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Executive Summary

BP remains a strategically important integrated energy company with real strengths in scale, trading capability, customer reach, and cash generation. However, this report argues that BP's main weakness is not a lack of assets, but recurrent misalignment between its hydrocarbon cash engine, its transition narrative, and its implementation architecture. Using PESTEL, VRIO, a Balanced Scorecard approach, and a critical BCG-style portfolio assessment, the report finds that BP retains defensible advantage in trading, customer access, and selected adjacent businesses, but becomes strategically inconsistent when it tries to sustain broad transition ambition alongside strong near-term returns pressure. The report concludes that BP should adopt a narrower, adjacency-led transition portfolio, protect hydrocarbon cash flow more selectively, and strengthen implementation governance through clearer allocation discipline and fewer simultaneous priorities. The reflective section then shows how evidence conflict, framework discipline, and source triage shaped the analytical process.

Table of Contents

Executive Summary *2*

Introduction *5*

1. Organisational Context and Overview *6*

1.1 BP's historical development, mission, and integrated business model 6

1.2 BP's industry context, major competitors, and strategic position 6

2. External and Internal Environment Analysis *8*

2.1 Analytical framing and key drivers for change 8

2.2 Political and legal environment 8

2.3 Economic environment and market volatility 8

2.4 Social, technological, and environmental pressures 9

2.5 Critical success factors and rivalry pressure 10

2.6 Internal resources, capabilities, and core competencies 12

2.7 VRIO evaluation and competitive-advantage judgement 12

3. CSR and Sustainability Objectives *14*

3.1 BP's stated CSR and sustainability priorities 14

3.2 Strategic alignment, tensions, and critical judgement 14

4. Balanced Scorecard-Based Organisational Assessment *16*

4.1 Balanced Scorecard logic for BP 16

4.2 Financial and customer perspectives 16

4.3 Internal-process and learning-and-growth perspectives 18

5. Strategic Choices and Implementation *21*

5.1 Business-level strategic options 21

5.2 Corporate-level choices 21

5.3 Change management and implementation credibility 22

6. Strategic Evaluation and Recommendations *23*

6.1 BCG-led evaluation of BP's current portfolio **23**

6.2 Recommendations with justification and risk acknowledgement **24**

Conclusion ***27***

7. Reflective Account ***28***

7.1 Concrete Experience **28**

7.2 Reflective Observation **28**

7.3 Abstract Conceptualisation **29**

7.4 Active Experimentation **29**

Reference List ***31***

Introduction

BP is an especially revealing case for strategic-management analysis because it sits at the point where incumbent strength and transition uncertainty collide. The company retains sizeable scale, cash flow and global presence, however there are increasing demands from policy change, activist investors, consumers and academic critics regarding BP's ability to transition from an oil major. Therefore, the question of whether or not BP possesses strengths is secondary to the questions of how those strengths will be organised. This report argues that BP's future advantage will depend upon its ability to take hydrocarbon cash flows, trading capabilities, customer bases, and project discipline and apply them to a selective transition portfolio without creating further strategic ambiguity (International Energy Agency, 2025a; bp p.l.c., 2025d; Alova, 2022).

1. Organisational Context and Overview

1.1 BP's historical development, mission, and integrated business model

BP cannot be viewed simply as an oil producer. BP is a mature integrated energy company with a legacy model which currently continues to rely heavily on hydrocarbons but now within a broader portfolio that contains trading, convenience and mobility, EV charging, bioenergy and other lower-carbon activities. This is important strategically since BP is attempting to maintain cash generation whilst demonstrating that certain elements of its portfolio will continue to provide relevance in a lower emissions energy system. BP's reporting identifies that the company operates across 61 countries employing 100,500 staff members, produces 2.4 million barrels of oil equivalent per day (in 2024) and had over 39,000 EV charging points operational by the end of 2024. Accordingly, the scale of the platform is not in dispute (bp p.l.c., 2025a). Additionally, the corporate purpose statement developed by BP focuses on delivering energy today and tomorrow thus explicitly identifying the strategic tensions rather than obscuring them (bp p.l.c., 2025c).

Historically BP's transition from British Petroleum to a global integrated energy company generated strengths in project execution, trading, supply and customer reach. However those same historic strengths have created inertia for BP. A company optimised to maximise the performance of large hydrocarbon systems does not automatically generate strategic coherence in transition markets through the addition of new business lines. Hence why the reset announced in 2025 is significant since it recognises that shareholder value, portfolio discipline and strategic direction were becoming increasingly interdependent issues rather than separate management themes (bp p.l.c., 2025d; bp p.l.c., 2025g).

1.2 BP's industry context, major competitors, and strategic position

BP competes within an industry characterised by massive scale yet rapidly evolving competitive dynamics. Although oil remains a critical component of energy demand the IEA reports that global oil demand growth declined to just 0.8 percent in 2024 and for the first time in half a century oil's share of overall energy demand was less than thirty percent reducing confidence in scale as a guarantee of long-term strategic sustainability (International Energy Agency, 2025b; International Energy Agency, 2025c). Porter's work is helpful here since the competitive challenge facing BP extends beyond direct rivalry. Investor scrutiny, policy pressure, risk of substitution, and customer expectations all impact the attractiveness of the industry.

In comparison to Shell and TotalEnergies, BP's repeated resets create uncertainty around its portfolio narrative. In comparison to ExxonMobil and Chevron, BP has a greater degree of tension between signalling a commitment to transition and retaining financial returns discipline. The scope of BP's reach in areas such as trading, customers, convenience and mobility provides it with a substantial platform however this no longer confers a premium in terms of market reward absent clear rationale for its portfolio ((Alova, 2022; bp p.l.c., 2025g; Sakoui and Kumar, 2025; International Energy Agency, 2025a). Therefore BP's strategic position is valuable albeit unstable in its present form.

