

A photograph of an offshore wind farm with several blue wind turbines on yellow foundations in the ocean under a cloudy sky. A small red boat is visible near one of the turbines on the right.

Business Agility in Practice - Beyond Budgeting at Equinor

Bjarte Bogsnes
Equinor (formerly Statoil)
Chairman-Beyond Budgeting Roundtable



«Most of what we call
management is about
making it difficult for
people to do their job»

Peter Drucker

Autonomy
Trust
Empowerment
Collaboration

Competence
Values
Transparency

Not organisations, but traffic.....

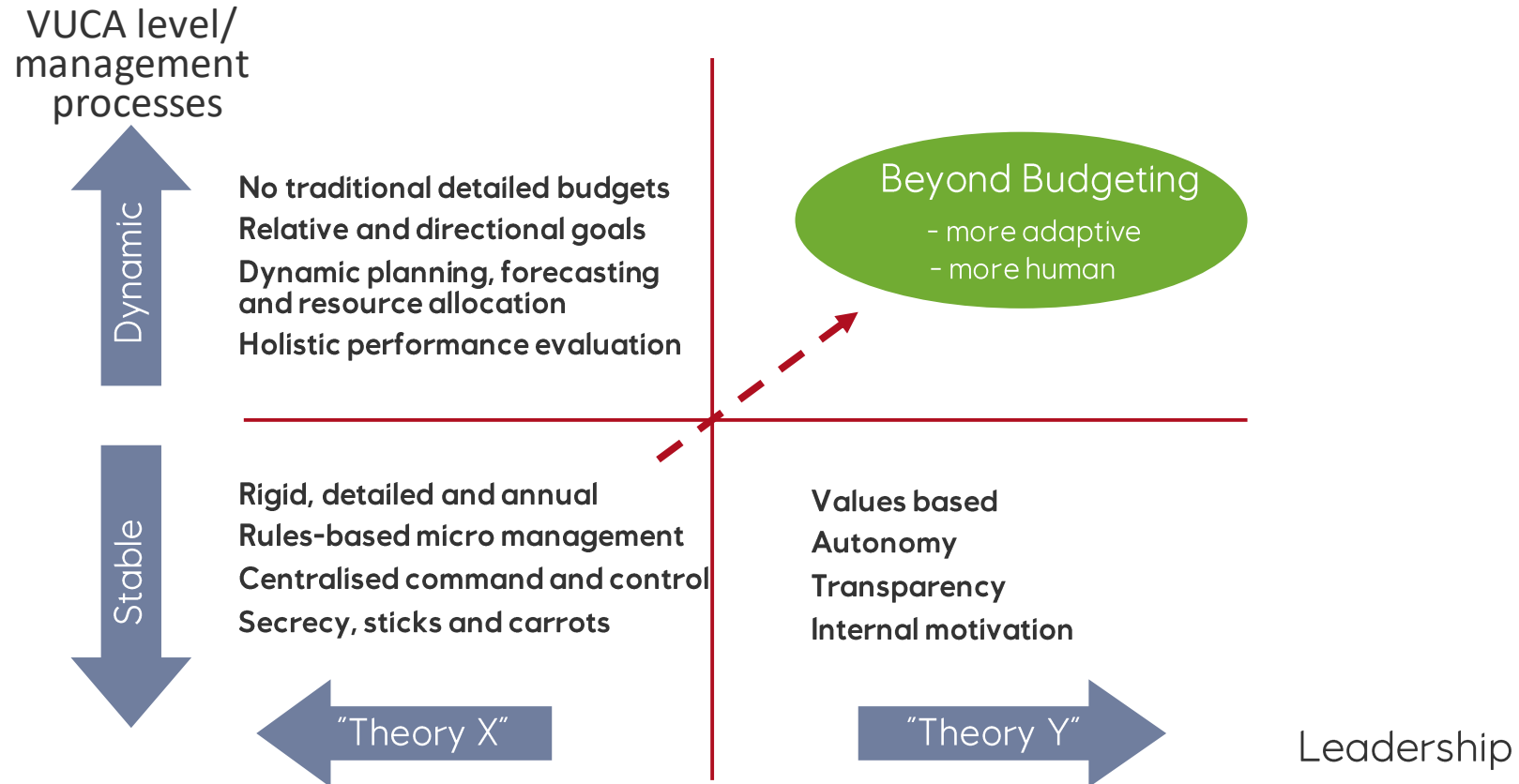


Enabling performance....



