

## **Hess 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.”

### **Hess**

Hess Corporation is a global integrated energy company engaged in the exploration and production of crude oil and natural gas, as well as in refining and in marketing refined petroleum products, natural gas, and electricity. Hess Corporation recorded 885 million barrels of proved crude oil and natural gas liquids reserves in FY2007, an increase of 6.4% over FY2006. The company recorded 2,668 million cubic feet (mcf) of proven natural gas reserves in FY2007, an increase of 8.2% over FY2006. The company's strong and diversified base of oil and gas reserves gives it a significant competitive advantage. However, slowdown in the US economy and the European Union would depress revenue growth and reduce margins of Hess Corporation.

## Hess SWOT Analysis

### Strengths, Weaknesses, Opportunities and Threats (SWOT)

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
<b>Internal</b>	<b>Strengths</b> <ul style="list-style-type: none"> <li>➤ Steady financial performance</li> <li>➤ Strong oil and gas reserves</li> <li>➤ Increase in oil production</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>➤ Declining performance of marketing and refinery operations</li> <li>➤ Claims related to the use of methyl tertiary butyl ether (MTBE)</li> </ul>
<b>External</b>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>➤ Increase in demand for natural gas in North America</li> <li>➤ Capital investments</li> <li>➤ Investment in an offshore Brazil exploration block</li> <li>➤ Rising oil and natural gas prices</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>➤ Economic slowdown in the US and the European Union</li> <li>➤ Environmental regulations</li> <li>➤ Increasing labor costs</li> </ul>

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