2. External and Internal Environment Analysis

2.1 Analytical framing and key drivers for change

BP faces a fundamental contradiction in its external environment. On one hand capital markets continue to expect disciplined hydrocarbon returns. On the other hand governments, consumers and segments of the investment community expect credible transition commitments. As such BP requires a comprehensive PESTEL based framework but only applied in a targeted manner. The objective is not to identify every possible macro trend. Rather it is to isolate those trends that may modify BP's room for manoeuvre: climate policy; energy security; investor pressure; price volatility; electrification of mobility; and legitimacy of corporate transition claims (Porter, 2008; International Energy Agency, 2025a). The internal analysis becomes more significant as Barney's resource-based theory only supports sustained advantage if resources are valuable and rare and sufficiently well-organised to facilitate their effective deployment during periods of heightened change (Barney, 1991).

2.2 Political and legal environment

The political and legal environment still permits BP to benefit financially from advantaged hydrocarbon production because energy security remains a live policy issue. The IEA's outlook does not suggest a clean disappearance of oil and gas demand, and the 2025 investment picture still shows capital flowing into gas, LNG, and conventional supply where governments see security of supply as urgent (International Energy Agency, 2025a; International Energy Agency, 2025d). Yet stronger climate disclosure, methane rules, and carbon-pricing pressure raise the cost of inconsistent signalling. According to Wilson, Shrimali and Caldecott (2025) greater levels of climate regulation coupled with increased uncertainty about future energy related issues reduce investment in new oil/gas projects.

Activist investors now functionally represent quasi-political discipline. Elliott's approximately five percent stake combined with Elliott's efforts to force BP to undertake major divestments demonstrate that BP is now subject to assessment not solely on the basis of its operational performance but also on whether or not its portfolio strategy logic is transparent/defensible (Sakoui and Kumar, 2025). BP is operating in a climate which presently imposes significantly harsher penalties for ambiguity than prior to the emergence of these challenges.

2.3 Economic environment and market volatility

From an economic perspective BP continues to enjoy scale advantages; trading capabilities; and operating depth. BP's 2024 reporting and second quarter 2025 results indicate that the

company continues to possess the ability to generate significant cash flows: $6.3 billion in operating cash flow and $2.4 billion in underlying RC profit in Q2 2025 alone (bp p.l.c., 2025a; bp p.l.c., 2025f). This is material since it indicates that BP enjoys flexibility of choice rather than mere retrenchment.

However, the very same economy incentivises incumbent companies and disciplines them simultaneously. The IEA predicts that upstream oil investments will decline in 2025 and states that low emission fuels remain policy dependent as well as relatively minor in absolute terms (International Energy Agency, 2025d). BP's diversified cash engine enable the company to fund strategic change however they can also delay such change.

2.4 Social, technological, and environmental pressures

Pressures from social factors; technological advancements; and environmental forces create opportunities for BP although only when there exists sufficient alignment between capability and credibility. Electric vehicle sales totalled over seventeen million units in 2024 according to the IEA with electric vehicles making up over twenty percent of new car sales globally (International Energy Agency, 2025e). Additionally the IEA reports that over one point three million new public charging points were installed worldwide in 2024 with more than thirty-nine thousand EV charge points operated by BP at the end of that year providing a reasonable foundation for potential expansion in mobility and charging (bp p.l.c., 2025a).

Nevertheless participating in these developments does not equate to possessing credibility. Oil major transition claims are frequently contested where capital allocations are primarily driven by hydrocarbon interests rather than by clean growth narratives (Baur and Todorova, 2023; Alova, 2022). Therefore although the opportunity is real BP can only translate that opportunity into sustainable advantage if delivery and credibility converge.

