

# **Liberia Petroleum Refining Company**



**“Visioning and Planning for Our Future”**

**Strategic Plan (2011–2016)**

**October, 2012**



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# Foreword



**P**lanning sets direction for the future. It establishes a framework of expectations. It enables an organization to prioritize its resources and consolidate its collective energies more deliberately and confidently towards an envisioned or desired state of affairs. This document succinctly articulates how the LPRC intends to execute her mandate, achieve her mission, actualize her vision, and express her core values over a five year period. (2011 – 2016). LPRC has now positioned herself to provide more effective and efficient leadership to the downstream sector of the oil and gas industry.

This Strategic Plan represents the collective thinking of the Board of Directors, Management, and the Workers' Union of the corporation. It is an embodiment of deliberate choices. It is more than a shopping list of our hopes and aspirations. It reflects our commitment to move the corporation from being a glorified petroleum service station to a rebranded institution that is moving up to a sustained, new level of relevance, proficiency and profitability.

The vision and agenda contained in this plan constitute a “tall order”. The plan is ambitious and likely to be costly. It defiantly challenges the status quo of mediocrity and complacency, and ventures into the realm of defiant thinking, unlocking the possibilities for a corporation that could achieve so much more for itself, for the communities in which it operates, and for the people of Liberia.

Implementation of this plan will require focus and commitment from all of us at the corporation. We will have to be innovative in our thinking, proactive in our actions, and diligent in our work. We believe the LPRC management has the skill set required as well as the resolve to see this through.

On behalf of the Board, I call on all of our stakeholders, particularly our employees and partners, to mobilize their collective will to work assiduously with us to implement this plan.

Dr. Herman Browne  
**Chairman, Board of Directors**

## Preface

**L**iberia is a post-conflict nation in renewal. The possibility of oil discovery and the attraction of a huge portfolio of foreign investments provide new opportunities for the LPRC. To be responsive to these developments, we as a corporate institution must clearly define who we are, where we are, articulate where we want to go, and determine how we want to get there. This is what this Strategic Plan hopes to achieve.



From our self-assessment, we are not pleased with where we are: our facilities are obsolete and in a state of disrepair; our product portfolio is limited; our physical space is small, congested and poorly configured; our technical human capital is low; and for the nature of the business we are in, we have no “Strategic Reserve”. Further, despite our years of existence and changes in our operations, we have not made concomitant structural changes. This is our opportunity to implement major infrastructural enhancements and expansion of our facilities.

This Strategic Plan provides a vision and an agenda to attend to all the aforementioned challenges. Particularly, the Plan challenges the corporation to: conduct feasibility studies on the importation of petroleum products; consider refining when oil is discovered; rehabilitate the current plant facilities and construct new jetty lines; implement a limited program of vertical integration and create and mobilize a marketing/commercial function to support it; establish a policy and planning function as the focal point in coordinating implementation of the plan; expand and improve the work environment, rationalize the organizational structure, the workforce, and incentive regime; and install a sustained program of preventive maintenance. Included is a training and manpower component that will enable the workforce to implement and sustain the Plan.

All of this will require dedication and hard work by all of us, including the Board of Directors, Management and Employees. I, therefore, call on the understanding and cooperation of all stakeholders as we commence implementing this plan.

I would like to thank the Chairman and Members of the Board of Directors, Managers, and the leadership of the Workers’ Union for having partnered with us in the development of this plan. This collective forward thinking should fuel a collective resolve to action to move the Corporation forward.

T. Nelson Williams, II, MPA, HRM  
**Managing Director**

## **BOARD OF DIRECTORS**

|                                 |           |
|---------------------------------|-----------|
| Dr. Herman Browne .....         | Chairman  |
| Mr. T. Nelson Williams, II..... | Secretary |
| Mr. George Kpawulu.....         | Member    |
| Mrs. Ophelia Freeman .....      | Member    |
| Dr. Henrique Tokpa.....         | Member    |
| Mr. Manyu Kamara.....           | Member    |
| Atty. Tupee Enid Taylor.....    | Member    |
| Ms. Nohn Rebecca Kidau.....     | Member    |
| Rev. Emmanuel Bowier.....       | Member    |

