better visibility into how customers use products and how the products perform. These insights can provide the basis for improving products as well as developing the next generation of products and services. Complementary services to lubricant products can generate good margins.<sup>9</sup>

# 52% of downstream oil and gas execs say traditional business models aren't sustainable in the current market environment.

In view of how important the transition from a product focus to a new services focus is to downstream oil and gas companies, the IBM Institute for Business Value (IBV) and Oxford Economics launched a study to see how they were faring. We surveyed 350 executives in 23 countries who are involved in service development and delivery at their organization (see “Study approach and methodology” on page 15).

## State of services

Downstream oil and gas executives clearly recognize the business need for services. Over three-quarters saw customer/consumer behavior shifting from product-based to experience-based. 52% indicated that traditional business models are not sustainable in the current market environment. And over half of respondents agreed that differentiation is dramatically decreasing in terms of products, prices, quality, and delivery terms, pointing to an ongoing commoditization of products.

The importance of services is also reflected in the companies' business objectives. Launching new services is first in importance at 57%, ahead of reducing operational costs at 54%. These two objectives are followed by

providing a personalized/seamless omnichannel customer experience and introducing greater levels of automation. These four objectives interlock to enhance refinery and gas processing production as well as provide retail and lubricant services.

This services priority is reflected in the growth of services revenues and margins (see Figure 1). Both are expected to continue to grow in the future. This growth is supported by the expected increase in service offerings over the next two years, to be achieved by expanding existing offerings and/or adding new offerings (see Figure 2 on page 4).

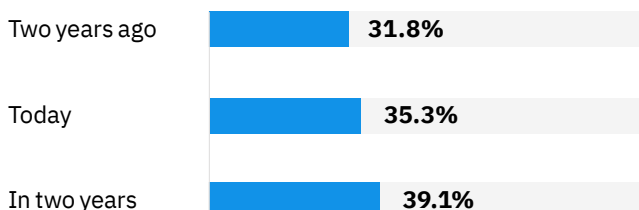
It is not surprising that knowledge-based services, online monitoring, and predictive maintenance service offerings have some of the highest growth rates. In refining and gas processing operations, field technicians can be proactive in maintaining assets by using real-time access to data and analytics and artificial intelligence (AI) tools that provide actionable insights and recommendations. With predictive maintenance, downstream companies can increase throughput; extend the life of assets; reduce the cost and complexity of repairs; and manage spare parts, materials, and inventory.