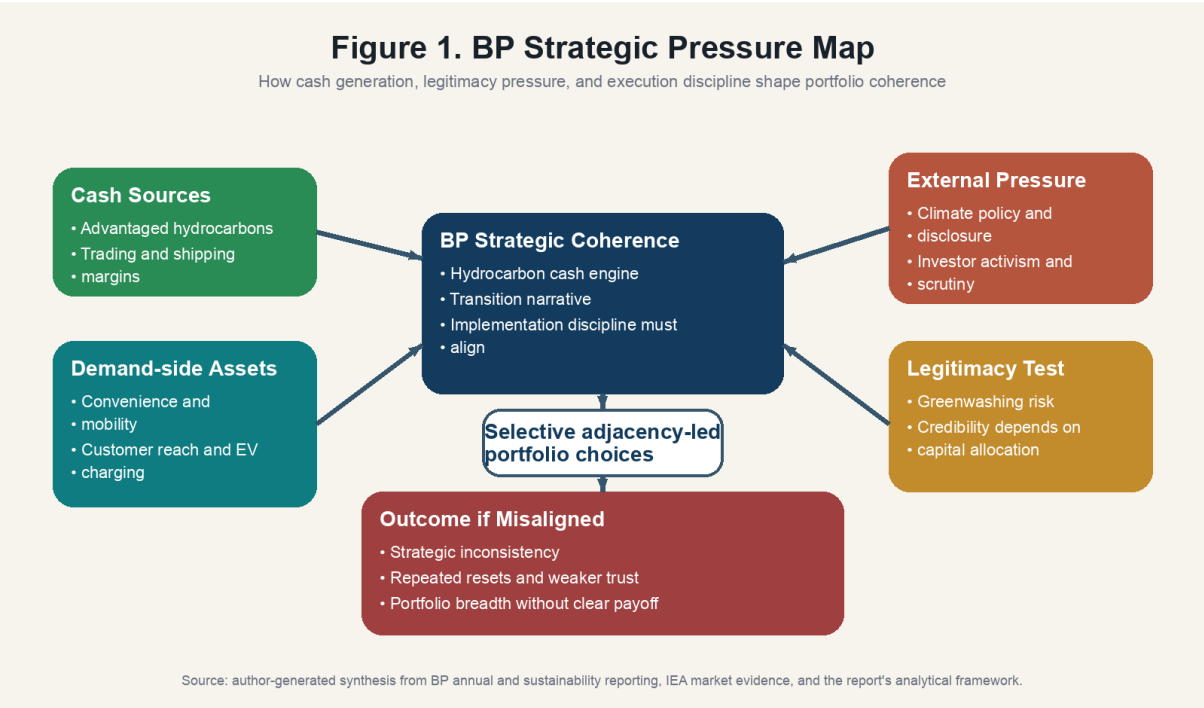

Figure 1: BP pressure map linking cash generation, legitimacy, and discipline (Author Created Based on the Section Research).

2.5 Critical success factors and rivalry pressure

From the outside-in perspective, there appears to be a relatively clear set of critical success factors for BP: capital allocation discipline, reliable projects, trading expertise, access to customers, demonstrable carbon footprint reductions, and scalable expansion of adjacent low-carbon ventures without sacrificing profit control. To achieve this objective, BP must appear consistent to its various stakeholders, including both the energy markets and sceptical stakeholders. This is a more challenging task than being simply larger.

Table 1: BP critical success factors versus external strategic pressures

Critical success factor	Why it matters now	BP position	Main pressure
Capital-allocation discipline	Investors now reward selectivity more than breadth	Strong cash base, but narrative has shifted repeatedly	Activist pressure and policy uncertainty
Project and operating reliability	Cash flow and credibility both depend on safe execution	Historically strong operational depth	Cost inflation and asset complexity
Trading and market intelligence	Supports margin capture in volatile markets	Clear area of strength	Volatility can mask weak portfolio coherence
Customer-channel depth	Needed for convenience, mobility, and energy solutions growth	Meaningful platform present	Trust and differentiation remain uneven
Credible decarbonisation progress	Now affects legitimacy, market access, and capital support	Mixed: ambition exists, proof remains contested	Greenwashing and underdelivery concerns
Execution in adjacent low-carbon businesses	Needed to avoid hydrocarbon overdependence	Some adjacency potential	Competition, scale economics, and policy dependence

Consequently, competition has moved beyond cost and reserves. Competition now includes strategic clarity, the ability to support and defend each investment choice by management, and the ability to demonstrate to markets that selected transition moves will be economically viable. Although BP retains significant amounts of resources, the organisation's strategic focus now includes demonstrating consistency — making the overall strategy appear less certain. Therefore, the primary external challenge facing BP is not accessing markets. Rather, it is whether senior management can transform market access into a coherent and believable long-term strategic vision (Porter, 2008; Sakoui and Kumar, 2025; International Energy Agency, 2025d).

2.6 Internal resources, capabilities, and core competencies

BP's internal environment contains several real strengths. First, BP possesses considerable experience and capability in upstream production and project development based on decades of managing large technical systems. Second, BP has a high level of trading capability. Trading provides a means to convert volatile price movements into advantageous pricing opportunities as opposed to solely converting them into higher risks. Third, BP has the capability to reach customers through many convenient outlets such as fuel pumps, service stations, convenience, fuels, mobility and related channels and other associated channels. Fourth, BP has the capability to develop partnerships and make investments in other businesses that are complementary to its current business activities. Additionally, these advantages allow BP to expand into new businesses without having to develop all of the stages of value creation itself (bp p.l.c., 2025a; bp p.l.c., 2025g). While these represent a number of valuable resources, the question remains as to whether they can be converted into capabilities that can be transferred and combined among different parts of the organisation.

The distinction lies in how we define capabilities. Barney (1991) defines advantage as being dependent upon possession of a particular combination of resources; however, he also emphasises the importance of how difficult it would be to replicate that combination and substitute alternatives. As such, the most beneficial competencies for BP are not generic oil company-related skills. Instead, BP’s most beneficial competencies include: the ability to optimise across various types of supply arrangements and customer distribution channels; the ability to manage large-scale operational systems effectively while ensuring safety during periods of high discipline; and the ability to utilize adjacency rather than completely reinventing existing processes to gain entry into new markets. Zadmehr et al. (2026) provide an important caveat regarding this topic, however: Geopolitical risk impacts how effectively dynamic capabilities perform within Big Oil. Thus, while BP’s capabilities may exist in reality, they do not remain unchanged across every relevant strategic area.

2.7 VRIO evaluation and competitive-advantage judgement

A VRIO view sharpens the internal diagnosis because it forces a distinction between strengths that are merely useful and strengths that are organised well enough to sustain advantage. BP's trading capability and integrated customer reach look stronger under this lens than broad transition ambition, largely because they are tied to routines and positions the firm already knows how to manage (Barney, 1991; bp p.l.c., 2025a).