## **SENIOR MANAGEMENT**

|                                     |   |
|-------------------------------------|---|
| Mr. T. Nelson Williams, II.....     | Managing Director                       |
| Mr. Jackson F. Doe, Jr. ....        | Deputy Managing Director/Administration |
| Mr. Aaron J. Wheagar, I.....        | Deputy Managing Director/Operations     |
| Ms. Elizabeth Matu Tubman, CPA..... | Financial Controller                    |

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**T**he Liberia Petroleum Refining Company (LPRC) was established in 1978 by the Liberian Business Corporation Act. The primary purpose for which the company was formed is to “carry out the business of producers, refiners, stores, suppliers and distributors of petroleum and petroleum products in all its branches in Liberia”.

An Act of the National Legislature granting exclusive rights to the LPRC for the importation, sale and distribution of petroleum products within the Republic of Liberia was promulgated on July 26, 1989. In the discharge of its mandate, the act authorized the LPRC to enter into supply agreements with domestic and/or foreign corporations.

Years ago, LPRC purchased and refined crude oil at its now dormant refinery, located on the Freeway in Gardnersville. Today, the company only stores petroleum products procured by registered Petroleum Importers and levies storage fees on products stored in its facilities. Its two main activities are, therefore handling and storage of petroleum products.

Its plant facilities of jetty lines, storage tanks and pumps were severely damaged during the Liberian conflict. Collaterally, they are largely obsolete and in a state of disrepair. The maintenance function of the company works overtime to ensure that they provide a modicum of capacity to service the needs of importers and distributors.

Today the Company has in its employment 270 employees. There is a nine (9) member Board of Directors that directs the activities of the Corporation. The Board formulates policies, discusses and approves budgets, development plans, and principal changes to the organizational structure of the company. A management team headed by a Managing Director manages the daily work of the company.

The environment of the corporation is dynamic. With oil exploration to commence soon in Liberia, hopes are high that commercial quantities of crude oil will be found. The corporation must now reposition itself to provide leadership in the downstream sector of the industry.

The LPRC Strategic Plan (2011 – 2016) is a roadmap for the company over five years. It presents a framework for the reinvention and repositioning of the corporation, intended to make it more relevant, effective, and efficient in Liberia’s recovery, reconstruction and socio-economic development.

***Organizations that succeed in a dynamic environment are not necessarily those that are complex, or that have the greatest resources at their disposal. They are invariably those who have the clearest vision of who they are, where they are, where they want to go, and how they intend to get there.***

# Our Mandate, Mission, Vision, Core Values

## Our Mandate

Energy is vital to industrial development. Petroleum is an essential energy source. The LPRC is the state-owned enterprise charged with the exclusive responsibility for refining, storing, distributing and supplying petroleum and petroleum products to the Liberian market in support of its industrialization and socio-economic growth.

## Our Mission

To support the industrialization and socio-economic development of Liberia by producing, refining, storing, supplying and distributing petroleum and petroleum products in a safe environment

## Our Vision

To ensure adequate and consistent supply of petroleum products as the sole agency authorized by the State to lead the oil and gas industry in Liberia

## Our Core Values

In pursuit of our corporate mission and vision, we commit ourselves to the following set of values. These will guide our Corporate behavior, both individually and collectively, in transactions with the public, customers, contractors, and partners.

- ☉ **Dedication to Customers:** consumers are the real customers of the corporation. The corporation commits itself to meeting the petroleum needs of consumers by making sure that quality petroleum products are always available, accessible, and as much as possible, affordable.
- ☉ **High Ethical Standards:** Legitimacy is about acceptability; acceptability is about relevance; and relevance is about meeting desired needs in ways that do not compromise moral principles. The corporation devotes itself to maintaining the highest ethical standards of the industry particularly as it relates to financial management, transparency, customer interaction and consumer satisfaction.
- ☉ **Employee Personal Growth:** People are the most valuable assets of our Corporation. Without them, the Corporation can neither pursue its mission nor achieve its vision. The Corporation commits to a sustained program of human resource development in the mutual interest of the corporation and employees.
- ☉ **Teamwork:** Team work is the practice of consolidating efforts towards a common purpose. We commit ourselves to working together continuously in the pursuit of our corporate goals and objectives.
- ☉ **Corporate Social Responsibility:** We are mindful that we exist in communities and are integral part of the broader Liberian society. An aspect of our primary responsibility to the government of Liberia, is to be socially responsible by supporting various community and national endeavors to the extent that our resources permit.
- ☉ **Growth and Profitability:** Although owned by the government, on behalf of the people of Liberia, we pursue a private sector orientation. As such, our bottom line is to make profit. Accordingly, all of our policies, processes, programs, projects and activities are committed to optimizing service and maximizing profit.



