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STRATEGIC MANAGEMENT AND SUSTAINABILITY
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Introduction

The crisis created in September 2021 in the United Kingdom was mainly associated with a nationwide shortage of Heavy Goods Vehicle (HGV) drivers. The main problem that was related to these issues is related to the supply chain crisis. Acute labour and supply chain shortage was responsible for developing chronic matters in maintaining the supply chain crisis. Long queues of the week have been analysed at fuel stations in the country. It was found that the visa scheme of more workers in the Haulage firms was not that effective because of the establishment of “government by inertia”. It has resulted in worsening the situation in recent months. The main aim of this report will be to evaluate the Global and U.K. Haulage industry and analyse the competitive environment of British Petroleum (B.P.).

The U.K. and global Haulage industry

There is a massive crisis in the United Kingdom for HGV drivers, and this factor played a major role in the shortage of fuel in many country components. The haulage industry of the United Kingdom has failed to attract HGV drivers, and the demography of the population belonged to the old category. The crisis was caused due to lack of both unleaded and diesel grades. This factor has significantly affected Britain’s supply chain crisis (Supply chain crisis 2021).

P.E.S.T.E.L. Analysis

Attributes	Description	Impact
“Political”	• Brexit has caused a considerable amount of issues in the haulage industry • Urban transport restriction-6% (Dunn, 2021) • Political uncertainty- 4% (Dunn, 2021) • Impact of COVID-19	Negative
“Economic”	• Lack of investment-7.3% • Increasing transport costs-14% (Dunn, 2021) • Transport restriction-6% • Rise of fuel cost- 6% (Dunn, 2021)	Positive
“Social”	• The average age of the driver is less than 55, and only 1% belong to the age group, which is less than 25 (Dunn, 2021) • Transporting and driving skill • 9.6% of transporting companies were closed (Dunn, 2021)	Negative

“Technological”	• New backlog test has slowed the selection of HGV drivers • COVID-19 has impacted a significant development in technology	Positive
“Legal”	• Transport Act, 1947 • BREXIT AND COVID-19 have impacted the transport industry of the U.K.	Negative
“Environmental”	• High energy consumption • Air and Noise pollution • Ecological Degradation	Positive

Table 1: PESTLE ANALYSIS of U.K. Haulage Industry

Analysis

The political factor has majorly impacted the business attributes of the transportation sector; the urban transportation restrictions were legally bound at 6%, and it was found that B.R.E.X.I.T. has caused maximum issues in developing this crisis. The economic condition of the U.K. is very healthy, but still, the shortage is caused due to a lack of involvement from the young population to become HGV drivers. It mainly was found that the older age group was interested in participating in HGV driving. The pandemic has affected the technology for developing the selection test for recognising HGV drivers. The Strict rules and regulations after B.R.E.X.I.T. have caused maximum issues in developing the acute shortage of labour. Evangelista, Santoro and

Thomas (2018) state that environmental sustainability in logistic providers has created a significant impact by setting up new regulations; The laws related to ecological development developed substantial issues in the logistics provider, absent in other European countries.

The **Global Haulage industry** has faced a considerable market share worth more than 2900 billion dollars in 2019. Still, it has seen a great downfall due to the pandemic, and most countries have faced slight issues in managing their supply chain crisis (Du, 2019). However, the impact of the Labor shortage was found to be much more in the United Kingdom. The prime reason behind this issue is mainly related to the bureaucratic control that the U.K. government has falsely administered. The government has introduced new regulations and policies that have impacted the Haulage industry of the U.K. According to Dunn (2021), the government has responded positively by conducting frequent driving tests in the country. The lack of supply chain in the U.K. transportation sector has negatively affected driver shortage. The U.K. government has issued a 3-month visa to overcome the European Union's driver shortage.

The Global Haulage industry has not faced such a significant impact, and only the U.K. is a country that has faced an Acute Labor shortage in the country. Thus, B.P. will face many issues in managing the business activities. Still, if the Company carries out their business in any other European country, the intensity of the industrial problems will not reach this position. However, the government has worked effectively to limit the driver shortage by providing temporary visas, and this can help B.P. increase its financial turnovers in 2021 (Dunn, 2021).

