Accelerating Revenues in the New Oil and Gas Era

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Why We Are Here

- Oil & Gas Market Recovery
- Everything Changes in a New Era
- Creating the Marketing & Sales Ecosystem to Ensure Success
Our Point of View

It’s All in Ecosystem Design

- Smart Planning:
  - Growth PlayBook
  - Segment Prioritization
  - Persona Development

- Clarity of Direction

- Core Competency

- Meaningful / Actionable Monitoring

- A Culture that is fully committed

- Standardized Processes:
  - Complex Sales
  - Lead Generation
  - Competency Management

- Leveraging Digital:
  - Online and CRM Integration
  - KPI and Experience Monitoring

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Designing the Ecosystem

Developing the Roadmap

- Where are you going?
- How will you get there?
- When will you arrive?

What & Why
Jeff Thull

How
John McKeever
Accelerating Revenue and Profitable Growth in the New Oil & Gas Era

Creating, Measuring and Capturing Complex Value

Jeff Thull
President & CEO
Prime Resource Group
The Majority of Companies are Doing Things Right!

- Investing in and providing high-value solutions
  - Internal development
  - Acquisitions
- Solutions are complex and multi-faceted
  - Multiple sources of value
  - Multiple impacts across customer organizations
  - When integrated – provide optimal value
- Implementations are highly supported
  - High-level professional services
  - Integrated customer support
Creating ...

very complex decisions for your customers
Resulting in …

- Customer isolates decisions to point solutions vs integrated
- Increases in 11th hour discounting – increasing size of discounts
- New solutions miss market projections: revenue / share / margin / EPS
- High percentage of forecasted opportunities end in “no decision” – the customer does nothing

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2012</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wins</td>
<td>49%</td>
<td>45%</td>
<td>41%</td>
</tr>
<tr>
<td>Competitive Loss</td>
<td>30%</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>No Decision</td>
<td>21%</td>
<td>26%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Research by CSO Insights
# The Three Eras of Business Development

<table>
<thead>
<tr>
<th>Era</th>
<th>Tools</th>
<th>Skills</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>Sales Script</td>
<td>Presenting Closing</td>
<td>Persuader</td>
</tr>
<tr>
<td>1975</td>
<td>Questions Needs Analysis</td>
<td>Listening Trust Building</td>
<td>Problem Solver Consultant</td>
</tr>
<tr>
<td>2000</td>
<td>Precision Dx Business Simulation</td>
<td>Business Knowledge Program Mgmt</td>
<td>Source of Business Advantage</td>
</tr>
</tbody>
</table>
The Three Execution Challenges of Era 3

- **Challenge 1: Decision**
  Customers typically do not have a thorough, cross-functional, and objective process for making the types of decisions you are asking them to make.

- **Challenge 2: Change**
  Buying involves changing, and change is full of risk. The customer will not change unless the risk of staying the same is clearly greater than the risk of changing.

- **Challenge 3: Value**
  The customer is unable to recognize and quantify the unique value (net-profit) at risk in their current situation, or your solution’s impact on that risk (pre-sale), and is unable to measure the value achieved with your solution (post-sale).
Value Communication vs. Value Clarity

“The problem with communication ... is the illusion that it has been accomplished.”

George Bernard Shaw
Challenge: Value Leakage

- Eight recent projects
  - Oil & gas consulting
  - Medical facilities
  - Industrial chemicals
  - Process Licensing
  - Jet engines
  - Outsourcing services
  - Software
  - Analytical instruments

- Findings:
  All were going to market without Value Clarity.
  Less than 9.7% of their value was quantified with a dollar amount the customer believed.
Value Leakage Challenge

Go-to-Market Cycle

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What is the Current Amount of Your Value Leakage?

Solution Go-to-Market Cycle

- Value as Intended & Perceived Internally
- Value as Designed, Engineered & Built
- Actual Solution Value
- Value Leakage Packaged
- Value Leakage Marketed
- Value Leakage Sold
- Value Leakage Paid
- Value Leakage Achieved

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Value Leverage

Analytical Instruments

Identified, Quantified, & Agreed

Product

- Speed
- Networked
- Lower maintenance
- 9x faster
- 70% more accurate

$3.46m

Process

- Sample prep time
- Reduce revalidation
- Shorten validation cycle time
- Regulatory compliance

$75.56m

Performance

- First to Market
- More new drugs
- Less head count

$306m

Level of Service and Support Provided

Average of 9.7%

Total Value Return

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Value Clarity Questions

1. Have you identified all of your solution’s value?

2. Have you connected your value to the customer’s business drivers and performance metrics?

3. Have you been able to isolate the performance impacts to specific job responsibilities?

4. Have you been able to quantify potential performance impact with a number with which the customer agrees?

5. Have you been able to identify customer value constraints?

6. Have you provided your customer with the ability to address those constraints and manage the changes?

7. Are you able to measure the value delivered and has your customer agreed with the amount measured?
A Customer Focused, Value Driven Approach