**Figure 1**

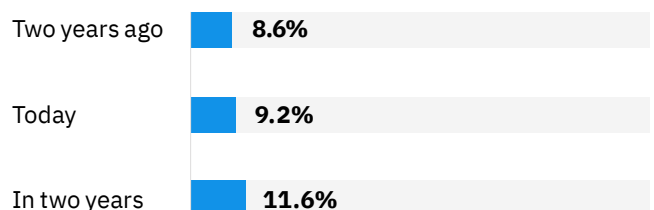
### Growth of services revenue

Revenues and margins continue an upward trajectory

#### Services revenues as a percent of total revenues



#### Average service margin

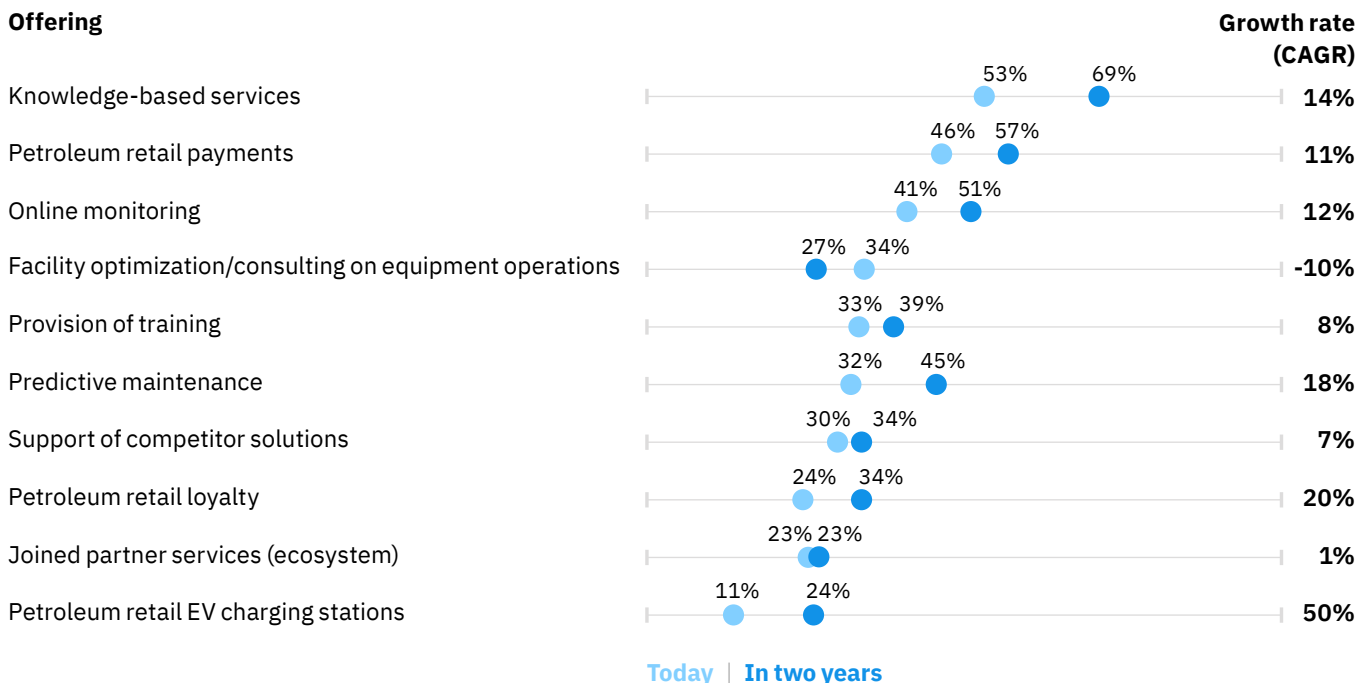


Loyalty program transactions can account for 50% to 70% of total fuel sales, especially in developing markets.

**Figure 2**

### Growth of service offerings

Retail charging stations, loyalty programs, predictive maintenance, and knowledge-based services lead the pack



In lubricants, knowledge-based services include recommendations for the proper lubricants to use for a customer’s equipment. Lubricant analysis and real-time equipment monitoring provides information for predictive maintenance to help increase productivity, prevent damage, and reduce equipment downtime.

Innovation in electronic payments through mobile wallets illustrates the petroleum retail payments services opportunity. As an example, the Ningdong Wanfeng Gas Station in Hangzhou, China, launched a facial-recognition payment system. Customers stand in front of a screen after refueling their vehicles. The screen can recognize faces and connect a customer to the appropriate Alipay account. The customer then enters the amount of money and clicks the confirmation button to complete the payment.<sup>10</sup>

Retail loyalty programs aid customer retention and can help increase sales. Loyalty program transactions can account for 50% to 70% of total fuel sales, especially in developing markets.<sup>11</sup> A fuel loyalty program applies to both B2C (private car owners) and B2B (fleet vehicles) customers. BP’s mobile loyalty app, BPme, offers fuel discounts and makes it easier to pay, view receipts, and track rewards.<sup>12</sup>

Fuel retailers can offer B2B services such as fuel consumption statistics, odometer reading, online (real-time) refueling information of all vehicles in the fleet, and full control over drivers’ purchases by placing limits on the amount and type of products that drivers can purchase using a company fuel card.<sup>13</sup>

An example of joint partner services is QBoo, a smart storage service found at gas stations, launched by GS Caltex Corp. and SK Energy Co., South Korea’s refiners. Using storage lockers, QBoo allows parcel exchanges, buying and selling second-hand goods, and storing laundry and other goods. The companies have created an “ecosystem of coexistence,” with individual startups in charge of manufacturing the lockers, offering laundry delivery services, servicing storage, and managing second-hand transactions.<sup>14</sup>

For downstream companies, insufficient tools can hinder service execution. While nearly two thirds of respondents say customer relationship management tools are in place, only 44% use field service management tools to help optimize service job scheduling, enhance routing, and facilitate collaboration. Just 43% have asset performance management tools, which makes it more difficult for field technicians to have the correct asset information. This limited usage of tools makes it harder to empower R&D, production, customer service, and field service functions to make decisions, gain access to expert and customer knowledge, enhance response time, and become highly efficient.

## Taking guidance from service superstars

To help organizations improve their service capabilities, we analyzed survey responses and identified a small group of downstream oil and gas “service superstars” consisting of 28% of our survey sample. These executives reported that their organizations had a well-defined services strategy that their employees understand.

Service superstars report that they outperform their peers in innovation, 53% more than their cohorts—which is important in creating new services.

Service superstars are focused on a different set of business objectives compared to their peers (see Figure 3). Whereas the peer cohort concentrates on reducing operational costs, the service superstars focus on customer experience and new services. This emphasis

is reflected in their performance. Service superstars excel at service customer satisfaction, and their average service delivery cost is over 30% lower (see Figure 4 on page 6). They are also more much effective at launching new services—94% reported they were effective or highly effective versus 75% for all others.

