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Issue of Internationalization

**Introduction**

Chevron is among the most excelling energy or oil companies in the world. It was originated back in 1879 and back then it was known as Standard Oil Company. It has its branches located in California and San Ramon; it is now spread worldwide in different countries. Therefore, this paper will explore the issue of internationalization of the Chevron Company which is moving its market globally with much affordability and reliability to explore the oil in other countries and states.

**Scenario**

Chevron expanded its business not only into other countries but also in other industries, i.e., petrochemicals, power coevals, and engineering. No country allows the invasion of its assets even if it's for the purpose of harvesting. According to the view of Chevron, there are enough hydrocarbons for the sustenance of the economy of the world which is moving forward. Chevron has the most significant capital expenditure program, i.e., it spent 14.8 billion in 2006 for production and exploration of oil. The company needs higher levels of cooperation from the global market to maximize its resources value and worth. For this, the company needs to collaborate on the policies related to the energy of global markets which recognize the interdependent nature.

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.

**Analyses**

**Background**

Chevron Mining Inc. operates its coal mines in various states of America. Chevron Phillips Chemical Company LLC (CPChem) is a manufacturer of products like Aromatics, Styrenics, Olefins and Polyolefins, and Alpha olefins. CPChem has plants for manufacturing in different countries like Colombia, United States, Brazil, Singapore, China, Qatar, Saudi Arabia, Belgium, and South Korea, and hires more than 4500 employees (Yeager & Smith, 2017). There are almost 13 power-generators in Asia and America which use natural gas, wind and geothermal for producing electricity. It has also got its facilities in various other parts of the world, like the Philippines, Indonesia, etc. 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 has specialization in the emerging application of energy and biofuels. It has also formed the companies for Information Technology and Energy Technology.

**Internationalization Factors**

In the light of information mentioned above about the company's progress and influential factors which contribute to determining the internationalization of its industry. It has used various profitable strategies for entering into the internal or global markets. In few countries, the strategies used for globalizing the supply chain included the Foreign Direct Investment (FDI), in this way company gained the favor of the country by localizing the business in which it decided to expand its marketing (Roberto, Antonio & Alba, 2017). The other strategy used is to do the partnership in building the community of the host nation; in this way, the company tends to invest in gaining a good name.

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 SWOT analysis of the company 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).

**Conclusions**

Chevron and many other oil producing companies have experienced the challenges related to the drilling for exploring and refining oil in other countries. In various parts of the world oil has been discovered and explored; hence Chevron has almost reached every part of the world and tried to make a deal for the reservoirs of oil in those countries. It has been successful in some but not the others, as for how would these countries give easy access to the foreign intruders. 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 challenges related to globalization or internationalization of the company is infinite as the company goes.

**Recommendations**

The company is doing well in its capacity, but it needs a boost for proper and strategic planning while globalizing the company in international markets. The following action plan would bring the best internationalization strategies for the company:

* Purpose

The foremost step is to plan out the entire strategy, from input to the processing and output, the whole plan should be designed by the company and its strategic partners or stakeholders. This even includes the strategic partners who are in abroad at the place where the company is planning to internationalize its business.

* Targets

Long-term and short-term targets are essential in globalizing the company, as setting up the activities to accomplish the targets will help in preparing the company for globalization. There are input and output targets as well, and these targets are achievable through proper implementation for the planning.

* Activities

Putting sub-activities into the documents help in keeping a record for all the processed work and activities, no matter how major or minor they are. The concise and specific statements are recommended to use by the company.

* Participants

By listing the most important companies and institutions for research, it makes them participate very intensely and firmly into the activities.

* Dissemination plan

If the activities related to the sharing of knowledge and marketing plan are relevant to the plan, they should be described to the labor and overall company. In this way, the information is incorporated into the plan and is carried out by the people who are involved in the execution of the plan.

* Budget

The budget is the very basis of every project or venture, so it is needed to be discussed and managed beforehand.

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