Table 2: VRIO matrix for BP's key resources and capabilities

Capability	**Valuable?**	**Rare?**	**Costly to imitate?**	**Organised ?**	**Judgement**
Upstream project capability	Yes	Moderate	Moderate	Yes	Strong in legacy businesses
Trading and optimisation	Yes	Yes	Yes	Yes	Clear competitive advantage
Customer-channel reach	Yes	Moderate	Moderate	Partly	Useful, but unevenly monetised
EV charging and mobility build-out	Yes	No	No	Partly	Opportunity, not yet advantage
Organisation-wide transition execution	Potentially	No	No	No	Main weakness in the current model

The "O" in VRIO represents organisational alignment. BP does not lack assets. However, it lacks complete organisational alignment relative to those capabilities that should serve as anchors for its transition portfolio. The resultant is a tenuous competitive advantage: Strongest where BP operates in proximity to trading, customer access and disciplined adjacency; Weaker where it attempts to extend into broader low-carbon ambitions without comparable levels of organisational fit.

3. CSR and Sustainability Objectives

3.1 BP's stated CSR and sustainability priorities

BP's CSR and sustainability agenda matters strategically because legitimacy now affects finance, policy treatment, customer acceptance, and the credibility of any transition story. BP's recent reporting centres on net zero operations, net zero sales, people, biodiversity, and water, and the 2024 sustainability record includes a 38% reduction in Scope 1 and 2 emissions against the 2019 baseline (bp p.l.c., 2025b; bp p.l.c., 2025c). BP's 2024 annual reporting also records 33.6MtCO2e of group GHG emissions under operational control and 8.2GW of developed renewables to final investment decision, which helps explain why reported progress has to be judged against portfolio scale rather than slogans alone (bp p.l.c., 2025a). In principle, that alignment makes sense: a company under transition pressure needs a sustainability agenda tied to licence to operate and investor trust.

The problem is that strategic relevance is not the same as strategic credibility. For BP, CSR is not a side programme. It is part of how the company defends market access while expanding selected transition businesses (Jaber, 2020; Brandt et al., 2025).

3.2 Strategic alignment, tensions, and critical judgement

When BP's sustainability objectives are aligned with operational discipline and customer-facing transition growth objectives, they are strongest. Conversely, when narrative objectives move ahead of allocated funds and implementation objectives, they are weakest. Such gaps are significant because stakeholder expectations have shifted in terms of what constitutes legitimate CSR/sustainability efforts within the energy industry. Stakeholders may suspect that CSR language used by energy companies is used to compensate for inadequate transitional activity rather than genuine transitional activity (Baur and Todorova, 2023; Jaber, 2020).

Table 3: BP CSR objective alignment with business goals, strategic value, and credibility risks

CSR objective	Business alignment	Strategic value	Main credibility risk
Net zero operations	Supports efficiency, compliance, and licence to operate	Strengthens operational legitimacy	Seen as narrow if portfolio emissions remain high
Net zero sales ambition	Connects strategy to customer-facing transition relevance	Can support mobility and energy-solutions positioning	Large gap between ambition and monetised progress
Safety and people focus	Supports reliability and workforce stability	Critical for execution credibility	Weakens quickly if strategy resets unsettle organisation
Biodiversity and water aim	Important for stakeholder acceptance and project legitimacy	Useful for reputational defence and approvals	Can look peripheral if capital decisions dominate the story

Therefore, the judgement is clearly favourable toward a specific aspect of this theme rather than favorably neutral. As previously discussed throughout this report, CSR agendas are strategically required in order for companies like BP to protect performance-based legitimacy in energy industries. However, CSR only serves as an enabler of sustainable competitive advantage when disclosure and investment commitments point in the same direction as actual delivery results. Consequently, although CSR is strategically required for BP's future success as an organisation in this sector, its structural weakness exists when disclosure outpaces delivery (Alova, 2022; Brandt et al., 2025; Baur and Todorova, 2023).

4. Balanced Scorecard-Based Organisational Assessment

4.1 Balanced Scorecard logic for BP

Kaplan and Norton (1992) argue that strategy cannot be managed through financial indicators alone, and that point is especially relevant to BP. The company is not facing a simple profitability problem. It is facing a coherence problem in which returns, customer relevance, process discipline, and organisational learning all need to move in step. A Balanced Scorecard is therefore useful only if it translates the earlier diagnosis into control points that matter strategically. Used mechanically, it would collapse into a KPI list. Used critically, it becomes a way to test whether BP's strong cash platform is being converted into credible execution and customer-facing relevance (Kaplan and Norton, 1992; Fernandez-Gonzalez et al., 2023).

4.2 Financial and customer perspectives

BP's financial perspective is stronger than many critics assume. It reported underlying RC profit of 8.9 billion in 2024, 2025 operating cash flow of 6.3 billion, and net debt of $26.0 billion, so there is enough capacity to support strategic choice rather than mere survival (bp p.l.c., 2025a; bp p.l.c., 2025f). However, the customer side of things is much less secure. While BP has a good position to leverage with regards to demand side transition markets in terms of convenience, mobility and electric vehicle charging, this only matters if consumers view these businesses as more than just legacy fuel-based add ons. Ultimately, this is what determines whether the opportunity associated with its platform is taken up (International Energy Agency, 2025e).

