

## National Oilwell Varco Presents One Face to the Customer



Focus on Best Practices in Account Management Execution Provides Foundation for a Successful “Single Face to the Customer” Campaign

*National Oilwell Varco (NOV), headquartered in Houston, Texas, is known as “the tool man of the oil patch.” For oil and gas drilling contractors both on and offshore, the company offers a wide variety of products and technology ranging from pumps and valves to drilling derricks and cranes. In addition, NOV operates 160 distribution service centers worldwide that sell equipment and parts to the upstream oil and gas industry. From ice chests and paper cups to line pipe, OEM parts, and spares, this company wants to supply what its energy customers need.*

**The problems of growth.** In a few short years, National Oilwell Varco expanded from a well-known and respected oil and gas drilling equipment supplier to a technology leader supplying integrated drilling systems. This explosive growth, fueled by strategic acquisitions, brought together a wide variety of selling cultures and business processes, as well as a portfolio of hundreds of products. Not unexpectedly, the resulting sales silos led to confused customers who weren't really sure who was going to call on them and what the value proposition of the day would be.

**The customers speak.** In individual conversations and written surveys, NOV's customers voiced their concern. While the company's acquisitions had broadened the product lines in order to provide an end-to-end solution for their customers, the customers were irritated by the resulting “multi-legged sales calls.” Did it really take four or five NOV sales reps to represent the entire product line? In addition, the acquisitions had occurred so quickly that internal decision-making had become increasingly complicated. The leaders of acquired companies were accustomed to running “their” businesses autonomously and were reluctant to relinquish their personal authority. To the customers, NOV had too many interfaces. The customers simply wanted a company that was easy to do business with.

### What National Oilwell Varco's Customers Said

- Deliver on time
- Supply products that work
- Provide quality service
- Price consistent with quality
- Honor commitments
- Respond with appropriate urgency
- Work with us to resolve problems
- Prevent surprises
- Make it easy to do business with you

**A management summit—a new culture emerges.** The executive management team gathered and began a series of intensely focused meetings to develop a strategy that would enable the company to balance their plans for continued growth through acquisitions with a scaleable infrastructure. Conferring with industry





leaders and management experts, NOV leadership acknowledged that in order to achieve a single face to the customer, the executive team needed to create a new culture that was founded on providing value to the customer on a consistent basis. This new culture must be grounded in processes and infrastructure that make doing business with NOV easy and supports unerring quality at each point of customer contact. The management team identified seven core processes that would be implemented on a company-wide basis and a manager accountable for each process. The team determined that the highest priority process to be tackled first was Order Acquisition-Customer Retention.

**Defining the sales agenda—T.E.A.M.** The vision for the new customer acquisition and retention process was clear: Create an approach to NOV's key customers that leveraged the best of the company's valuable and distinct resources while creating a view of a *strong single company* to the customers. To enable this, the company developed Total Enterprise Account Management (T.E.A.M.). The concept was based upon a commitment to implement best practices in the development and maintenance of business with major customers. Critical Path Strategies (CPS) helped design and execute the plan. Working with CPS, NOV developed a strong and scalable customer-focused sales agenda. The T.E.A.M. concept was transformed from the concept stage to a prioritized yet flexible set of initiatives with specific milestones and defined metrics.

**A focus on what's most important.** CPS partners, Art Wilson and Ken Evans, helped NOV define the four most important initiatives that would transform the company's selling culture.

1. **Elevate the sales function.** In a company whose focus for several years had been acquiring complementary companies, the most valued skills were associated with targeting and analyzing acquisition candidates, then integrating those with priorities on managing expenses and costs. The role of the sales person was unclear and the value of the sales force was under recognized. This prompted a reevaluation, redefinition, and elevation of the selling team roles, responsibilities, and desired skill sets.
2. **Develop a culture of responsibility and accountability.** The executive management team gained an understanding of the critical importance of defining and documenting NOV's approach to account management. They applied recognized best practices in account management execution to the company's desired future state of providing recognized customer value. The processes that emerged rounded out the T.E.A.M. concept and enabled them to define a four-step process for customer engagement with supporting tools and both internal and external outcomes.
3. **Establish a management discipline.** To ensure consistent management review and consistent coaching, the team developed a documented management review process or discipline that identified the leadership roles in active selling engagements, regular management reviews, and ongoing team coaching.





- 4. Develop a compensation and recognition system that drives results. To encourage sales personnel from different heritage organizations to work together, a compensation plan was developed that rewarded cross-business unit selling that was based on NOV's performance as well as the individual's performance.

**Where to Start**

If you are undertaking a disciplined approach to providing recognizable value to customers, consider the following advice.

- It all starts and ends with the customer.
- As a leader, you must be passionate about serving the customer.
- Be clear in everything you do.
- Instill a sense of urgency and compete to win.
- Recognize that a major part of the transformation is selling internally.
- Make decisions and stick with them.

**ABOUT CPS.** Critical Path Strategies helps clients improve the effectiveness of their sales organization. Our portfolio of services addresses the strategic, organizational, and relationship issues that impact selling performance. Our powerful processes enable clients to transform their sales culture, enhance their competitive position, and accomplish strategic business initiatives. Our clients—emerging companies and members of the Fortune 500 alike—typically measure 100 to 500 times their CPS investment in revenue growth.

**Where are they today?** NOV continues to build a customer-driven company focused on providing differentiated service to its clients. Everyone from the CEO to branch office personnel knows that things are different—there is a new energy, a new focus, and, most important, outstanding business results.

For more information about this client, contact CPS Client Services at [clientservices@cpstrategy.com](mailto:clientservices@cpstrategy.com).

