Process Options to Create Return on Investment (ROI)

[Name of the Writer]

[Name of the Institution]

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**Introduction**

The company chosen is Chevron. This company is among the most excelling energy and oil companies in the world. It has its branches located in California and San Ramon; it is now spread worldwide in different countries. Chevron has specialization in the emerging application of energy and biofuels. It has also formed the companies for Information Technology and Energy Technology. Therefore the organization working on Information Technology is considered as the costly asset of the company, therefore chevron needs to reduce the cost through different processes to increase the productivity of company processes. The analysis of this process will take place on the level of Return of Investment (ROI), this is a financial measure in which income of the company is calculated in regard to the net asset investment. This process compares the profitability and efficiency of the company's investments and finance. Hence, this paper will explore the processes of the company based on ROI to see the cost efficiency of the Chevron Company, and also propose recommendations based on this process.

**Analysis**

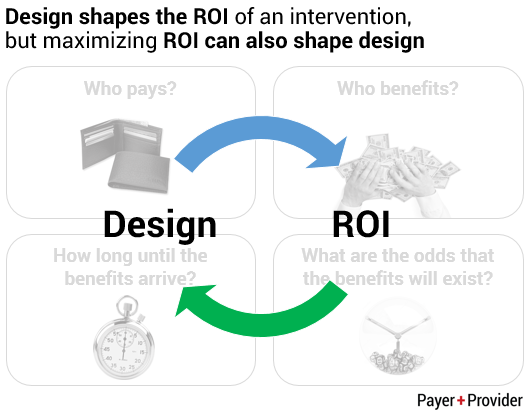
Chevron Mining Inc. operates its coal mines in various states of America. Chevron is a manufacturer of products like Aromatics, Styrenics, Olefins and Polyolefins, and Alpha olefins. Chevron has also invested in the field of research and technology. The company has been seeking transparent, affordable, and reliable solutions for the energy industry. Chevron and many other oil producing companies have experienced the challenges related to the drilling for exploring and refining oil in other countries. Chevron offered extremely generous packages for drilling in foreign countries and compensating the local market for initiating the business in other countries. Even though in the countries where Chevron got the grant for starting off the business, there remained great tension over the clauses of agreement as a large sum of money was involved.

The cost of drilling and exploration would be very high for the company. The customers do not consider the costs of the company; they need a lower priced product. The other problem that the company will have to face is the sustainability issue which is referred to as the ability of the company to undertake the operations without damaging society**.** The operations of the company are such that they will leave a certain amount of the leftovers whether working in the sea or the ground. Proper disposal of these leftovers is a big challenge. Since the operations of the company are prone to higher risk, the proper management of risk is another important consideration. Further, the company is in need to cooperate on the complex and large infrastructure projects which are essential for developing the new energy sources and provide this to the market. Therefore, Chevron is facing the biggest challenges of connecting supplies while internationalizing the company globally. Supply chain management enables the company to plan, organize, implement, motivate and control the activities of transporting chain (Swink et al., 2017). Hence, its efficiency will be explored in the following analyses.

Making the joint ventures is advantageous for the company as it enables the company to tap into the countries or place where otherwise they are invited or allowed to do business. Thus, Chevron has made numerous joint ventures with other companies which came out to be advantageous for the company. It enabled the company to expand the coverage for the market, gave access to the innovative technologies, and it also reduced the cost for production (Crane & Matten, 2016). But the problem with these ventures was related to the supply chain of the resources and products, which is quite unmanageable while globalizing the company. The other strategic mode of internationalizing the company by Chevron is that they are franchising their company worldwide and there are various petrol stations present in these countries. Due to the proper and good name of the company, Chevron has gained the steady growth of its company in other countries.

The analysis of the company’s processes firstly, shows that it has infinite strengths for thriving in a national or international market, for instance, it has high level of customer satisfaction and skilled force or labor, community of active dealers, successful company record of producing excelling goods and technologies, and free flow of cash and goods. Weaknesses include the loopholes in financial planning and structure of the organization. However, their many opportunities at the door of this company as it opened up the new trends in the market. Threats and limitations are numerous, but overall the company is doing good (Rumbley & de Wit, 2018).

The process analysis of the Chevron Company based on the Return of Investment (ROI), is a financial measure in which income of the company is calculated in regard to the net asset investment. This will compare the profitability and efficiency of the company's investments and finance. There is a difference between saving the cost and avoiding the cost, thus a multi-national company like chevron can save but not avoid the cost (Swink et al., 2017). The improvement of processes contributes for incorporating the saving of costs through well-documented, better-articulated, reachable, and fine standard practices that lead towards the reduce the time obligatory for staff to achieve the objective for completing tasks. The interventions based on ROI analysis include four distinct steps. Firstly, it determines or identifies the improvement opportunities for the process. Secondly, it devises formulas to calculate the cost savings. Lastly, the step follows by determining the effort cost and calculating ROI through estimating improvement cost and net benefit (Pokhrel et al., 2017).





**Recommendations**

The proposed recommendations for the processes mentioned above in the visual include the planning and budgeting of the objective or tasks which are to be carried out in the company. For planning the process the strengths and weaknesses are to be identified for improving the process opportunities, therefore the strategic planning is needed. The other considerations involve the accrual accounts, resource allocation, cost of products and goods, current liabilities and gross and net profit. Furthermore, monitoring, operating and protecting the processes is important for the cost reduction and saving the company’s assets. The last step is to evaluate and report the outcomes of the measures taken by the processes. Such recommendations are needed for returning the investment of the company and therefore building cost efficiency and productivity (Tahvili et al., 2016).

**Conclusion**

Consequently, this paper explored the processes of the company based on ROI to see the cost efficiency of the Chevron Company, and it also proposed certain recommendations based on the ROI process. The chosen company is chevron. Chevron is among the most excelling energy or oil companies in the world. It has its branches located in California and San Ramon; it is now spread worldwide in different countries. Hence, the process analysis of the Chevron Company based on the Return of Investment (ROI) is a financial measure in which income of the company is calculated in regard to the net asset investment. The interventions based on ROI analysis include four distinct steps. Firstly, it determines or identifies the improvement opportunities for the process. Secondly, it devises formulas to calculate the cost savings. Lastly, the step follows by determining the effort cost and calculating ROI through estimating improvement cost and net benefit.

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