

Middle East exposition

A methodical approach led to successful market implementation.

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One piece at a time. That's how the saying goes when answering the question, "How does one eat an elephant?" But where is the practical sense in the lesson being taught? This phrase defines a strategy to overcome a seemingly monumental task by applying a step-by-step approach combined with a little patience.

For the oil and gas industry, few other tasks are as daunting as the market introduction of a new technology or service. By applying a methodical approach to this challenge, Tesco Corp. has taken the very important first step to successfully introduce and implement an evolutionary technology change in the Middle East with the goal to have full-scale adoption across the region.

The company put this strategy into practice when introducing its casing running tool, or Casing Drive System (CDS), in several Middle Eastern countries, yielding very promising early results. Because of the downturn in global drilling activity, growing business meant capturing market share from competitors and advancing technologies in markets where it did not yet exist. To adapt to this, Tesco combined value-driven decision-making with drive to gain market share.

Gauge the market

The Middle East market has been attracting more attention from service companies since the beginning of the downturn. With budgets shrinking in most parts of the world, this region has maintained its share of oil production. Tesco logically was interested by the



Working with regional IPMs enabled
Tesco to gain market share in a
relatively short period of time.
(Source: Tesco)



sustained activity in the region, but there were also other factors present that supported a vision of advancing the business there.

First, it is easier to discuss new technology adoption with a party invested in just that. Nearly every oil and gas company in the world has a department dedicated to discovering innovative technology for the purpose of improving the efficiency of drilling operations. Tesco leveraged existing relationships in the Middle East and discovered a receptive audience seeking ways to improve operations and cut costs.

Integrated project managers (IPMs) were an important factor when establishing the CDS in Middle Eastern rig operations. IPMs are essentially large oilfield services companies with an array of experience and capabilities specifically designed to offer turnkey solutions to oil companies at the well site. Most IPMs are global service companies with talented and experienced people who are driven to cut costs while improving wellsite performance. Their support helped drive the adoption of the new technology.

Finally, understanding that national oil companies (NOCs) control or own most of the activity in the region was important because the NOCs contract IPMs to turnkey their wells. There are many layers to consider when developing a sales strategy, and these are just a few specific ones to the Middle Eastern region that Tesco needed to consider before it attempted to implement its new technology into the region and gain market share.

Keep it simple

Knowledge and understanding of its customer base supported Tesco's belief that favorable conditions and opportunities existed in the region. To capture market share, a proven plan needed to be implemented in a timely manner. Tesco's "Evolution Model" for simplifying the casing running and cementing processes had been implemented already in parts of the U.S., Latin America and Asia-Pacific. Although there are many layers that make up technology introduction and customer adoption strategy, the underlying theme was expressly straightforward: keep it simple.

Introduce one technology at a time. While Tesco's evolution model is made of several equipment components, experience has shown that bombarding a potential customer with groupings of multiple new products all at once can be daunting for rig crews and customers. Numerous new sets of procedures to learn and adopt combined with multiple new products to operate and maintain can create an overwhelmed state of mind, adding to the typical stress-filled duties of working on a rig.

Even if the full suite of products can bring maximum benefits altogether, management and crews are generally much more receptive to the idea of adding and training on just one new piece of equipment at a time. Safety records improve with single product adoption since crews can focus on the new task at hand while remaining prepared to perform regular duties.

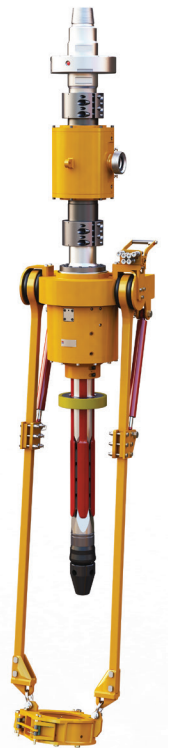
Customer follow-up. Once the first technology solution proves to be a success, there is opportunity to implement additional products or services to yield additional benefits. Crews will be receptive to a product that delivers positive results and makes their jobs easier. In this case, the CDS could provide casing running, cementing and even casing-while-drilling services. Customers were pleased to see the benefits and efficiencies provided by a single product.

Share the success. Customer and employee feedback from surveys also were useful when developing new business and attempting to capture market share. A successful job with a positive customer response can be shared with other areas of that customer's company as a spotlight on best practices. This also helps lay the foundation for case studies and discovering areas for further improvement or customization as well as business development with other potential customers.

Prove yourself. Even the best sales pitch is meaningless if performance is not, at the very least, meeting prior operational and HSE capabilities or key performance indicators. Tesco's strategy included seeking partners willing to take a chance to prove the technology on their rigs, with both sides having "skin in the game." With each successful implementation, these services were further introduced into well operations.

Targeting the players

Detailing this simple approach has yet to explain the patience and execution necessary to ensure success. Winning contracts did not happen overnight. Sales and operations teams worked for two years coordinating meetings and technology presentations, providing data and track record evidence, and organizing and executing field trial operations to finally win contracts for the NOCs in the region.



Casing running tools provide a mechanized way to run and make up casing. (Source: Tesco)



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As previously mentioned, many IPMs already were familiar with the CDS, so Tesco specifically discussed with customers how the CDS could benefit the turnkey style of IPM operations. Due to the nature of the CDS and its capability to perform multiple tasks, IPM product and service offerings were able to double or even triple the added benefit of managing a single tool rather than several when performing the same tasks.

Seeing results

Sticking to the evolution model, Tesco's sales effort is starting to pay off. During the downturn, Tesco went from a niche supplier to holding some of the highest market shares of NOC work. Using a focused and simplified sales strategy, the sales team doubled the workload under a single contract in less than two years. Ninety-six jobs were performed under the contract in the month of April 2016 alone.

More than 160 casing running jobs have been performed in the market using the CDS. The CDS per-

formed more than 10 casing-while-drilling jobs, and the tool has even moved into the offshore market. All of the jobs have been completed with reduced non-productive time.

Technology implementation would not have been as successful had it not been for the sales teams working closely with the IPMs, with whom they have established relationships based on trust and proven performance. Several major service companies in the region allowed the CDS onto their rigs for trial runs, and every one of those trials was converted into a service or sales contract.

Pushing ahead

With the ever-changing dynamics of the oil and gas market, every company must be ready for the challenge that awaits. Developing an effective strategy to position (or reposition) within the market is only a fraction of a success story. The proper direction by management and scrupulous execution excellence by the team members is easy to understate but is critically important. **ESP**