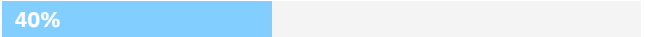
**Figure 3**

### Different objectives

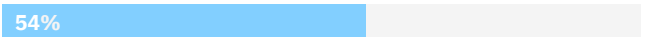
Superstars emphasize customer experience and new services

#### Most important business objectives—Today

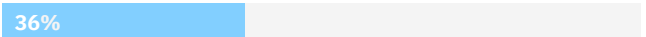
Provide a personalized/seamless omnichannel customer experience



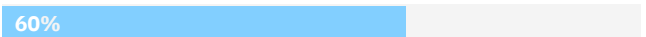
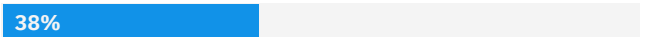
Launch new services



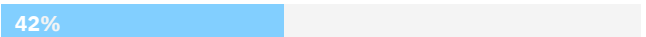
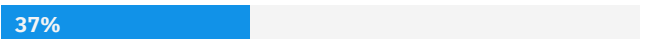
Introduce greater levels of robotics and automation



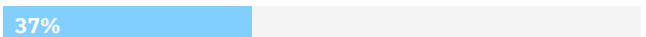
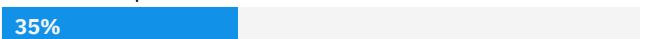
Reduce operational costs



Improve cybersecurity



Launch new products



Service superstars | All others

## Reliance Industries and BP: Building a partnership for mobility, convenience, and low carbon solutions

Reliance Industries, India's largest private sector company, is pursuing digital transformation through its Jio brand. It's formed a joint venture with BP under the "Jio-bp" brand that will scale up to 5,500 retail sites by 2025. The joint venture brings together Jio's market-leading brand presence—it has over 390 million consumers on the Jio digital platform—and BP's global retail experience in differentiated fuels, development of convenience offers, subsidiary Castrol's leading lubricants position, and advanced low-carbon mobility.

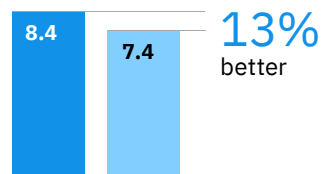
At these branded sites, customers will have access to high-quality fuel, Castrol lubricants and "quick-lube" oil change services, tailored convenience, digital loyalty offers, and advanced mobility services (for example, a fleet management offer for trucks). Additionally, future opportunities will likely include shaping low-carbon mobility solutions for customers in India by supporting electrification of 2 and 3-wheeler transport and providing battery management solutions.

**Figure 4**

### Service excellence

Service superstars have a higher customer satisfaction score with a lower service delivery cost.

Net promoter score for delivered service experience  
Scale of 0–10



Service superstars have a

**31%**

lower annual service delivery function cost as a percent of revenues, compared with all others

**Service superstars** | All others

Our research indicates service superstars drive services transformation through four actions:

1. Setting services strategy, governance, and cross-business alignment
2. Leveraging the right technology and tools
3. Acting on data and insights; and
4. Cultivating talent and managing change.

### Setting services strategy, governance, and cross-business alignment

Service superstars have made customer experiences an enterprise priority. Nearly nine in ten recognize the customer shift from a product focus to an experience focus. New services require a deeper understanding of customer expectations and the flexibility and transparency to deliver these services. To accomplish this, services leaders are shifting to data-enabled services that optimize the customer experience. In fact, nearly three-quarters of service superstars are providing seamless customer engagement to a large extent.



## The right collection of technologies is critical to service delivery.

Over two-thirds of these leaders are actively developing new services and business models to differentiate themselves, compared with just 53% of all others. Nearly three-quarters of service superstars have put in place the financial resources to execute their services strategy, compared with just half of other respondents. This services mindset clearly makes the customer and user experience central to the business.

Service superstars are targeting specific services, especially knowledge-based ones (see Figure 5). For example, analyzing how a customer applies lubricants can trigger proactive activities to avoid future customer issues. Service superstars recognize that a service is only good if it delivers real value to the customer. This significant mind-shift requires different data sets and insights to define service contracts, risks, and pricing. In the next two years, these leaders expect to grow facility optimization/consulting on equipment operations and EV charging stations.