*.....not managing
performance*

New business and people realities require change in both management and leadership



Beyond Budgeting

- enabling business agility

Leadership principles

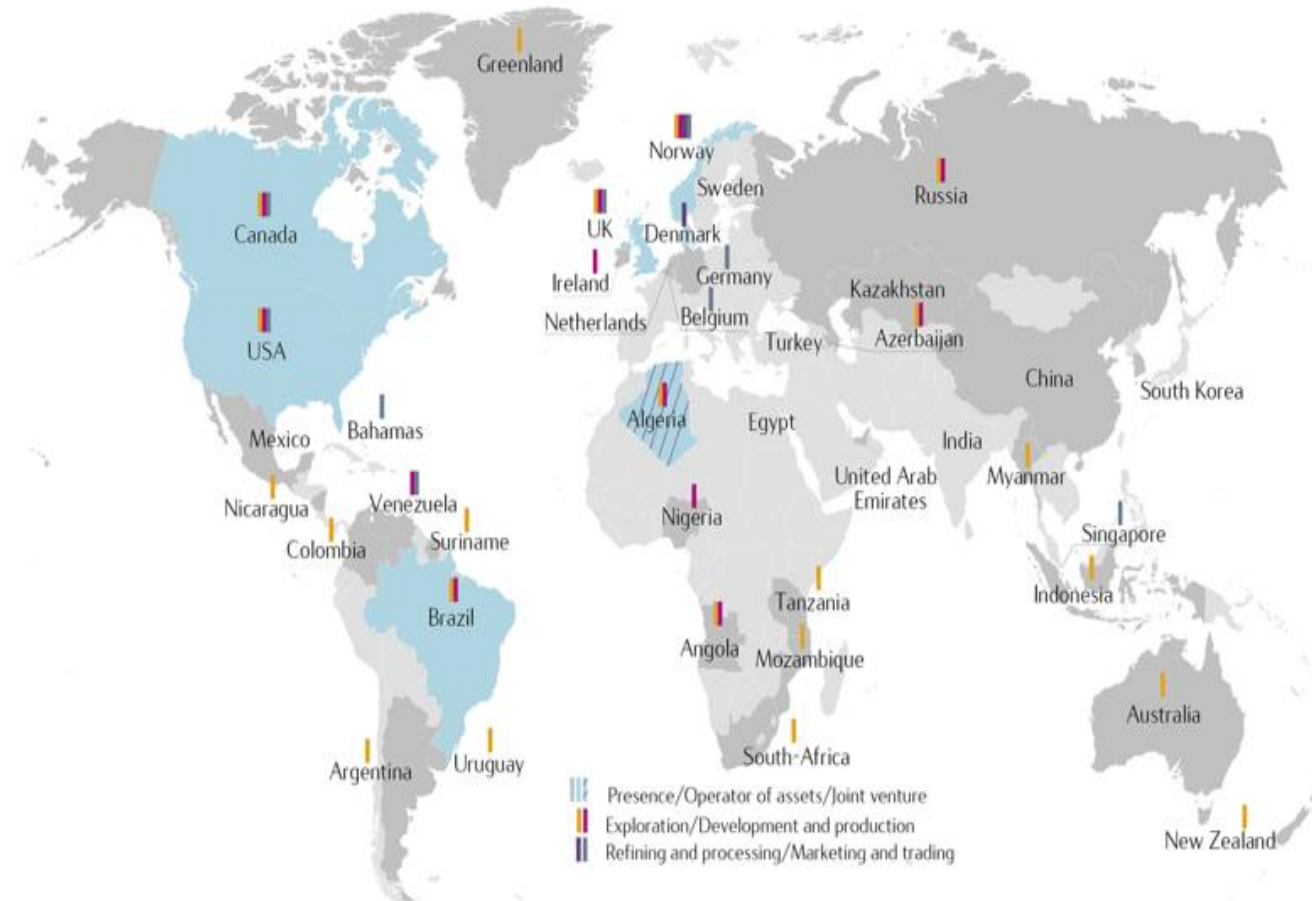
- 1. Purpose** - Engage and inspire people around bold and noble causes; *not around short-term financial targets*
- 2. Values** - Govern through shared values and sound judgement; *not through detailed rules and regulations*
- 3. Transparency** - Make information open for self-regulation, innovation, learning and control; *don't restrict it*
- 4. Organisation** - Cultivate a strong sense of belonging and organise around accountable teams; *avoid hierarchical control and bureaucracy*
- 5. Autonomy** - Trust people with freedom to act; *don't punish everyone if someone should abuse it*
- 6. Customers** - Connect everyone's work with customer needs; *avoid conflicts of interest*