Table 4: Balanced Scorecard for financial and customer perspectives

Perspective	Objective	KPI	Current signal	Proposed target	Priority initiative
Financial	Protect cash generation while funding selective transition moves	Underlying RC profit; operating cash flow; net debt	8.9 billion in 2024, 2025 operating cash flow of 6.3 billion; $26.0bn net debt	Keep quarterly operating cash flow above $5bn and hold net debt at or below current levels through 2026	Tie capital allocation to a narrower portfolio screen
Financial	Improve returns quality rather than volume alone	Return discipline on major projects	Reset strategy framed around value growth and disciplined investment	Complete post-investment review on every major transition asset within 12 months of launch	Formal post-investment review of transition assets
Customer	Build profitable relevance in mobility and convenien ce	Charge-point footprint, utilisation, and customer margin quality	More than 39,000 EV charge points	Raise utilisation faster than network growth and review weak sites quarterly	Focus expansion where customer-channel density is strongest
Customer	Strengthen trust in BP's transition offer	Customer retention and partner quality in energy solutions	Platform exists, but credibility remains contested	Publish a quarterly delivery dashboard for customer-facing transition promises	Link customer claims to visible delivery metrics

From a financial viewpoint, the conclusion is clear: BP has sufficient economic strength to develop a strategy. From a customer viewpoint however, it is far harsher. The platform exists – however, the market will only reward it if convenience, mobility and energy related products come together coherently to create new businesses and are not seen as transitional add-ons to

legacy fuels. For this reason alone, the Balanced Scorecard cannot simply look at footprint. It must demonstrate how expansion of the network connects with the use of sites, the retention of customers and ultimately the quality of margins (bp p.l.c., 2025g; International Energy Agency, 2025e).

4.3 Internal-process and learning-and-growth perspectives

The internal-process perspective shows where BP's strategy either works or breaks down. Refining availability was 96.4% and plant reliability was 96.8% during Q2 2025. Sustainability reporting demonstrates a 38% reduction in scope one and two emissions based on the 2019 baseline (bp p.l.c., 2025b; bp p.l.c., 2025f). The more difficult area is the extent to which BP applies portfolio review discipline and delivers transition above the operating level.

In relation to the learning-and-growth perspective, BP has more exposure. Leadership clarity and capability transfer are necessary for the reset to be sustainable. If repeated repositioning occurs, then it may teach managers and investors that each time they commit to something new it is likely to be short-term. Added to this is the uncertainty caused by the announced change in chairman (bp p.l.c., 2025e).

Table 5: Balanced Scorecard for internal-process and learning-and-growth perspectives

Perspective	Objective	KPI	Current signal	Proposed target	Priority initiative
Internal process	Sustain safe and reliable operations	Plant reliability; refining availability	96.8% plant reliability; 96.4% refining availability	Keep both measures at and above 96% during the reset period	Protect maintenance and operating discipline during reset
Internal process	Improve transition execution credibility	Delivery of selected low-carbon projects; emissions performance	Scope 1 and 2 emissions down 38% versus 2019 baseline	Report gateway milestones quarterly before additional capital is released	Introduce explicit gateway reviews for transition projects
Internal process	Tighten portfolio review discipline	Speed and quality of capital reallocation decisions	Reset strategy has raised the issue, but consistency remains unproven	Limit live group-wide strategic priorities to three at any one time	Formal portfolio screen based on adjacency and returns logic
Learning and growth	Strengthen strategic coherence at leadership level	Consistency of strategic messaging and governance continuity	Chair succession and repeated resets raise questions	Publish one board-approved strategy scorecard and review it quarterly	Align board oversight and business-unit targets
Learning and growth	Build capability transfer into adjacent businesses	Cross-unit skill deployment and partner learning	Trading and customer capabilities exist, but transfer remains uneven	Require a formal capability-transfer plan for each major adjacency move	Create capability-sharing mechanisms across business lines

Ultimately, the overall balanced scorecard assessment is that BP is financially capable but organisationally stretched. BP's strongest line on the scorecard continues to be operational and financial discipline. BP's weakest line is its ability to deliver on a single strategic direction over a long period of time in order to allow customers, investors and internal teams to take it seriously.

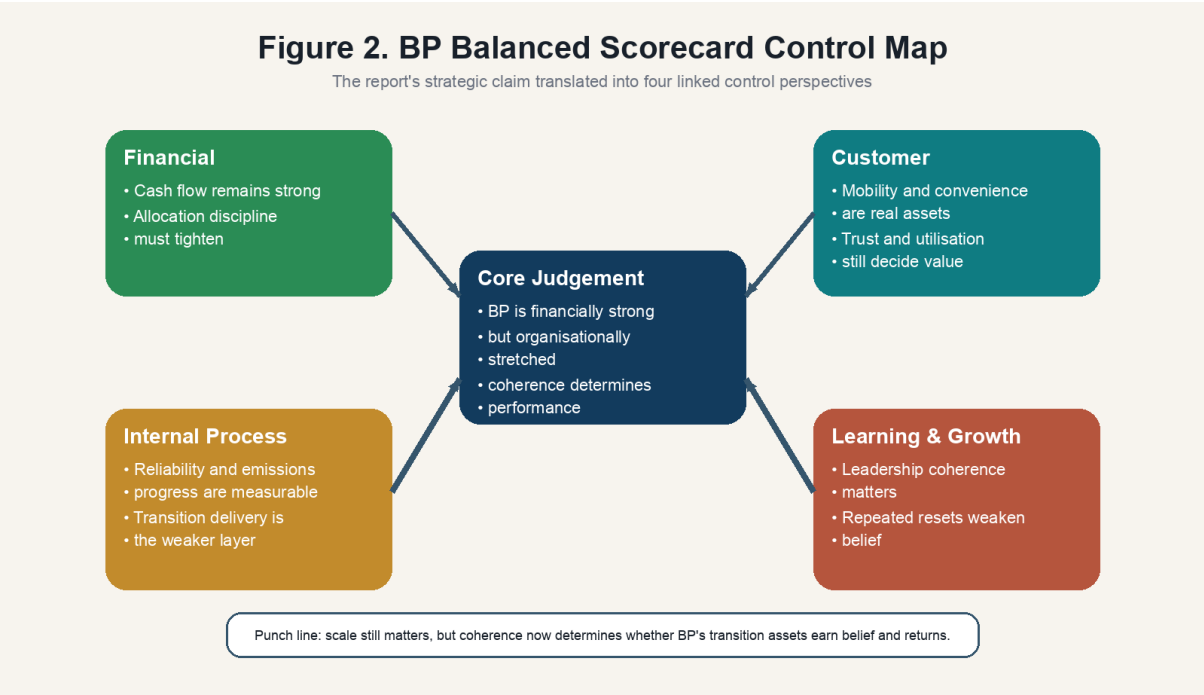

Figure 2: Scorecard map linking finance, customers, process reliability, and learning (Author Created Based on the Section Research).

