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# RESPECT

**Zoe Yujnovich** reflects  
on her powerful new  
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**Zoe Yujnovich reflects on her powerful new position as Shell's new EVP of heavy oil**

*By Mark Lowey*

**P**hotos of Zoe Yujnovich's three children are stacked neatly on her uncluttered desk in the Shell Centre tower in downtown Calgary. Yujnovich moved into this office as Shell's new executive vice-president, heavy oil, less than three weeks ago and hasn't had a chance yet to hang her family's photos. But she has a clear picture of the role she now holds, what the company's future looks like and the qualities she thinks brought her to this powerful position in the oilpatch's still largely male-dominated senior executive ranks.

Her list includes: active decision making, uber-efficiency, connection to the community and—perhaps most important for a corporate leader—dirty boots.

The dirty boots lesson occurred after she graduated as an engineer when, on her first job, she arrived at a remote field site to meet the team she would lead. "As a young engineer, I was strong in mathematics but not particularly endowed with practical skills," she recalls. "I knew I had a lot to learn. I really wanted to make a difference and fought against the prevailing view that the office workers didn't know what was happening out there in the field."

As Yujnovich stood there with her team of 15 men, she realized most of them were double her

age and knew a lot more than she did about operating the aluminum smelting plant. She decided to turn to those she was meant to be leading for help and advice.

"What that taught me was just how important it was to be able to balance the experience that you get formally through education with the hands-on experience you get within the field," she says. And then adds, only half-jokingly, "You know, if my steel-capped boots are clean, then I feel I've got no credibility...no one will follow your decisions if they don't respect you."

Yujnovich holds an honours degree in materials engineering from the University of Western Australia, along with a Master's in Business Administration and an Executive MBA from the University of Utah. Prior to joining Shell, she worked in the mining industry for 20 years—a professional journey that took her from Australia to England, the U.S., Brazil and Canada. By her late 30s, she was president and chief executive officer of Iron Ore Company of Canada, the country's largest iron ore producer, and prior to that, president of Rio Tinto Brazil.

In 2012, she was named to the Women's Executive Network's list of the Top 100 Most Powerful ►





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Women in Canada. In June 2013, she took the helm of the Mining Association of Canada for a two-year term—the first female chair in the association's 78-year history. She then decided to make a bold mid-career move and join Shell Canada as a vice-president of the Athabasca Oil Sands Project (AOSP) joint venture.

"I pinch myself when I wake up in the morning just to think how lucky I am," Yujnovich said in a recent TED talk in Montreal to a youth audience.

### ACTIVE DECISION MAKING

Much more than luck, Yujnovich says her career success has been guided by active decision making. People often don't take advantage of opportunities that present themselves, such as a job proposal, she explains. "And rather than actively expressing a desire to do it or not do it...things just accidentally can drift by without you actively playing a role."

Becoming a mother, she says, helped her see that "there is always a choice that we make every moment of the day." She could choose to stay late every night in the office, for example, or she could go home and see her family. "And all of a sudden the decision to stay and read the last five emails didn't seem like a good choice." Yet without considering the alternatives, she says, "it's too easy to make the choice that perhaps feels right in the moment, but in the longer-term accumulation steers you a different direction than you want to be." Such active decision making—from the smallest to the largest of decisions—still steers her every day.

### GROWING UP WITH "WINGS"

Yujnovich can't point to any one person or mentor who influenced her career path, although she has learned something from every leader she has worked with. She considers herself fortunate to have had "incredible sponsorship" from people in the companies where she worked.



“They are the people who were willing to put me forward and to take a risk on me to do jobs which perhaps previously haven’t been done by women, or by somebody with my background or skillset.”

In her home life, she got support from her husband, who put his career in mechanical engineering on hold to become a stay-at-home dad.

Yujnovich grew up with what she calls “wings.” Her father was in the British air force and the family moved frequently. She was born in Hong Kong, and then lived in Southeast Asia before living in Australia for several years (she still has the Aussie accent).