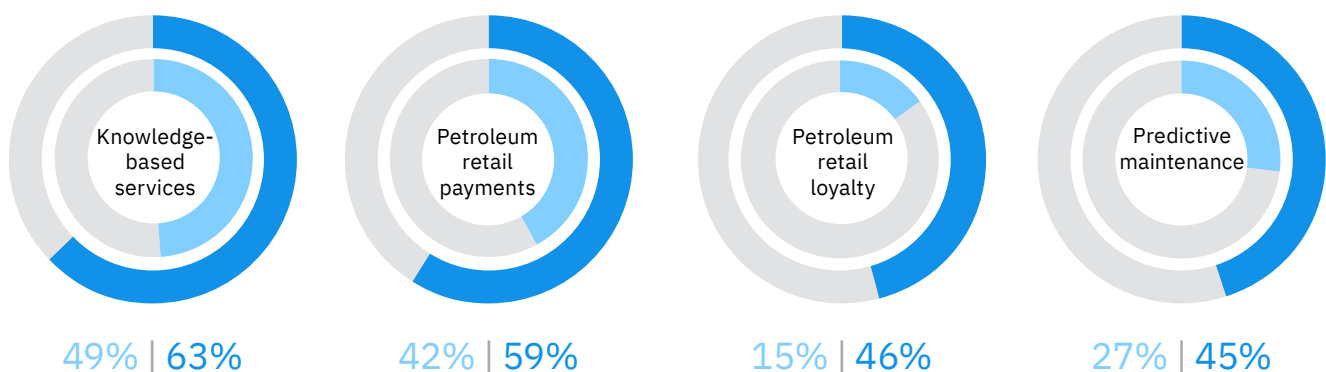
For service superstars, services are a company-wide, management-led approach. Over 7 in 10 have established cross-functional key performance indicators (KPIs) to support customer satisfaction, revenue, and service levels, compared with 55% of their peers. Delivery of process and outcome-based services requires cross-business alignment across legal, commercial, human resources, IT, and operations.

By quantifying services and comparing results against their strategic goals, these service superstars know what they want to achieve and have a clear focus on service accountability. They also reward both their service organization and their sales force to drive service sales. Nearly three-quarters have incentives in place for the service organization to sell services, and over three in five have established financial incentives for the sales force to actively sell service solutions.

**Figure 5**

### Select services deliver value

Service superstars offer select services, especially knowledge-based services and retail offerings.



Service superstars | All others

## Castrol: Providing efficiency-enabling services across industries<sup>16</sup>

Castrol, a part of the BP group, is one of the world's leading lubricant brands and serves customers and consumers in the automotive, marine, industrial, and energy sectors. To keep its customers' operations and equipment running efficiently and sustainably, Castrol offers a range of services to help optimize performance and reduce breakdowns. Services help avoid issues such as contamination of cutting fluid and enable optimal maintenance scheduling.

Examples include:

- Castrol Labcheck: fluid monitoring to help avoid unnecessary system changeovers and machinery failures
- Castrol Techservice: production and technical support services to help reduce cutting fluid contamination, minimize the use of metalworking fluids, and extend tool life
- Castrol Predict: online laboratory sampling to monitor plant performance, help predict and prevent breakdowns, and optimize its operations
- Castrol Systemcare: continuous monitoring of metalworking fluid, performance levels operating on a fixed fee or cost per unit, as well as proactive fluid maintenance
- Castrol Complete CMS: chemical management solution to increase manufacturing potential through product selection, fluid monitoring, and dedicated on-site technical support

## Leveraging the right technology and tools

Service superstars view technology as a critical enabler for digital transformation of the service experience. Nearly 9 in 10 reported their customers benefit from the company using technologies to increase agility and responsiveness in service, compared to 59% of their peers.

Superstars confirmed that the right collection of technologies is critical to service delivery (see Figure 6). For refining, IoT solutions permit continuous monitoring of assets and process data to provide health status. Local IoT devices can help service stations track customer behavior, measure fuel levels, and spot changes in demand. This enables greater accuracy when ordering fuel and commodities and allows stations and c-stores to restock—often automatically—the right products at the right time.<sup>17</sup>

Figure 6

## Harnessing tech power

Leveraging cloud, IoT, mobile and robotics in service delivery

### Implementation—Operating OR Optimizing—Today

Internet of Things

84%

53%

Cloud computing

76%

53%

Robotics/robotic process automation (RPA)

54%

37%

Mobile technologies and applications

44%

45%

Service superstars | All others

Cloud computing can be used to run service applications, develop and maintain data around customer touchpoints, and share information across locations. Mobile technologies allow ubiquitous access to information, promote sharing of project data, and help with field service execution. Automation improves productivity and efficiency of technical work order flow.