5. Strategic Choices and Implementation

5.1 Business-level strategic options

At a business-level BP should not be viewed purely as a cost-leader or as a broad differentiator. There will always be elements of both characteristics present within BP's core hydrocarbon businesses due to their reliance on efficiency and scale. However, the stronger option for BP as a whole is selective differentiation created through trading, integration, customer reach and adjacent energy services. Selective differentiation is fundamentally different from attempting to participate in every low-carbon space simultaneously (Porter, 2008).

It is here that BP has been most vulnerable. Research surrounding oil-major transitions has shown that renewable energy and adjacent low-carbon businesses are often located at the periphery of the portfolio, resulting in hybrid language with no hybrid execution (Alova, 2022; Hamilton, Muuls and Hawkes, 2023). Therefore BP should seek to avoid pursuing broad green diversification and instead focus on areas of adjacency where traditional strengths remain relevant (bp p.l.c., 2025d; International Energy Agency, 2025e).

5.2 Corporate-level choices

At a corporate level, the principal issue surrounding BP is its portfolio structure. BP cannot withdraw into hydrocarbons alone without losing long-term relevance but neither should it pursue every possible transition domain solely for the sake of demonstrating its intent. Rather than pursuing broad diversification strategies BP should opt for selectivity: retain advantaged hydrocarbons and trading as cash-generating anchor activities; grow customer-facing and mobility-related adjacencies where it currently has reach; and enter into partnership agreements where capital intensities are high and advantages are less obviously obtainable (bp p.l.c., 2025g; International Energy Agency, 2025d).

Table 6: BP business-level and corporate-level strategic options

Option	Main benefit	Main trade-off	BP fit	Judgement
Broad transition diversification	Signals ambition and spreads exposure	High capital strain and weak organisational fit	Low to moderate	Not preferred
Hydrocarbon-first retrenchment	Protects near-term returns and simplicity	Weakens transition relevance and legitimacy	Moderate	Too narrow
Selective adjacency-led concentration	Builds on existing capabilities and customer reach	Requires disciplined exclusion of attractive side bets	High	Preferred
Capital-light partnerships in adjacencies	Lowers balance-sheet strain and improves flexibility	Reduces control and can blur accountability	High if used selectively	Supporting option

The corporate choice does not relate to ideology; rather it relates to choosing between disciplined adjacency and symbolic breadth. Overly narrow approaches will result in BP being overly reliant upon mature value pools whereas excessively broad approaches will replicate the ambiguity already impacting credibility. The most defensible path forward for BP is to pursue select adjacency activity using partnership arrangements wherever ownership provides less benefit than coordination (Hamilton, Muuls and Hawkes, 2023; International Energy Agency, 2025d; Wilson, Shrimali and Caldecott, 2025).

5.3 Change management and implementation credibility

BP's implementation issues stem not from the lack of strategy language but from a lack of consistent change narrative. Transformation fails when there is little or no anchoring or communication (Kotter, 1995), while Hughes (2016) illustrates how multiple transformation narratives can themselves become part of the problem. The same critique could apply directly to BP: priorities have changed; investor pressure has increased; and the ongoing governance transition adds further complexity (Sakoui and Kumar, 2025; bp p.l.c., 2025d; bp p.l.c., 2025e). BP's implementation challenge is therefore not identifying the next strategy but maintaining alignment post-announcement.

6. Strategic Evaluation and Recommendations

6.1 BCG-led evaluation of BP's current portfolio

Although the BCG Matrix is not a comprehensive strategy theory, it provides a viable tool for evaluating how BP allocates its portfolio of companies at present. In order to be effective, the use of the BCG Matrix will help clarify which areas of BP generate cash flow, which represent potential strategic bets, and those that could potentially continue to carry non-profitable business operations due to being trendy in nature but lacking in commercial viability (Madsen, 2017).

Table 7: BCG-style portfolio assessment of BP

Business line	**Indicative BCG position**	**Evidence base**	**Strategic implication**
Advantaged hydrocarbons	Cash cow	Strong current cash generation and scale	Use selectively to fund disciplined repositioning
Trading and shipping	Cash cow / star	High strategic value in volatility management and integration	Retain as a core differentiator
Convenience and mobility	Question mark with upside	Customer reach exists, but monetisation must deepen	Scale where customer density supports returns
EV charging	Question mark	More than 39,000 charge points, but industry competition is intense	Back only where BP has channel and utilisation advantage
Selected bioenergy and customer energy solutions	Question mark	Better fit with adjacency logic than broad green sprawl	Expand selectively through partnerships and existing channels
Diffuse lower-carbon expansion without adjacency	Weak position	High legitimacy appeal, but weak fit and uncertain returns	Avoid as a portfolio default

The value of this evaluation lies in its selectivity. While BP's top performing units continue to include Hydrocarbon production and Trading, the Matrix indicates why BP should not allocate equal financial resources toward transitioning into each area. Businesses related to convenience, mobility, and selected customer energy offerings have advantages relative to other transitioning businesses in that they exist within the confines of BP's established distribution channels and possess similar capabilities to those currently utilised by BP. On the other hand, expanding into various forms of diffuse low carbon activities may result in BP replicating the broadness issue it currently faces based upon current criticism (International Energy Agency, 2025e; bp p.l.c., 2025a; bp p.l.c., 2025g). Although the BCG Matrix captures many aspects of a company's overall performance, there are several elements such as Legitimacy, Policy and Time Horizon that are outside the scope of the Matrix and therefore it is best used to guide allocations versus making them exclusively (Madsen, 2017; Baur and Todorova, 2023).

