

Chevron SWOT Analysis

“SWOT is an acronym for the internal Strengths and Weaknesses of a firm and the environmental Opportunities and Threats facing that firm. SWOT analysis is a widely used technique through which managers create a quick overview of a company’s strategic situation. The technique is based on the assumption that an effective strategy derives from a sound “fit” between a firm’s internal resources (strengths and weaknesses) and its external situation (opportunities and threats). A good fit maximizes a firm’s strengths and opportunities and minimizes its weaknesses and threats. Accurately applied, this simple assumption has powerful implications for the design of a successful strategy.”

Chevron

Chevron Corporation (Chevron) is one of the largest integrated energy companies in the world. It is involved in almost every aspect of the energy industry: from exploring, producing, transporting and refining crude oil and natural gas; to marketing petroleum products; to manufacturing and selling petrochemical products and generating power. The company recorded total revenues of \$220,904million in the financial year ended December 2007(FY2007), an increase of 5.1% over the financial year ended December 2006 (FY2006).The company generated 43.9% of its sales and other operating revenues from the US in FY2007, and the remaining 56.1% from its international operations. In 2008,Chevron is ranked 3 in the Fortune 500 list of top 1000 companies, up from 4 in 2007. Chevron’s strong market position reduces its business risk. However, failure to comply with the stringent environment regulations would adversely impact the company's operations.

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Strengths, Weaknesses, Opportunities and Threats (SWOT)

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
Internal	Strengths <ul style="list-style-type: none"> ➤ Strong market position ➤ Presence across the energy value chain ➤ Strong marketing operations ➤ Steady financial performance 	Weaknesses <ul style="list-style-type: none"> ➤ Legal action by the Iraqi Government ➤ Declining sales of refined products ➤ Declining oil and gas reserves
External	Opportunities <ul style="list-style-type: none"> ➤ Increasing demand for refined products in China ➤ Increasing demand for liquefied natural gas (LNG) ➤ Capital investments ➤ Biofuels initiative 	Threats <ul style="list-style-type: none"> ➤ Economic or industry downturns ➤ Risks associated with conducting business outside the US ➤ Environmental regulations

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