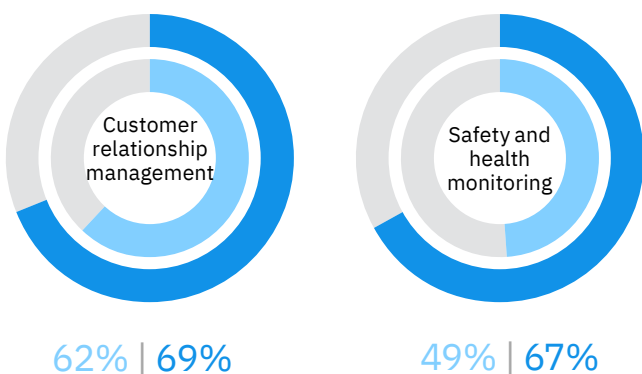
In the future, service superstars expect to implement additional exponential technologies in their service delivery processes aimed at enhancing visibility and transparency and increasing speed and scale. Specifically, over 3 in 5 said they will use AI compared to 37% of their cohorts. AI can be used in customer service chatbots, in customer- and employee-facing applications, and for insights in diagnostics and guided resolution for employees.

Service superstars provide both customers and distributors with the tools to do their jobs (see Figure 7). Customer relationship management tracks and manages customer interactions and records interactions with customers. Safety and health monitoring helps make work safer and smarter with near real-time insights from worksites and service technicians. IoT data and analytics enable monitoring and event tracing. Wearable sensors inform worker physical hazard protection.

**Figure 7**

### Top service delivery tools

CRM and safety help get the job done



Service superstars | All others

## ExxonMobil: Transforming customer experience at the gas pump<sup>18</sup>

ExxonMobil is one of the world’s largest companies and an industry leader in energy production and chemical manufacturing. To make its customer experience at the gas pump faster, more convenient, and better aligned with current consumer preferences, the company decided to create a smartphone app for a streamlined and security-focused fueling payment process.

As part of designing and developing a customer-centric app, ExxonMobil needed a cloud infrastructure designed for flexibility, resiliency, and security. The company also needed a supporting IT platform to scale effortlessly as the user base for its app expanded.

Combining consumer research with the company’s business objectives for the app provided initial design parameters. To establish a flexible, security-rich hosting platform, the company migrated its private hosting environment to a cloud infrastructure—a highly scalable and fault-tolerant operating environment designed for significant cost savings and improved security.

The company also moved its workload to a container-based architecture managed with a Kubernetes service, allowing response to increased demand in near-real time, launching additional containers to expand capacity.

Additionally, the solution incorporates a campaign automation platform to support it in rolling out and tracking targeted marketing campaigns based on customer location, preferences, loyalty tiers, and other key data points.

The company launched its Exxon Mobil Rewards+ app—the entire app experience was built in less than 6 months—to combine the benefits of the company’s loyalty program with the convenience of a mobile payment app. Customers can locate nearby Exxon or Mobil stations, pay for gas from the comfort of their cars, and earn rewards points. The app encrypts user information, and doesn’t store user data on any devices or system, helping to protect users against the dangers of credit card skimming at the pump. It also uses cloud security features to streamline the fueling process for drivers. The Exxon Mobil Rewards+ app has millions of downloads.

## Acting on data and insights

Service superstars use richer insights to make informed decisions about service experience improvements. 85% of service superstars have built a data-driven culture associated with their services strategy and delivery, compared with 57% of their peers. To support this culture, over 4 in 5 provide flexibility and openness through hybrid multicloud to support the services strategy compared to only 55% of their peers. This foundation allows them to scale, provides openness, and enables a seamless flow of data.

This data-driven culture is contagious across cross-functional teams. It's reflected in the integration of service data with operational data in product development, supply chain, and marketing and sales (see Figure 8). By connecting customer service and service technicians with other value chain processes, critical information helps the company make better service experience strategy decisions and enhances enterprise performance. The company is better equipped to identify challenges and shape its services development to proactively anticipate customers' needs and create personalized process and outcome-based services.

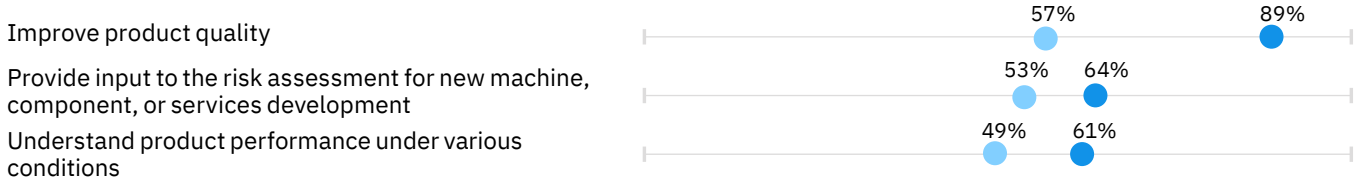
**Figure 8**

## Integrate the data

Superstars connect their people with critical data from the value chain

Service superstars | All others

### Combining product design, development, and engineering data with service delivery data—To a large extent



### Combining marketing/sales data with service delivery data—To a large extent



### Combining supply chain data with service delivery data—To a large extent



In the supply chain, production teams can see data associated with quality issues and the causes behind product or application failures. Providing these insights to the distributor or finished goods processing unit can help improve customer satisfaction. And the sooner issues are identified and resolved, the less costly the problem is to the organization.