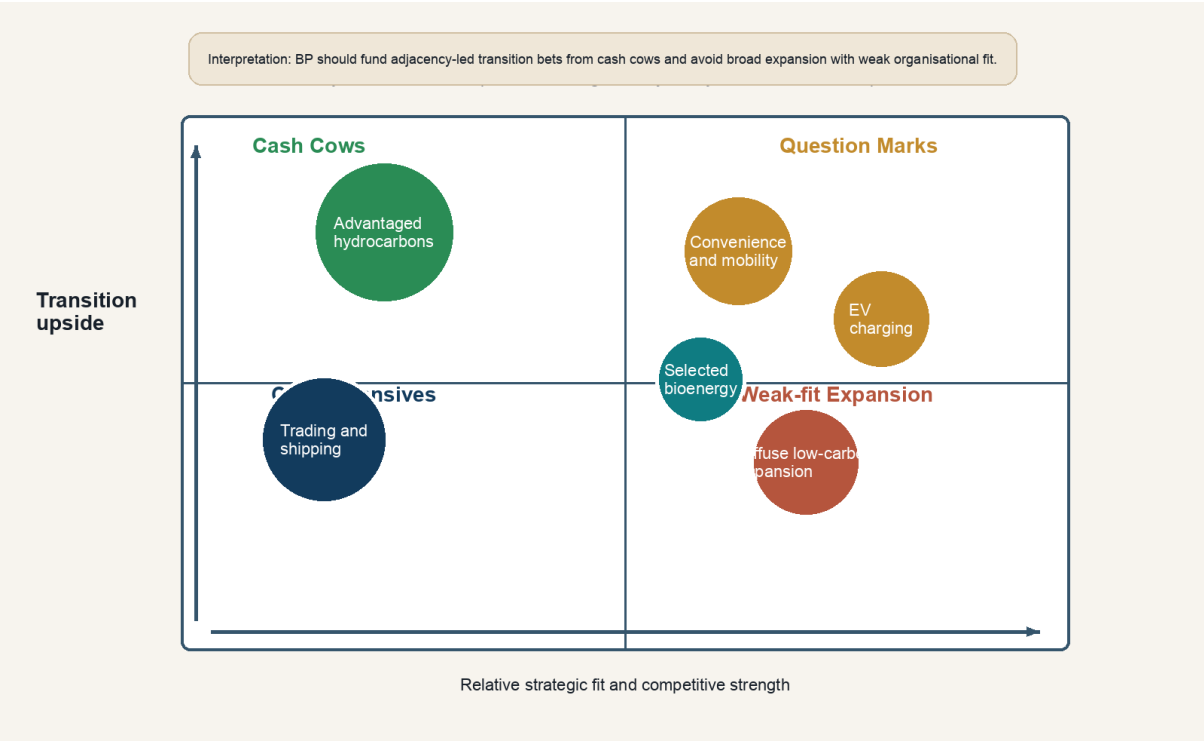

Figure 3: BCG-style portfolio matrix separating cash engines, adjacency bets, and weak-fit expansion (Author Created Based on the Section Research).

6.2 Recommendations with justification and risk acknowledgement

1. BP should narrow the transition portfolio to capability-adjacent plays such as convenience, mobility, selected bioenergy, trading-linked optimisation, and customer-

facing energy solutions. Businesses too far from the operational core are harder to scale coherently (Hamilton, Muuls and Hawkes, 2023; bp p.l.c., 2025g).

2. BP should ring-fence hydrocarbon cash for resilient returns, maintenance, and a small number of transition bets. The issue is not abandoning oil and gas; it is stopping short-term strength from crowding out repositioning (International Energy Agency, 2025b; International Energy Agency, 2025d; Wilson, Shrimali and Caldecott, 2025).
3. BP should replace broad sustainability signalling with a short delivery dashboard covering allocation, methane, operational performance, and customer-facing transition progress (bp p.l.c., 2025b; Jaber, 2020; Brandt et al., 2025).
4. BP should reduce simultaneous priorities and assign clear ownership for implementation. Repeated transformation language only adds value when sequencing and accountability are visible (Kotter, 1995; Hughes, 2016; bp p.l.c., 2025e).
5. BP should treat convenience and mobility as bridge businesses that must prove utilisation, margin, and local fit, not just network size (bp p.l.c., 2025a; International Energy Agency, 2025e).

Table 8: Recommendation implementation priorities

Recommendation	**Timeframe**	**KPI / decision rule**	**Main risk**
Narrow transition portfolio to adjacencies	12 months	Capital concentrated in a smaller set of adjacency-led businesses	Under-investment in longer-term options
Ring-fence hydrocarbon cash uses	Immediate and reviewed quarterly	Explicit cash-allocation hierarchy approved by board	Over-prioritising short-term returns
Publish a short delivery dashboard	Within 2 quarters	Quarterly reporting on methane, allocation, delivery, and customer-facing progress	Dashboard without real decision consequences
Reduce simultaneous priorities	6-12 months	No more than three live group-wide strategic priorities	Oversimplification of a complex portfolio
Test mobility and convenience on commercial performance	Quarterly site review	Utilisation, margin quality, and local fit determine expansion	Chasing network scale without returns

The trade-off is clear. If BP chooses to concentrate too heavily on short-term profitability and/or reducing its investment levels across its portfolio of businesses, it will reduce the ability of the Company to maintain relevance over the long run. Conversely, if BP continues to attempt to diversify in ways that do not produce sustainable revenue growth or create further confusion regarding what the Company will become known for in the future, it will repeat the problems that led to the ambiguity currently undermining BP's credibility. The "middle ground" that is available involves discipline when selecting the types of businesses to focus on during the transitional process. Practically speaking, the timing of the three steps involved in executing this approach matter. First BP must reduce the number of businesses in its portfolio. Second, after narrowing its portfolio, BP must establish a stricter rules-based system for allocating cash among its remaining businesses. Third and finally, once these two initial steps have been completed, BP should implement/expand those businesses that survived through commercial testing and review..