Management processes

- 7. Rhythm** - Organise management processes dynamically around business rhythms and events; *not around the calendar year only*
- 8. Targets** - Set directional, ambitious and relative goals; *avoid fixed and cascaded targets*
- 9. Plans and forecasts** - Make planning and forecasting lean and unbiased processes; *not rigid and political exercises*
- 10. Resource allocation** - Foster a cost conscious mind-set and make resources available as needed; *not through detailed annual budget allocations*
- 11. Performance evaluation** - Evaluate performance holistically and with peer feedback for learning and development; *not based on measurement only and not for rewards only*
- 12. Rewards** - Reward shared success against competition; *not against fixed performance contracts*

Equinor in brief

- Turnover approx. 60 bn. USD (2017)
- 20.000 employees in 33 countries
- World's largest operator in waters deeper than 100 metres
- Second largest gas exporter to Europe
- Large offshore wind player
- Listed in New York and Oslo



Beyond Budgeting

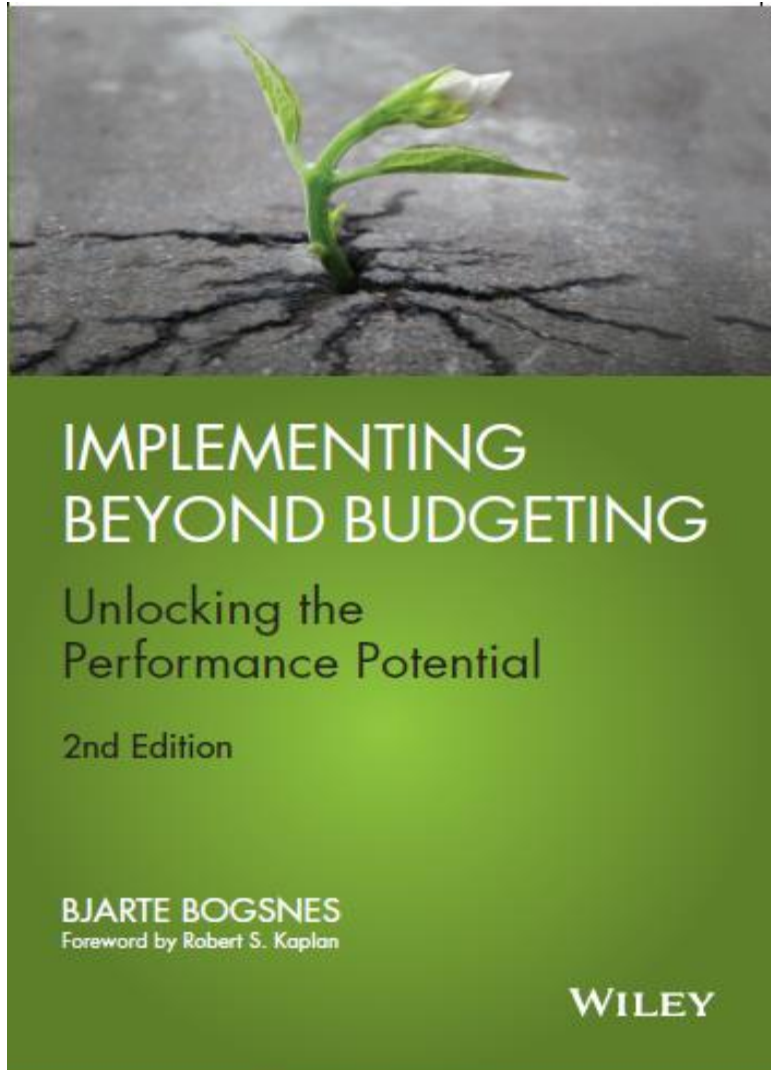
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Want to learn more?

1. The problems with traditional management
2. The Beyond Budgeting model
Cases: Handelsbanken, Miles, Reitangruppen
3. The Borealis case
4. The Statoil case
5. Beyond Budgeting and Agile
6. Implementation advice

Wiley (US). Translated to Chinese, Japanese
and Russian