



## Shell Case Study

In 2004, Shell faced a crisis when the company was exposed for having far less oil and gas reserves than stated in its accounts. As a result, the company was fined; its share price plummeted; the chairman, Philip Watts, resigned; and its complex management structure was simplified.

The new chairman, Jeroen van der Veer, then implemented substantial changes across the company's international 80 operating units. This transformation was known as "Shell Downstream-One" and centered around transforming Shell's systems and processes. The main vision of Shell Downstream-One was simplified and standardized processes across all regions and continents. This included every process from centralized distribution networks to common finance and invoicing systems.

The change team consisted of senior Shell leaders, Shell subject matter experts, external change experts, and consultants. The team members had technical knowledge and could provide change leadership by modeling and driving the correct behaviors, briefing those who would be affected by the changes, addressing problems areas, and mitigating risk. Importantly, van der Veer stayed at the center of driving and implementing the change, which meant he never became distanced from the priorities he was championing.

Shell Downstream-One was expected to cause Shell to lose some market share in certain countries. This caused resistance to the changes even though these changes were essential for Shell's survival. Every operating unit had to comply with the new systems and process, regardless of the effect on them.

In addition to ensuring that all operating units adhered, Shell's other main challenge was obtaining the support of its major stakeholders in the industry. Some of Shell's major stakeholders stood to lose market share and, in some cases, stood to lose complete control of their market share.

Overcoming resistance from its operating units and key stakeholders required a highly effective internal and external communication strategy. The change leadership team also focused on rapidly identifying and addressing areas of resistance and was, in this way, able to accelerate the adoption of the new systems and processes.

You are part of the external change leadership team that Shell has contracted to successfully implement Shell Downstream-One.