“I always felt like I wanted to try to build roots whenever I got to somewhere. And the roots that I found to help me get the most stability came from participating in the community, and came from getting connected wherever I was.”

The need to connect to community also extends into Yujnovich’s professional life. When living in Montreal, for example, she spent a lot of time on the advisory board to McGill University’s faculty of business and lectured in the MBA program. She also worked with the Canadian Board Diversity Council, which advances diversity on Canada’s corporate boards. Here, she’s been travelling to the University of Alberta to speak to its Women In Science and Engineering group. In any jobs she has done, she has always tried to spend about a third of her time outside of work in community-driven activities.

## PRIORITIES FOR THE OIL SANDS

Yujnovich’s job at Shell Canada encompasses the AOSP’s mining and upgrading facilities as well as the company’s in situ operations. She takes on her new role during what many in the oilsands describe as a bleak time for an industry shaken by the collapse in global oil prices. Shell’s senior leadership team, she says, has established four key priorities for the future, including continuing to ensure the company has

strong health and safety and environmental performance. The second priority, competitive performance, focuses on key indicators such as production, operational costs and carbon intensity.

“While our assets are some of the best in industry, we still feel we’ve got a lot we can do to be absolutely best-in-class globally amongst our sector,” she says. “In the current market context, we want to make sure we can continue to be predictable, continue to drive efficiencies and continue to ensure that we keep the dual imperatives of economic and environmental performance side by side as we move forward.”

The third priority is to ensure capital is spent efficiently. Yujnovich notes that inflation rates in the oilsands have been substantially higher than those of other sectors globally. The current market, she says, offers the oilsands the opportunity “to structurally reshape our industry and really improve the capital intensity that we’ve had in the past.”

This includes working on higher-quality contracting workforces, higher productivity, more focus on the supply chain around material costs, and ensuring efficient-as-possible logistics. If the industry can “re-base” its costs, she adds, “then I think Canada can start to compete again on a global portfolio base for additional access to funds and capital for growth.”

Shell’s priority number four is called “fit for the future.” It includes advancing and sharing new and emerging technologies, such as the company’s pioneering Quest carbon capture and storage project at its Scotford Upgrader, as well as working to secure social licence for projects.

Last February, Shell withdrew its regulatory application for its proposed Pierre River Mine north of Fort McMurray, and last May, the company halted construction of its Carmon Creek in situ project near Peace River. Yujnovich says that Shell remains committed to continue growing its oilsands

business, but in the current market must focus on the most globally competitive projects, and neither Carmon Creek nor Pierre River made that threshold. In making the “very difficult” decisions on both projects, she says, another concern was Canada’s lack of access to tidewater to export bitumen.

While Yujnovich stresses that Shell Canada’s top priorities are ensuring the economic resiliency of its assets and continuously improving its environmental performance, she acknowledges that market access is critical. The federal government has talked about investing \$10 billion in infrastructure to create jobs and stimulate the economy, she notes.

“If you think about the oilsands sector here in Alberta and in the rest of Canada, there’s about \$20 billion of private investments ready to go—shovel ready—in infrastructure projects, which wouldn’t be taxpayers’ money. I think this is a real opportunity where oilsands can stand at the forefront of the industry in making a big difference right now as it matters to Canadian citizens.”

Yet, in an increasingly carbon-constrained world, amid predictions that the days of \$100/bbl oil are gone forever, does the oilsands still have a future? “Absolutely,” Yujnovich insists.

“The long-term fundamentals of the industry are still very strong. We may see the shift of the energy blend move more towards renewables. But in the Canadian context, the ability to keep an economic and environmentally competitive oilsands sector is just too important for Canadians generally not to make sure we have the right conditions to continue to expand the resource.”

Or, as she tells her team, “Our work today is not just about responding to current market conditions, but far more importantly ensuring the sustainability of the cost structure as being reduced. So as the price returns, we see this industry being even more successful, both economically and environmentally, to make sure that we have a stronger future.” **OSR**