Strategic Group Analysis

“Strategic group analysis” is defined as a part of strategic management that helps analyse any organisation’s competitive position. It helps determine the role of the players, stakeholders and underlying factors that affect the profitability of any company. The prime requirements associated

with adopting the latest technology in the upstream industry are identified by analysing the hierarchical process (Motamedi, Bargozi and Pourafshary, 2018). The oil and gas industry of the United Kingdom is integrated into adopting the latest technology in providing the best ecology for production. Thus, British Petroleum has secured a competitive position in the U.K. Oil and industry market. Most companies like **“ROYAL DUTCH SHELL PLC”** and **“E.S.S.O. UK LIMITED”** have followed the most integrated technology in gas exploration, power generation, manufacturing and transferring their products to their retail outlets. Therefore, most of the companies follow the best mode of strategic management that has improved the national market of the U.K. oil and gas industry.

The strategic position of B.P. has been found to secure a competitive place because it has been associated with integrating its competitive nature. It operates in many regions of the United Kingdom; the retail networking services are suggested to be much higher in the retail market. B.P. is aimed to provide the remaining energy for its consumers and secure sustainable development in ecological improvement (bp.com 2021). It is a multinational organisation headquartered in London, England. The toughest competition is recorded from **“Royal Dutch Shell”**, and it can be said that this Company has secured a competitive position in the capital market. B.P. is operating with integrated and organised marketing strategies essential for diversifying in investing in renewable energy sources. This Company is considered highly integrated into investing in other brands and services that provide an integrated amount of efficiency that will benefit the organisation's operation.

British Petroleum has faced the issue that has affected the entire haulage industry of the United Kingdom; the lack of HGV drivers has significantly impacted developing the problem. The Company is associated with following a ten-point strategy that includes many safety issues and better operational functions based on the Company's strength. This Company follows a better relationship with employees, and they follow a better value chain analysis that integrates the

organisational commitment and development (bp.com 2021). This Company has established a better and integrated business framework in the U.S.A. and other European countries. The shortage was only faced in the U.K. due to **“government by inertia”**; the bureaucratic policies and procedures have impacted the business schedule of B.P.

Industry Life Cycle

“Industry life-cycle” is defined as the phenomenon by which the intensity of production analyses the extent of products and range of services the organisation provides. This life cycle mainly consists of four stages that include **“Introduction”**, **“growth stage”**, **“industry maturity stage”**, and **“decline stage”**. This analysis of the life cycle has played a significant role in improving the business attributes of the organisation. This analysis evaluates two essential factors that assess the growth and demand graph of the organisation. These are the two significant factors that must be followed for identifying the industry life cycle. The Company's production determines the quality and demand of the products. It helps in improving the industry's life cycle by following integrated sales and promotion activities. The introduction stage includes the factor by which the market penetration and sales of the product are low. This is justified for a new company introducing its business in new demography.

The **growth phase** facilitates the company launching its full-time operation and gets associated with developing marketing and promotion activities that are important for the emerging industry. The valuation and financial considerations of the Company are improved in this step because the Company secures an increase in the growth of products and services. Gu *et al.* (2017) suggest that a company must analyse their waste management principles for securing ecological development. Therefore, the growth stage is considered one of the essential components monitored by the production sector. The management possesses the responsibility to administer the growth and sales for the Company. The next stage is **maturity**, in which the Company records

a flat growth curve, which indicates declined sales. This stage faces many kinds of competition from the existing market. The marketing effort is considered one of the major options for developing unique and differentiated products.

This stage evaluates the managerial concept and integrated framework that helps secure a considerable amount of development in the organisation. According to Niero and Rivera (2018), the industry life cycle helps administer integrated strategies that are essential for driving a positive change and development in the profit index. The effort of marketing plays a significant role in sustainable development for the organisation. Most of the ailing industries are eliminated from the industry in this stage. The last stage is a **decline** that determines the downfall of a company, and it records a downward curve in the industry. B.P. has been associated with reaching the maturity stage, and due to the pandemic and Brexit, it has faced significant issues in managing its supply chain crisis. However, this Company is working hard to meet organisational goals and objectives.