Service superstars can apply decision improvement by combining marketing and sales data with service delivery data. It allows them to predict service events and notify customers before a failure occurs. Service superstars understand that product usage patterns and applications can help predict future issues or detect customer support trends and challenges earlier, shortening the cycle time from detecting to correcting it.

For service delivery, service superstars also recognize that success comes from inside the organization when it uses its core capabilities, as well as from outside entities applying their strengths. Most service superstar organizations have established support processes and data and information sharing with their partners (see Figure 9 on page 12). For instance, 95% of leaders report they are either operating/optimizing or implementing data-sharing and analytics among themselves, supplier, and partners/service providers, compared to just 40% of others.

These leaders are using insights to create flexible service delivery operations that are focused on continuous improvement and built to respond to opportunities. For example, BP has acquired a partnership stake in Digital Charging Solutions (DCS), a vehicle charging company founded by BMW Group and Daimler AG unit Daimler Mobility. DCS's in-car software is integrated into vehicle operating systems, allowing vehicles and chargers to communicate without the need for additional customer authentication. DCS operates Mercedes me Charge, BMW Charging, and MINI Charging service. BP's European charging networks will be integrated into DCS' software system for retail customers and fleets. The partnership gives BP access to a wider customer base, ultimately driving up utilization rates on its EV network.<sup>19</sup>

## Vivo Energy: Creating an intelligent enterprise<sup>20</sup>

Vivo Energy is the market-leading pan-African retailer and distributor of Shell and Engen-branded fuels and lubricants. Its retail offering includes fuels, lubricants, card services, shops, restaurants, and other non-fuel services, such as oil changes and car washing. It also provides fuels, lubricants, and liquefied petroleum gas to business customers across a range of sectors.

As a result of its rapid expansion, Vivo Energy needed to find a way to improve its enterprise resource planning (ERP) systems to help integrate core applications, thereby improving productivity and analytics. Additionally, this new system would help deliver a more modern, user-friendly, and integrated experience for customers and employees.

The company chose to deploy an ERP with a new implementation, including the oil and gas, retail, finance, and supply chain modules. The retail module streamlines service station activities by centralizing sales data and preparing it for real-time analysis. This will enable the company to forecast demand to help increase customer satisfaction, while improving sales efficiency.

To help sales and customer service teams manage customer relationships and reduce lost leads, Vivo Energy deployed a customer module in the cloud, enabling employees to address customer queries quickly and effectively.

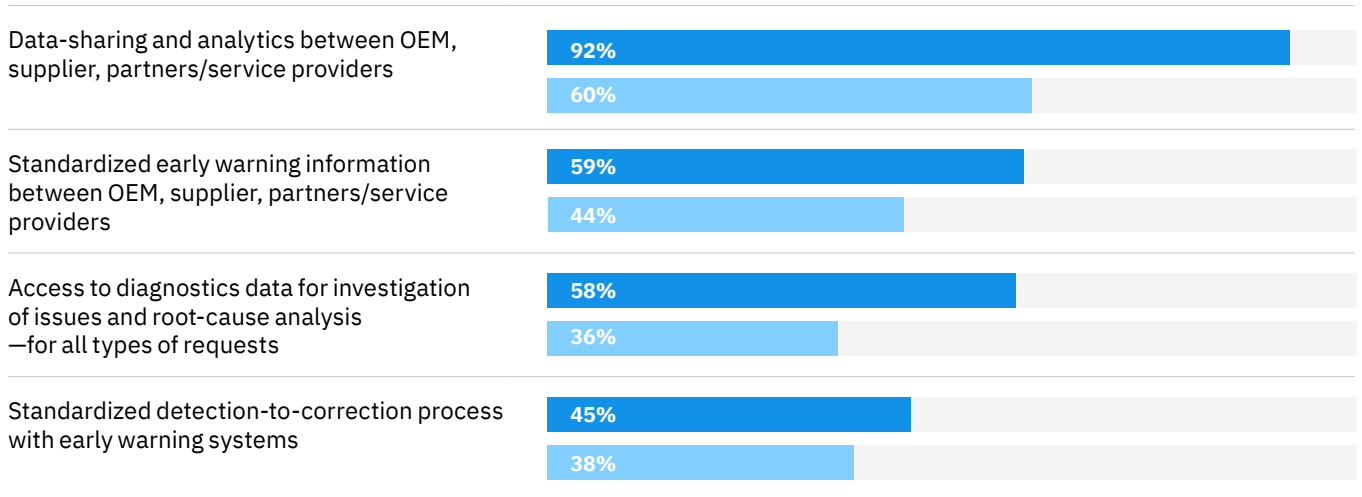
Vivo Energy expects the ERP to fundamentally enhance its ability to grow and develop new business initiatives. Using the embedded analytics engine of the solution, Vivo Energy will be able to track the performance of each of its locations to help drive decision-making and create an intelligent enterprise that responds actively to customer demand. The ERP will predict demand for particular products and automate replenishment, meaning that the risk of goods being out of stock at retail sites will be reduced.