Conclusion

In conclusion, although BP has sufficient financial resources to remain relevant as a player in the global energy industry moving forward, one of the primary conclusions drawn from the report is that BP's relevance in the future will depend on whether or not it develops a coherent set of strategies to move forward in the future as opposed to simply relying on its large size. All external pressures, internal strengths, CSR-related legitimacy, portfolio evaluations and evidence related to implementing new initiatives indicate that the most direct path forward for BP involves developing a narrower and more focused transitional strategy centred around Trading, Customer Reach and selected Adjacency-led businesses. The Company is not resource-weak because it does not own enough physical assets. Rather, it is vulnerable today because its strategy remains structurally ambiguous: Its physical assets are excellent quality, however its organising logic is unstable (Barney, 1991; bp p.l.c., 2025d; Baur and Todorova, 2023).

7. Reflective Account

7.1 Concrete Experience

The most striking feature of researching BP was the gap between the company's orderly self-description and the much less settled external evidence. Early on, there was a risk I'd allow BP's own organisational structure to be the organising structure of the analysis. This would have resulted in a neater report, but ultimately a weaker report since the question wasn't whether BP could describe its strategy well, but whether the evidence supported strategic coherence in practice (bp p.l.c., 2025b; bp p.l.c., 2025d; Alova, 2022).

This experience illustrated how quickly a contentious organisation can push a report towards either advocacy or moral condemnation. In addition to BP's own reporting being the best factual foundation for the study, the external literature and the IEA materials provided the most help in determining what the facts implied strategically. This dichotomy required me to separate my level of confidence in facts from my level of confidence in evaluating facts sooner than I thought I would need to (bp p.l.c., 2025a; International Energy Agency, 2025a; Morris, 2020).

7.2 Reflective Observation

It didn't take me too long to realise it wasn't hard to find data for the project; however, deciding what weight to assign to all of the different types of information was quite challenging once the central argument of the paper began to emerge. One thing that is great about BP's reporting is that it is filled with lots of facts and operational indicators that make it easy to create an ordered presentation. However, at the same time, this is something that can weaken the analysis if company-generated information is permitted to establish coherence on its own terms. As such, both academic critiques of oil majors transitioning and capital market readings of transitional claims had to remain in focus because these two perspectives represented interruptions to a potentially easier story (Baur and Todorova, 2023; Hamilton, Muuls and Hawkes, 2023; Brandt et al., 2025).

There was an equal risk on the other side of things. It would have been relatively simple to present every claim related to transition as completely hollow. Doing so would have excluded the strategic benefits derived from BP's trading capabilities, customer base, and ability to generate cash flow. Therefore, my major analytical discipline throughout this process was continually assessing whether each critical point was based on evidence or driven mainly by BP's reputation (Morris, 2020).

7.3 Abstract Conceptualisation

The main conceptual lesson was that framework choice matters less than framework discipline. PESTEL became useful only when I stopped treating it as a six-box exercise and instead used it to isolate the drivers that genuinely alter BP's options. Porter then sharpened the external logic by showing that rivalry in this sector now includes investor leverage, substitute technologies, and political pressure, not just direct firm-to-firm competition (Porter, 2008).

The internal analysis produced a second lesson. Barney's resource-based view helped explain why BP still has real strengths, but it also exposed where the problem lies. The issue is not whether BP has resources. It is whether those resources are organised for selective transition advantage rather than for repeated strategic explanation after the event (Barney, 1991). The "O" in VRIO was therefore the most useful bridge between diagnosis and implementation.

The third lesson came from the evaluation stage. BCG helped only when it was treated as a ranking device rather than as a full explanation of energy strategy. That, in turn, reinforced Morris's (2020) argument that reflection becomes more useful when it explains why some analytical moves are stronger than others.

7.4 Active Experimentation

f I were given another chance to conduct this assignment differently I would make changes to my approach in four different ways. First, I would categorise my research into three categories — factual, evaluative and theoretical — from day one. This way I will not have company structures from shaping my argument too early before the relevant literature has qualified that company structure (Wu, Michailova and Fan, 2025; International Energy Agency, 2025d).

Secondly, I would determine the structural contradictions prior to writing any prose. Many of the strongest aspects of the report were determined by each section needing to prove whether BP was strategically coherent as opposed to simply describing what BP was doing (Morris, 2020).

Thirdly, I would assess potential strategic recommendations against existing governance frameworks — including capability transfers and accountability mechanisms — much earlier than I did. Both Kotter (1995) and Hughes (2016) indicated that failure of change initiatives occurs far less due to declared intent and more due to sequencing and anchoring.

Lastly, I would consider reflection an integral component of methodology as opposed to end-stage exercise. My greatest insight was not discovering additional sources; it was understanding

how to retain contradictory evidence long enough to develop a sharper judgement (Morris, 2020).

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