Competitive environment of British Petroleum (B.P.)

Industry Five Forces

The oil and gas industry of the United Kingdom is found to be very competitive because it has impacted many companies to adopt the most integrated technology and analysis that are essential for securing productive development. Taha (2018) states that Porter's five forces are considered one of the most integrated factors important for ensuring better competitive analysis. These forces administer better change and development in the industry. These strategies evaluate new entries and seek competitive advantages that are essential for increasing the profit index of a specific organisation. The potential five forces that determine the competitiveness of the industry are:

- **Potential of New Entrants:** The owner or management of the Company is responsible for analysing the risk of introducing new entrants in the industry. Two factors essential to anticipate success are investing less time and money to secure a competitive position in the market. These two factors are analysed to integrate the organisation's work and identify the solid barriers for the Company (Nedelcheva and Filipova, 2021).
- **Power of suppliers:** The suppliers possess the leading role and responsibility to address the cost of inputs and outputs essential for determining competitive position in the market. B.P. has faced the issue of facing a supply chain crisis in the industry. The acute labour shortage that has impacted the organisation is its failure to deliver fuel to its retail outlets. Thus, supply chain management must be analysed for on-setting any business plan.
- **Power of consumers:** The buying nature and perception of the consumers must be recorded for averting any transactional issues. B.P. must study the equivalent products, and then the policies of Brexit are beneficial to be followed by the selected organisation.

Consumer-oriented production is always suggested for securing organisational goals and objectives.

- ***Threat to substitutes:*** Every organisation faces this issue. It is considered a factor by which the manufacturing companies can aim for constant development in the capital or retail market. This factor improves innovation and helps secure sustainable development in the changing environment.
- ***Existing competition:*** B.P. must acknowledge the existing competitor in any specific industry and determine the best policies to derive productive results. This theory provides better evidence and helps any organisation develop the products or services that are aligned to organisational goals and objectives. Therefore, it is vital to analyse the existing development, New business strategies and C.S.R. activities that other competitors practise.

SWOT Analysis

Strengths: • Strong Brand loyalty • Focused on brand transparency and consumer-oriented production • Strong network and distribution channels (temporarily disrupted due to labour shortage) • Strong customer relationship • Strong political support	Weaknesses: • Numerous oil spills and disasters • Recorded Dishonest executives • Significant labour shortage (lack of Heavy vehicle driver) • Only associated in developing energy-related domain • Climate change has played an essential role in studying many issues
Opportunities: • The great potential of expanding to the international market • Partnership with foreign companies • Developing subsidiaries for better supply chain	Threat: • Labour shortage can force the Company to face a decline stage • Stiff competition from competitors • Inefficiency in labour shortage can cause a reduction in brand image and goodwill

Table 2: SWOT Analysis

(Source: Self-developed)

Analysis:

Strong brand loyalty has benefited the Company in securing the aim and objectives of the organisation; brand transparency and strong communication with consumers improve competitive

advantage in the industry. This factor will help the Company expand to the international market and establish subsidiaries to integrate the supply chain. According to Andersson and Brewer (2021), the commercial launch industry analyses this attribute for determining competitiveness in the capital market. The Company will adopt integrated strategic management for securing a considerable amount of development in the oil and gas industry of the United Kingdom.

Conclusion

Strategic analysis has provided the best opinions essential for driving effective change and development in the organisation. The case organisation selected was British Petroleum. This Company has faced a chronic supply chain crisis that has impacted them in developing a considerable amount of loss in the organisation. The lack of high vehicle drivers has been responsible for administering the changes in the industry. The Company has faced stiff challenges and issues mainly related to supply chain management. The haulage firm or organisation has opinionated that due to lack of drivers they have failed in transporting the fuel in the retail outlets.

The significant issues are acute labour shortage, Brexit and supply chain crisis that has affected chronologically. The prime finding of this report suggests that B.P. has faced a labour shortage, and this issue can cause a considerable amount of points in the industry. The competitive factor has influenced the problem and business issues developed in the organisation. Thus, the Company must adopt strategic and comparative analyses associated with developing organisational policies that administer positive change and development in the industry.

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