**Figure 9**

## Partnering means sharing

Superstars open up their data and processes across their ecosystem

### Implementation of external collaboration initiatives in service delivery processes —Implementing OR Operating OR Optimizing



Service superstars | All others

### Cultivating talent and managing change

Nine in ten of these leaders say their services strategy is being supported by change management, versus 58% of their peers. Service superstars know the scale of needed change isn't trivial. To create specialized service capabilities and excel at delivery, service superstars must establish a cross-business services mindset, executing efficient processes, creating real-time visibility and monitoring, and utilizing exponential technologies and tools. Supporting new business models requires operational model changes such as talent and partnerships.

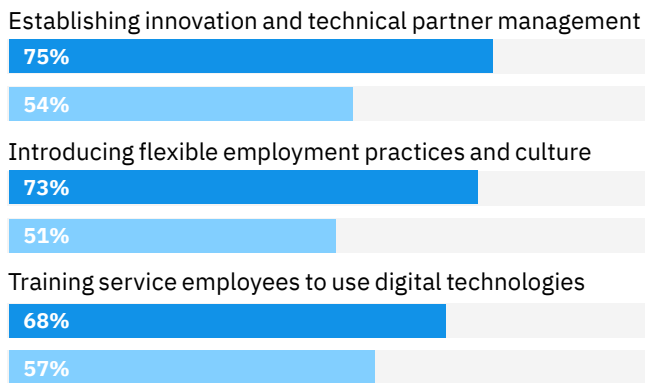
Service superstars have made more talent improvements to support services than their cohorts (see Figure 10). For example, they have put in place the necessary management to work with ecosystem partners. Three-quarters of these leaders have established innovation and technical partner management, compared with just 54% of their peers. As a result, they can engage with a coalition of partners to continually explore and pilot new services and digitally enable staff in areas such as field service for retail EV charging stations.

To take advantage of changing dynamics and opportunities, these leaders invest in new ways of working. They adopt an enterprise-wide perspective to determine the operational model, cross-business impacts, and platforms needed to deliver services excellence. Flexible practices allow service superstars to shift actions based on real-time feedback in service development and operational processes. As a result, digital and physical cognitive assistants can support service technicians, centralizing remote support and reducing onsite demand for expert knowledge. Additional investments in digital technologies training can reinforce skills. This helps retain talent and build the service workforce.

**Figure 10**

### Investing in talent

Talent improvements mean better services



Service superstars | All others

## bp pulse: Building, operating, installing, and maintaining electric charging points<sup>21</sup>

BP is an integrated energy business with operations in Europe, North and South America, Australasia, Asia, and Africa. bp pulse is one of the largest electric vehicle charging companies in the UK and is committed to growing and expanding a global network of public charging points. The company builds, operates, installs, and maintains electric charging points and works alongside EV manufacturers, businesses, and local authorities to develop the necessary infrastructure. 7,000 public charging points are currently available across the UK, with an ambition to increase this to 16,000 by 2030.

bp pulse has created an ecosystem of partners as part of its EV charging points to provide an energy network. First, Automobile Association-(AA) affiliated hotels and bed and breakfast inns have been offered the opportunity to have electric vehicle charging points installed at no cost and integrated into the public network. Sandford Springs Hotel in Kingsclere, Hampshire, was the first to offer EV charging to its guests and visitors. Second, bp pulse’s Hammersmith Flyover is BP’s UK flagship retail site and is the only ultra-fast public charging hub in London. It offers 24-hour operation and facilities and includes a Marks & Spencer Simply Food store, a Wild Bean Café offering coffee and hot food-to-go, a seating area with 3-pin and USB power outlets, free Wi-Fi, and a free-to-use cash machine. Outside the store, facilities include jet wash bays and two automated car washes in addition to the charging hub. Finally, bp pulse has built a partnership with Mitchells & Butlers pubs and restaurants to install 200 chargers.

