PUMPED AND PRIMED
After 92 years in business, Irving Oil continues to fuel Atlantic economy
It might be closing in on its centennial, but the company founded by the late Kenneth Colin (K.C.) Irving is more agile than ever.

What started in 1924 in Bouctouche, New Brunswick as a single gas station is today a multi-national energy and marketing company. Irving Oil provides direct employment to over 3,000 Atlantic Canadians, operates Canada's largest refinery and delivers clean finished product to wholesale and commercial customers, in addition to more than 900 retail locations throughout Eastern Canada and New England.

One thing that hasn't changed, however, is the company's steadfast commitment to its Atlantic Canadian home. In the past two years alone, they have invested more than $300 million throughout the region: refurbishing their refinery; renovating their retail network; enhancing marine terminals; preparing for the Energy East pipeline; and, donating to various community causes. They're also investing in a new 11-storey head office building in Saint John, N.B. and, of course, they continuously work to develop their most valuable resource — their people.

That's a sizeable investment under any circumstances, but particularly so in the current economic climate. Irving Oil’s year-over-year expenditure is a much-needed economic shot-in-the-arm in an environment of shrinking budgets, expanding deficits, increasing taxes and stalled resource projects. In fact, the company's 2015-2016 renovation and refurbishment budget alone is equivalent in value to the top 20 projects on the Atlantic Provinces Economic Council’s 2015 Major Projects Inventory — with three big differences: Irving Oil’s spend is 100 per cent private investment; it’s guaranteed money circulating throughout the economy (i.e. it isn’t subject to government cutbacks or falling global petroleum prices); and, it happens (to differing degrees) every year.

The life span of the top 20 projects on APEC’s 2015 Major Projects Inventory is, on average, eight years. Irving Oil’s accumulated spend across that same time frame easily places it among the top 10 in terms of project value. And that’s still just its reno and refurb expenditures. Toss its annual payroll and other business expenses into the mix, then extrapolate its cumulative impact over 92 years, and you quickly realize that Irving Oil is probably the most effective economic development tool Atlantic Canada has ever seen.

The company is vast — spanning geographies, markets, products, services, covering almost a century of a proud Atlantic Canadian business.

We focus our attention here on individual pieces of the company to bring the big picture to life.

Refinery Takes Flight

Maintenance and upgrading of the largest refinery in Canada — the Irving Oil refinery in Saint John, New Brunswick — is an annual event. A turnaround, as it’s known in industrial circles, is an opportunity to test and improve the safety, reliability and environmental performance of refinery assets. Irving Oil’s typical turnaround budget ranges from $25 million to $100 million. Its 2015 turnaround, Operation Falcon (symbolically named for a species known for its speed, agility and vision) was a once-in-a-generation turnaround and the largest in the company’s history. The company spent $200 million over an eight-week period, creating 2,700 new jobs during the construction phase, working around the clock to ensure that the project was completed on time.

Timeliness is imperative, says Irving Oil’s Vice President and Chief Operating Officer, Mark Sherman. “Our dedicated supply and trading departments work hard for many months — as far as a year in advance — in the lead-up to a turnaround to ensure we have enough products to reliably supply our customers and region while our overall production rates are reduced during maintenance.”

One of the most intriguing aspects of Operation Falcon? That it didn’t add additional capacity to the refinery. Notes Sherman: “The scope and investment level represent our commitment to long-term operation in Saint John and in Atlantic Canada, and position our company for future growth opportunities.”

People matter

With 3,000 employees working under the Irving Oil banner, you can appreciate why the company says people are its most valuable asset — and the company invests in them accordingly. There is safety training, tuition support, a scholarship program for children of employees, healthy lifestyle promotions, and wellness programs. There are also meaningful and rewarding work terms, opportunities for advancement, and — of course — competitive remuneration packages. There are even annual personal development plans for every employee.

The average tenure for an Irving Oil employee is 10 years, and the turnover rate is a below-industry standard of less than eight per cent. Search through the ranks, and you’ll often find multiple generations of the same family working under the Irving banner.

Sarah Irving, Irving Oil’s Executive Vice President and Chief Brand Officer says the company owes much of its’ success to its’ hard working and dedicated people. “Our company is able to take on world class projects and compete against the world’s largest oil and gas companies because our people are the best in the business — they’re loyal, passionate, they’re dedicated and they work hard every day to help make Irving Oil the best it can be.”
A Place To Call Home
Earlier this year the company announced plans to build a new home office in Saint John. Located on King Square, the new headquarters is just a stone’s throw from the Golden Ball building – Irving Oil’s home office for the past 50 years. Structural heritage goes further back with the original Irving Oil building opening on Dock Street in the 1930s before moving to the current location in 1957.

The new 11 storey building will bring together all home office staff from multiple offices across the city – housing all 1,000 under one roof. The building is of classical design and built to complement the existing streetscape.

The 18-24 month construction project is also being designed to stringent environmental standards: it will be registered with the Canada Green Building council with the goal of becoming LEED certified. According to the Canada Green Building website, “Leadership in Energy and Environmental Design (LEED) is a rating system that is recognized as the international mark of excellence for green building in 150 countries.”

Ian Whitcomb, President of Irving Oil, says the move to King’s Square represents a philosophical as well as a physical shift. “Working together under one roof in a modern and efficient workspace will build on our company’s one-team approach. It will foster collaboration and productivity, positioning our people and our company for growth and success.”