# Strategic Direction (2011 – 2016)

**S**trategic Planning is in the domain of the Board of Directors of the Corporation and Senior Management. Accordingly, after extensive consultations led by our Consultants, the following strategic choices have been made for the LPRC. The choices revolved around core functions of the corporation. They represent the strategic directions the company will pursue over these five years, from 2011 – 2016.

## Strategic Focus 1: Importation and Refining

The National Oil Company (NOCAL) has informed the public that oil exploration has begun and that there is a high probability that commercial quantities will be discovered. Consequently, the Corporation has considered the re-commencement of its refining operations.

### Strategic Objective

To commence direct importation of petroleum products and study the feasibility of refining crude oil in Liberia

### Activities

- ◆ Conduct feasibility studies on building a 50,000 bbl refinery
- ◆ Identify key supplier sources
- ◆ Negotiate and consummate contractual arrangements with suppliers
- ◆ Establish a foreign reserve base to facilitate this and other such processes
- ◆ Initiate direct importation of petroleum products as strategic reserve
- ◆ Undertake feasibility study for recommencing refining
- ◆ Negotiate funding arrangements with an identified financial or industry partner
- ◆ Procure contractor using PPCC guidelines

## Strategic Focus 2: Technical/Operational Services

The current plant of jetty lines, storage tanks and pumps available to the company are in dire need of rehabilitation. Major destruction caused by the civil conflict has rendered this need urgent. Even when rehabilitated, consideration needs to be given to the construction of new jetty lines. The Product Storage Terminal (PST) is currently undergoing major rehabilitation and expansion. Similar attention is being given to the jetty lines and Ganta Oil Terminal (GOT).

### Strategic Objective

To continue the rehabilitation and expansion of the current plant facilities, storage tanks, the jetty walkway. The new jetty line project must also commence.

### Activities

- ◆ Rehabilitate current jetty walkway and storage tanks
- ◆ Expand tank farm: Locate and acquire suitable land for new storage tanks
- ◆ Determine technical specifications and undertake architectural design
- ◆ Procure contractor guided by PPCC process
- ◆ Construct and commission the new tanks
- ◆ Obtain funding for new jetty
- ◆ Procure contractor for new jetty using PPCC guidelines
- ◆ Construct and commission new jetty lines
- ◆ Procure new pumps

### Strategic Focus 3: Marketing/Commercial Services

The marketing/commercial function of the corporation has not been fully developed. This is understandable since only handling and storage were our primary sources of income. In essence, there was not much to be marketed. However, with the vision of direct importation of petroleum products as well as a venture into vertical integration (distribution and possibly retailing), there is a need for a full scale corporate marketing function.

#### Strategic Objective

To establish a marketing/commercial function and Implement a limited program of vertical integration

#### Activities

- ◆ Create a Marketing/Commercial Section
- ◆ Provide training to two (2) employees in preparation for the Marketing/Commercial function
- ◆ Provide two (2) scholarships to top performing students in the marketing and sales area
- ◆ Develop delivery network of distributors and retailers nation-wide
- ◆ Establish sub-marketing offices in identified regional areas
- ◆ Acquire delivery tanks and commence direct delivery
- ◆ Determine and construct additional inland storage tanks at strategic locations in the country based on feasibility studies
- ◆ Partner with a manufacturer and test produce and market LPRC branded products such as lubricants
- ◆ Build the capacity of existing staff and add one (1) new staff to test and market products

### Strategic Focus 4: Policy, Project and Planning

The absence of an organized policy, project and planning function at the managerial level of the corporation is unfortunate. A Policy, Project and Planning functionary is essential to monitor the domestic and international petroleum industries, as well as undertake critical project/planning activities relative to the mandate, mission, and vision of the company.

