

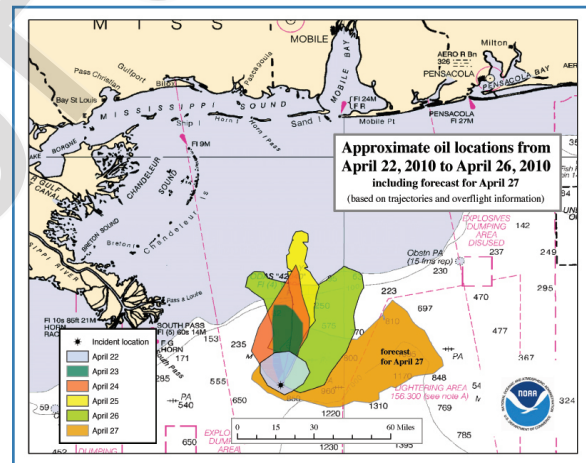


case 1-429-229  
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## BP: Beyond Petroleum?

On October 1, 2010, Bob Dudley officially took over as CEO of British Petroleum (BP). Prior to assuming the position of CEO, Dudley had been in charge of BP's oil spill response unit. Since BP's Macondo oil well erupted in the Gulf of Mexico on April 20, 2010, Dudley had only one area of focus. He needed to execute the most efficient, comprehensive cleanup operation possible. By assuming the duties of CEO, Dudley was walking into the top position of a company that was reeling from one of the biggest man-made disasters in United States history.

In the few months after the spill, BP's image as an oil company at the forefront of environmental issues had completely changed. This brand value had evaporated when oil started gushing into the Gulf of Mexico. Now BP was generally seen as an oil-spilling villain. Dudley reflected on the last ten years of BP's environmental strategy and searched for direction. Should BP reinvest in building its progressive brand or focus on being a pure oil company with an emphasis on safety? With the amount of oil being extracted going up and the potential for a large disaster being increasingly probable, should BP's environmental strategy be centered on safely extracting the oil? With shareholders concerned over the company's extremely depressed valuation relative to its competitors (see **Exhibit 1**), Dudley had a lot to contemplate. He had not been directly involved with the events that led up to the spill, but in the aftermath he would have to make many difficult decisions that would affect the short- and long-term prospects of the company.



Source: National Oceanic and Atmospheric Administration. Accessed January 19, 2012.

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