## Action guide

### *Amplifying downstream oil and gas services*

Service superstars have created the framework to transform their services strategy and delivery, and your organization can as well by focusing on these four key actions:

#### 1. Drive a unifying vision

Make services transformation an integral part of your organization's mindset, supported by offering development, delivery, and governance:

- Determine your service ambition to transition from selling products to added value and outcome-based services.
- Establish a clear services strategy and plan covering customers, employees, and partners that enable cross-business and operational alignment (vision, strategy, objectives, and goals).
- Incorporate enterprise-led and experience design into your services strategy. Find key opportunities to build, evaluate, scale, and enhance your services.
- Determine the operational model needed to enable the trusted advisor service experience and offerings.
- Incorporate services KPIs and incentives to measure user and business value and promote success.
- Add services ownership to your C-suite to drive alignment of business functions, enabling transparency, collaboration, and control.

#### 2. Integrate data and insights for better engagement

Combine service data with operational data to generate insights to improve efficiency and experience:

- Make sure that your services strategy targets both structured and unstructured data needed to understand the customer's processes and address their engagement objectives.

- Connect data horizontally (transparency between commerce, marketing, sales, customer service, service technicians, legal, and pricing) as well as vertically (customer lifecycle and engagement and resource management, for example).
- Enable your ecosystem to share and combine products, services, and data to deliver additional valued services and products to customers.

#### 3. Overlay your services functions with digital

- Equip marketing, sales, and service with digital technologies and infuse them into specific areas.
- Create cross-business intelligent workflows that link processes, people, and insights.
- Infuse digital technologies to optimize processes in sales, in customer service, and among service technicians.
- Add automation for process flow and service technicians.
- Deploy hybrid cloud to make access to data easier throughout the organization, put the data to new use, and house intelligent workflows.
- Move to strategic platforms that enable agile business, operational, and IT practices.

#### 4. Create the right team

Enhance services talent and manage change:

- Develop services skills, capabilities, career paths, and new ways of working.
- Add data, personal, and tech-savvy skills to supplement existing service resources.
- Capture and disseminate knowledge to enhance skills and service efficiencies.
- Enable the right skills and teams with partnerships.
- Develop proactive change management, since services transformation involves significant change across the business, including operations and talent. This could include mining insights from service personnel on customer engagement, obtaining employee input on services strategy and delivery processes, and using a change insights dashboard to track service transformation goals.



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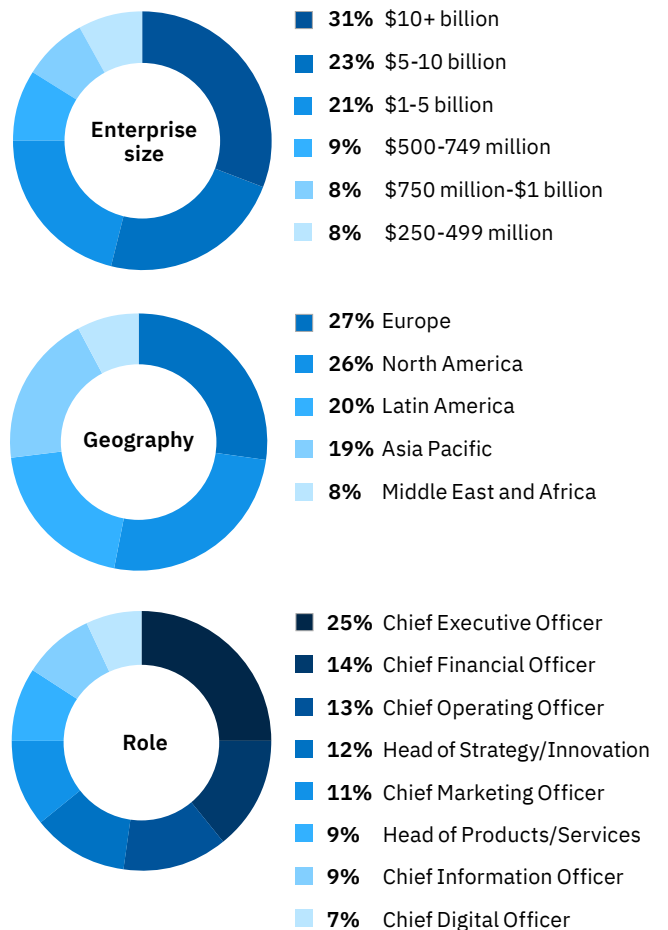
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## Study approach and methodology

In cooperation with Oxford Economics, the IBV surveyed 350 downstream oil and gas executives in 23 countries from July to September 2020. The 350 executives come from different roles, geographies, and size organizations. All data is self-reported.



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