

John Browne
BP



BP chief executive Lord John Browne of Madingley may be leading one of the world's most successful oil companies, but ironically it could be his green credentials that he is remembered for.

Browne, at the helm of BP since 1997, would no doubt like to think he has revolutionised the oil business with his focus on finding new, environmentally friendly forms of energy – and crucially ones that will profit his shareholders.

"The evidence that human activity is altering the world's climate is mounting. Year by year new studies add to the body of knowledge," Browne said in a speech he made to the Princeton Environmental Institute in October.

"The science is provisional but on an issue like this we can't afford to wait for absolute proof," he went on. "We have to make judgments on the basis of the evidence we have. Given the weight of that evidence, there is an overwhelming case for precautionary action."

In other speeches he has highlighted the fact that finding sustainable

energy sources makes sound business sense and is good for shareholder value in the long run. This kind of talk would have been unheard of from the head of a large oil company even 10 years ago.

But it is working. Browne's views are taken seriously by environmentalists, whose respect he has of course carefully cultivated but often won all the same. His competitors have also taken note and put in place their own, more eco-friendly, objectives.

Born in 1948, Browne is the son of a former BP worker father and a Hungarian mother who survived Auschwitz. He joined BP after graduating from Cambridge University in 1966 with a degree in physics. Between then and 1983 he held a number of exploration and production posts around the world. In 1984 he became group treasurer and chief executive of BP Finance International. He was subsequently appointed chief executive of the Standard Oil and Production Company after its merger with BP in 1987, eventually joining BP's board as a managing director in 1991.

After the merger of BP and Amoco in 1998, Browne was made chief executive of the combined group, securing himself a place as one of the world's leading industrialists. And yet he is reportedly an unassuming man. When interviewed earlier this year by news organisation CNN, he was asked about making mistakes. His reply: "I always say to myself that the most important thing is never to lose the plot."

John Ferry

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Shannon Burchett
Risk Limited



SOME might feel that a natural career inclination of a Texan would be towards the energy business. Shannon Burchett has certainly followed the calling of the lone-star state: as chief executive of strategic management consultancy Risk Limited, not only is one of his main specialisms energy, but he is also based in Dallas.

And he certainly enjoys a challenge. Burchett has been involved in three start-ups in the energy industry, two of which – Missouri-based Ameren Energy and Risk Limited – he founded. He also was also involved from the beginning with one of the first power traders and marketers, Duke Louis Dreyfus. When North Carolina-based Duke Energy and global commodity trader Louis Dreyfus formed the company in 1995, they hired Burchett from Chase Manhattan Bank.

He managed marketing and management sales for energy products and services at Duke Louis from 1995 to 1997 and helped develop strategies and products for the emerging electricity market. He also had a big role in changing the firm from a proprietary trading firm into a risk management provider. Electric Clearing House – part of investment bank Morgan Stanley – and Enron were the only others to have power-trading

operations, but Duke Louis was the first with strong electricity market experience. Then, in 1997 and 1998, Burchett set up a regional trading arm for major energy provider Ameren Corp. As president of Ameren Energy, he came up with the strategic plan for the business and also managed the design and construction of the 100-desk company's trading floor. It was a timely move, says Burchett – Ameren started setting up the floor in January 1998, and it was trading by June, just in time for a big electricity price spike.

Indeed, given that such volatility is part and parcel of the energy sector, Burchett feels his experience of finance has been crucial. He created innovative structured-note and hybrid-derivative contracts for clients while at Chase and, more recently, the RiskAudit concept for companies and lenders to assess risk profiles post-Enron.

Burchett has to take a long view of the markets, as a strategist – and he clearly has the background to do so. Oil and natural gas prices and extreme price volatility may be early indications of things to come over the next decade, he says. And assuming the current situation continues, he feels the need for energy consultancies will grow.

Demand for expertise will be strong in specialised areas such as risk management strategy and quantitative analysis, he says, especially if new energy legislation is finally passed after the US election. He points to possible developments for the electricity grid and for restructuring in the electricity sector if the Public Utilities Holding Company Act is repealed.

Joe Marsh