Asked why Irving Oil is so committed to staying in Saint John, Whitcomb explains that it’s a reflection of K.C. Irving’s founding principles. “He believed in the strength of this community and that belief continues today with our Chairman, Arthur Irving. We could not succeed without the support of our people and community. Our new home office is one way to say thank you for that support.”

“We Run a Clean Shop”
Curiously, Irving Oil’s 900-plus retail outlets are as well known for their clean washrooms as they are for the gasoline they sell. For people on the road, the deep-water access, Canaport offers reliably-open shipping lanes as well as the shortest sailing times to global markets hungry for western Canadian crude. Canaport regularly handles Very Large Crude Carriers (VLCCs) and is the only marine facility on the Eastern Seaboard to handle one of the largest supertankers in the world: Ultra Large Crude Carriers (ULCCs).

For New Brunswick, the pipeline will ensure a secure supply of energy from domestic sources (approximately 50 per cent of all oil in Eastern Canada is currently imported from outside the country). Further, the economic impact of the pipeline in its first 30 years would be more than $6.5 billion, providing much-needed jobs and tax revenue.

For more information: energyeastpipeline.com
guarantee of a spotless washroom is a compelling reason to stop at an Irving Oil gas station.

Darren Gillis, General Manager, Sales and Marketing Operations, says the clean washroom approach developed organically from the company’s customer-first orientation. “We believe in giving our customers an exemplary experience, from the moment they arrive at our site. This means paying great attention to every detail—from clean washrooms for our customers to having the fluffiest white towels and clean showers for our professional truck driver customers.”

“Our goal is to make the investments necessary to continue to be the retail destination of choice for our customers and the retail brand of choice among independent dealers,” says Gillis.

Want proof of that determination to be number one? Aside from having the “cleanest washrooms on the road”, Irving Oil retail outlets also reward loyal customers with Air Miles points and engage them in innovative marketing programs including their annual Pump up the Fun $5 Million Summer Giveaway (its 2016 campaign will be the largest retail campaign in the company’s history). But the most impressive indicator of their “in it to win it” attitude is the ongoing $100 million investment in their retail network. Not only does this investment keep their washrooms cleaner than ever, but it ensures you will see more of them: continues to grow their retail footprint adding locations across Eastern Canada and continuing to expand in the New England market.

“We know we can achieve our goals by having the best sites and a leading dealer and consumer value proposition,” says Gillis. “By working closely with our dealers and our joint venture partner Couche Tard, we will continue to provide our customers with the products and services they have come to expect.”

Securing the Energy Supply

Atlantic Canada’s energy landscape is changing. Where there were once six refineries in the region, there are now only two (thankfully, one of them is the largest refinery in the country). Still, the contracted capacity has put greater pressure on the supply chain, with recorded instances of supply shortages for both Nova Scotia and Newfoundland and Labrador in recent years.

It’s a status quo that Irving Oil refused to accept. The company is currently investing $100 million into its marine terminals in Halifax, N.S. ($80 million) and St. John’s, N.L. ($20 million). In Halifax, the focus is on upgrading its previously deactivated marine terminal, to facilitate the storage and distribution of gasoline, diesel, home heating oil, marine transportation fuel and jet fuel for customers throughout Nova Scotia. In St. John’s, they are building an entirely new pier to improve vessel logistics. The company says the modernized and expanded facilities will create jobs, enhance current services at the Port and help position St. John’s Harbour for future growth. Most importantly, it means a secure energy supply to the Atlantic Canadian region.

Steve McLaughlin, Senior Director of Commercial Products at Irving Oil, says it’s a case where actions speak louder than words. “We are committed to this region, we have a strong track record in serving our customers safely and reliably across Atlantic Canada and we are making the investments to ensure we can continue to do so.”

Doing the Right Thing

Irving Oil has a long tradition of giving back to the communities where it operates. Each year, employees volunteer well in excess of 1,000 hours (on company time) for causes important to them and the company. The value of corporate donations and sponsorships exceeds $2 million annually, with most of it focused on education, community and environmental initiatives.

Asked why they focus on those particular areas, Sarah Irving explained that these are areas where Irving Oil feels it can make a meaningful difference. “My Dad says it well: ‘it’s about doing the right thing,’ and that’s what we try to do every day.”

“An example of this is our partnership with the New England Aquarium. Our company worked with the aquarium, academia, researchers and government to move the Bay of Fundy shipping lanes in order to reduce the risk of vessel/whale strikes. It’s been an enormous success; the population of the right whale has since doubled.”

“In everything we do, we start with a People Matter philosophy and work from there. This includes our employees, our customers and the communities where we live and operate. As a family-owned company, those values are important to every one of us.”

DID YOU KNOW?

• The Irving Oil refinery in Saint John, N.B. is the largest refinery in Canada and one of the 10 largest in North America.

• The refinery sits on 780 acres, next to the Little River Marshland—a joint project between Irving Oil and Ducks Unlimited.

• Irving Oil gasoline accounts for 75% of Canada’s gasoline exports to the United States and 19% of all U.S. gasoline imports.

• Irving Canaport, located eight kilometres from the refinery, is a sophisticated deepwater marine terminal that can handle the largest tankers on the water: Ultra Large Crude Carriers (ULCCs). Crude oil headed to the Irving Oil refinery is unloaded via a unique monobuoy system: carriers connect to an offshore monobuoy (a structure the size of a small house that is tethered to the ocean floor with eight anchor lines) that pipes oil directly to Irving Canaport’s crude oil receiving terminal. The offloading process takes approximately two days. An estimated 95 million barrels of crude are delivered to Irving Canaport each year.

www.irvingoil.com  @irvingoil