NESTE & IMD: PARTNERING FOR RENEWAL
EXECUTIVE SUMMARY

When Matti Lievonen became the CEO of Neste in 2009, the Finnish oil refining company was facing strong headwinds – a sharp fall in oil prices, market overcapacity, falling margins and new carbon emissions legislation in the EU. The company’s market value dropped 50% between 2008 and 2011. Matti had to implement a radical strategic shift into renewable fuels.

NESTE CHALLENGES OVER THE YEARS

Neste faced multiple challenges over the next seven years to implement its renewables strategy.

THE L&D INITIATIVES

IMD and Neste collaborated on four L&D programs to enable the company’s transformation journey. The strategy implementation and organization development process required Neste to examine where it had come from, where it was at each stage and its ambition as a sustainability champion.

IMPACT

Throughout the Neste-IMD collaboration, the company has seen significant growth in its renewables business, profitability and market valuation.

Comparable EBIT by Business Segments (€ million)

In 2017 earnings from renewable products was higher than oil products, contributing 50% of the total.

Neste Share Price (€)

Neste market capitalization as at December 2017 = €15 billion, nearly six-fold increase from 2012 to 2017.

Matti Lievonen, President and CEO of Neste