#### Strategic Objective

Establish a research, policy, project and planning function within the corporation and use it as the focal point to coordinate and implement the strategic plan.

## Activities

- ◆ Create a Policy, Project and Planning Unit
- ◆ Consider further “rebranding” by changing its name, logo, vision, mission, etc.
- ◆ Provide Planning and Project Management training to section staff
- ◆ Direct the planning, implementation, monitoring and evaluation of all company projects
- ◆ Establish new standards for tankers accessing the PST
- ◆ Manage feasibility studies for the construction of a new refinery
- ◆ Lead design process and negotiation of appropriate financing arrangement;
- ◆ Work with Marketing/Commercial Department to prepare a limited program of vertical integration

## Strategic Focus 5: Administrative Services

The physical work environment is inadequate and does not reflect the image of a multi-million dollar corporation like the LPRC. A better work environment is required to motivate workers and enhance productivity and profitability. Additionally, the corporation is seeking to improve its organizational structure to obtain maximum efficiency, incentive equitability and workforce capacity growth.

## Strategic Objective

To expand and improve the physical work space and environment; rationalize the organizational structure, workforce, and incentive regime; and establish a legal unit

## Activities

- ◆ Locate and acquire suitable land for a head office with commercial spaces
- ◆ Prepare architectural design
- ◆ Mobilize the required financing
- ◆ Procure contractor using PPCC guidelines
- ◆ Construct, furnish and commission headquarters building
- ◆ Commence leasing out commercial spaces
- ◆ Undertake extensive manpower development in anticipation of direct importation, vertical integration, and possibly recommencing refining in the future
- ◆ Review and adopt new organizational structure
- ◆ Rationalize the workforce such that it synchronizes with the scope and depth of the company’s operations
- ◆ Rationalize salary and benefit structure such that it is “equitable”
- ◆ Establish a corporate legal unit

## Strategic Focus 6: Plant Maintenance

Given the damaged and obsolete state of the current plant facilities, maintenance becomes paramount. A hands-on approach that promotes preventive over curative maintenance is preferred.

## Strategic Objective

Develop and install a sustained program of preventive maintenance of plant facilities

## Activities

- ◆ Calibrate and maintain current product storage tanks
- ◆ Acquire essential spare parts, equipment and tools
- ◆ Introduce a sustained program of preventive maintenance

## Implementation Framework

This plan demands meticulous implementation. As such, the following institutional arrangements will be put into place to ensure effective and efficient implementation of programs, projects, and activities:

- ✿ A Strategic Plan **Board Sub-Committee** to provide oversight over the implementation of the plan.
- ✿ A **Strategic Plan Management Committee** headed by the Managing Director, and comprising all Deputies and Policy and Project Director should be established to manage implementation of this plan. This committee will report to the full Board. Sub-Committees on specific components of the plan will be considered.
- ✿ The Management Committee will provide guidance and leadership in plan implementation; monitor and evaluate implementation progress; resolve implementation challenges; and provide Quarterly briefings to the Board.
- ✿ The Management Committee will meet at least once a month to take inventory of where each component of the plan is with respect to progress made. A formal progress report by each Sub-committee, with respect to the aspects of the plan they are responsible to manage, shall be made and reviewed by the Committee.
- ✿ The Policy, Project and Planning Unit will serve as the secretariat to the Management Committee. In this capacity, it will be the focal point responsible for coordinating plan implementation under the authority of the Managing Director.
- ✿ Specifically, the Policy, Project and Planning unit will: provide technical advice and support; carry out relevant research and prepare supporting documents; prepare terms of reference for studies; monitor implementation targets and timelines; hold departments accountable for implementation of agreed actions; and assist in organizing and facilitating meetings and reviews.
- ✿ A Project Timeline Template will be developed and installed to track project activities. An MIS software support will be acquired to facilitate this process.

## Contacts

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