

CPJ Seminar on “Petroleum Marketing and Physical Distribution” for ADNOC

1. Background

The ADNOC Group has always had a strong wish to provide broad knowledge of the entire series of operations involved in the oil upstream to downstream sectors to all employees, including those who engage in marketing activities, as part of its human resource development and training initiatives. Based on this understanding, JCCP members paid a visit to ADNOC and presented a proposal for implementing a Customized Course–Japan (CPJ) to the managers of the human resources and marketing departments. In line with ADNOC’s needs, we proposed to cover the overall flow of oil in Japan, from the receiving and stockpiling of crude oil to the refining and marketing of oil products. The relevant managers strongly agreed to our proposal, and thus the seminar came to be implemented.

2. Seminar Overview

Upon consultation with the human resources manager at ADNOC, the seminar was decided to be held over 11 days, to minimize any burden on the participants’ work duties. A full agenda was planned from October 5 to 15, 2010, filled with offsite training programs at an oil storage terminal, a refinery, a sales office, and an oil supplier, in addition to lectures at JCCP Headquarters.

A total of 10 members participated in the seminar, including four from the ADNOC Head Office, three from ADNOC Distribution (a marketing subsidiary), two from TAKREER (a refining subsidiary), and one from ADNATCO-NGSCO (a shipping subsidiary). The majority of the participants were young, middle-level employees at an average age of 34, and included one woman.

3. Content of the Seminar

The lectures at JCCP Headquarters focused on Japan’s oil industry and the state of oil marketing and physical distribution, while also providing a global perspective on the world’s energy situation. Japan’s oil industry and the importance of stable oil supplies in a country without oil resources were described through comparisons between UAE and Japan in terms of the differences between an oil-producing country and an oil-consuming country, and the differences between private oil companies and state-run oil companies. The lecture on the world’s energy situation provided an overview of such global concerns as global warming, environmental issues, and the forecast of primary energy demand in the future.

The offsite training sessions took place at the Fukuoka Branch Office of Cosmo Oil Co., Ltd., Shirashima Oil



*Observation of a fueling operation by San-ai Oil
at Haneda Airport*



At a Cosmo Oil service station

Storage Company, Ltd., the Negishi Refinery of JX Nippon Oil & Energy Corporation, and the Haneda Branch Office of San-ai Oil Co., Ltd.

At the Cosmo Oil Fukuoka Branch Office, the participants received a lecture on the head office functions of an oil distributor and its sales policies, and on the sales branch's independent sales strategies. Then they inspected the actual operations of the latest service station. Questions focused on the sales activities of the branch office, and particularly on the relationship and contract between a primary distributor (*tokuyakuten*) and a dealer, because the *tokuyakuten* system is Japan's unique commercial practice.

Shirashima Oil Storage Terminal gave a lecture on the organizational function and role of the world's first oil storage base on the ocean, with a special focus on safety and environmental measures that are of paramount importance to the base, followed by a tour of the deck on the storage ship. Needless to say, it seemed that the whole concept of needing a national oil reserve was foreign to the participants from an oil-producing country.

JX Nippon Oil & Energy Corporation's Negishi Refinery gave a lecture on the organizational function, characteristics, and role of Japanese refineries, and took the participants on a tour of a computer-controlled, state-of-the-art lubricant loading process and product shipping facility. Japan's diversified physical distribution systems and thorough quality management, in particular, seemed to capture the participants' interest.

San-ai Oil's Haneda Branch Office gave a lecture on the process and management of the jet fuel storage and shipping facility, which comprises the core business of the company, and allowed the participants to actually step onto the apron of the airport to observe firsthand the fueling of an aircraft. Just around this time, Haneda Airport was preparing for the opening of its new runway. Fortunately, the participants were allowed to take a look inside the soon-to-be-opened terminal.



At Shirashima Oil Storage Terminal

4. Summary

The 11-day time span of the seminar was decided upon prior consultation with ADNOC counterparts, but many of the participants noted in their evaluation form that 11 days was too short, and that two weeks may have been more appropriate. We would like to take these comments into consideration when planning future CPJ seminars.

With respect to the content of the course, it seemed the participants were generally satisfied that they were able to learn about the entire flow of oil in Japan, from the receiving and stockpiling of crude oil to the refining and marketing of oil products. We are especially glad that the participants gave high marks to all of the offsite programs, because the weight of this particular seminar was placed on offsite training with the intention of providing information and knowledge of oil marketing and distribution more from firsthand observations and experience than from classroom lectures, in contrast to regular training programs on technical issues.

We feel that this seminar has brought JCCP and Japan closer to ADNOC employees, and hope that it will contribute to the stable supply of oil to Japan.

<by Kazuo Kojima, Training Dept.>