Alberta International

New Year of 2008 brought a flash-news at the India Head Quarters of Alberta International: that a young American called Louis Parmer was coming in as the CEO of India operations. The placid stillness of the India Head Quarters was torn apart and people, young and old, started speculating how and why a young man of 39 was chosen to be the CEO of a territory which was always headed by very senior persons in the organization. The current incumbent, Mike Connolly, an Englishman was 68 years old and a veteran in the oil industry with more than 45 years experience. In contrast Louis Palmer had less than 15 years work experience in Exxon and Mobil after graduating in chemical engineering and management from Ohio State University. Most of the top brass of Alberta are of British origin whereas Louis Palmer was an American and a novice in the company dominated by British expatriates. Did this signify any far reaching changes in the thinking of the top-management? Did they abandon the relevance of wisdom acquired through years of experience? Did it mean an American takeover? Did it imply a switchover from legacy to speed and agility? Did it herald cultural tremors through the granite-and-glass edifice of the Alberta House? What did not attract anybody's attention and perhaps did not catch any discussion was: what were the challenges that Louis Palmer faced on his arrival?

Background of Alberta International

Alberta International owes its history to a small firm started in early 1910 in Texas USA engaged in distribution of petroleum products. By early 1950 it had moved out of petroleum distribution to engineering and technical support to firms engaged in distribution of oil and gas. It had acquired some firms in the Gulf region and had established long-term relationships with oil majors like Mobil, Gulf Oil and Exxon. It had a British subsidiary that supported the activities of British Petroleum. In 1990 it restructured itself into a multinational company to position itself as a technical solutions provider in the areas of metering equipments for the oil and gas sector. Most of its manufacturing bases were in the US while it had its presence where ever there were oil and gas installations. Its presence in India got a boost in the 1980s when it acquired a number of mid-sized firms engaged in engineering fabrications. Most of these firms had British ancestry and legacy. They were all situated in the Kolkatta-Asansol-Durgapur belt in the eastern part of India. All these firms were amalgamated in the 1980s under one roof with the name of Alberta India Ltd. The amalgamated company continued to retain the HR practices that were developed by the British expatriates. There was very little turnover of people and the senior positions were filled by people who rose up from within the organization.

The scenario in India and around

The oil and gas sector in India was dominated by the few public sector corporations [oil-PSUs]. Alberta India was satisfied with the limited role it had as a vendor to the oil-PSUs. It had its corporate office in

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This case has been developed by Prof P Bala Bhaskaran for class-room discussion only.

Kolkatta and most of its plants were in eastern India. With the opening up of the economy in the 1990s many private sector players started entering into the oil and gas sector. Alberta India had not made any long term projections or plans of its operations in India. The energy needs of India were going up significantly in view of the rapid growth being experienced by Indian economy. Govt of India [GOI] in its efforts to establish oil security was looking for more and more oil fields within India and abroad. Foreign firms were being invited to participate in these efforts but very carefully. GOI was exploring to establish a pipeline from Myanmar, another pipeline from Bangla Desh and still other pipelines from Iran through Pakistan etc. However, not much progress was being achieved on the ground due to political and diplomatic complexities. ONGC Videsh Ltd a subsidiary of ONGC Ltd, an oil-PSU engaged in oil exploration was looking for acquisition of oil-wells globally. This initiative was facing stiff competition from the Chinese at every step and stage.

In the new century there was increasing realization that future growths were to happen primarily in Asia. BRIC report had suggested that the center of gravity of the world was shifting towards Asia where 55 % of the global population lived. Within Asia, Japan, China and India were considered to be rising as future powers. Oil and gas were major sources in this growth story and it was expected that there would be major competition for acquiring and controlling this resource.

Enter Mr Louis Palmer, CEO, India Operations

It is in this context that Louis Palmer was being deputed to India as CEO. Alberta International did not have any operations in Asia outside India. In the Global Headquarters at Texas, there was an increasing feeling that India Head Quarters ought to be developed to become the Asia Head Quarters. They were feeling that India HQ could do lot more than what was being done. Louis Palmer was scheduled to arrive in the middle of January 2008. The India office was getting ready to welcome him.

What were his priorities in coming to India? Was he coming to India to see the snake-charmers and watch the rope-tricks of half-clad mendicants? What could be the briefing he would have received from his bosses at the Global HQ? What could be his agenda?