- **Strategic Value Clarity**
  - Bring into focus the impact of the performance inefficiencies they are facing

- **Financial Value Clarity**
  - Quantify the status quo – “no change,” “no decision”
  - Place a precise financial value on your solution’s value impact

- **Execution Clarity**
  - Understand the “change” required and the constraints/risks
  - Have the ability and confidence to lead change, safely and predictably

- **Decision Clarity**
  - Provide a thorough, cross-functional, evidence-based decision process to make a fully informed, quality decision

- **Simulation Technology**
  - Enable an objective, transparent and scalable execution of the very complex decisions you are asking your customer to make
## Accelerating Revenue Results:

<table>
<thead>
<tr>
<th>Client Solution</th>
<th>Average Revenue per Sale</th>
<th>Cycle Time per Decision</th>
<th>Conversion Rate</th>
<th>Sales Force Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas Performance Improvement</td>
<td>+ 8x 400k-3.2MM</td>
<td>1/3</td>
<td>76%</td>
<td>62%</td>
</tr>
<tr>
<td>Radiology Services</td>
<td>+ 13x 300k-3.9MM</td>
<td>1/5</td>
<td>100%</td>
<td>75%</td>
</tr>
<tr>
<td>Locomotive Electric Motor</td>
<td>+ 18x 1.3MM-26MM</td>
<td>1/10</td>
<td>100%</td>
<td>84%</td>
</tr>
</tbody>
</table>
Uncertainty defeats decisions ...

Value Clarity defeats uncertainty!

“If you can provide a higher level of certainty in a world that is very uncertain, you will possess a considerable competitive advantage, and a reliable path to predictable and profitable sales results.”
<table>
<thead>
<tr>
<th>Tasks*</th>
<th>Worst Case</th>
<th>Best Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing marketing strategy and plans</td>
<td>Based on budget, then figure it out</td>
<td>Plans based on objectives to formulate the strategy/plans</td>
</tr>
<tr>
<td>Capturing market insights</td>
<td>Just rely on the sales force feedback</td>
<td>Use best tools to develop insights from global respondents</td>
</tr>
<tr>
<td>Connecting with customers</td>
<td>Advertising and trade shows are enough</td>
<td>Direct customer engagement</td>
</tr>
<tr>
<td>Building strong brands</td>
<td>Brands don’t matter</td>
<td>Strategy to align messages and experiences is defined</td>
</tr>
<tr>
<td>Shaping the market offerings</td>
<td>This is for the engineers to figure out</td>
<td>We engage customers for best fit – price, benefits</td>
</tr>
<tr>
<td>Delivering value</td>
<td>This is an operational issue</td>
<td>Customer experience is monitored</td>
</tr>
<tr>
<td>Communicating value</td>
<td>Take orders from regions</td>
<td>Globally integrated marketing program</td>
</tr>
<tr>
<td>Creating successful long-term growth</td>
<td>Executives are responsible for this</td>
<td>Global priorities and challenges are framed by marketing</td>
</tr>
</tbody>
</table>

*Source: Adapted from Kotler, Marketing Management

Growth PlayBook

Steps

UNDERSTAND
- External Appraisal
- Internal Appraisal
- Market Segmentation
- Opportunity Analysis

CREATE
- Scenario Development
- Initiative Development
- Action Planning

DEPLOY
- Strategy Execution
- Internal Promotion
- External Promotion

MONITOR
- Plan Performance
- Measure Results

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Conjoint Analysis
Prioritizing Segments

1. Survey

Choice Simulation

- Simulated intentions to visit provide data on convenience, price, performance, location, brand tradeoffs

2. Analysis

Utility Scores for Each Attribute

- Logit regression estimates the relative importance ("utility") of each attribute.

3. Market Simulations

Share of Preference

- Purchase likelihood and share of preference are then characterized across segments.

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Buyer Personas
Putting Customers at the Center

Persona: X

"We need a consistent process and reliable service so we can ensure uninterrupted operations."

DESCRIPTORS
- Value environmental impact
- Want to deliver upon promises to customers and will go out of their way to do so
- Often times unaware of breadth of options available
- Value technology that makes their job easier

BEHAVIORS
- Seek 24/7 customer service support
- Talk with customers regularly and tend to understand what they want and need
- Provide customer accessibility by providing workarounds for direct contact
- Commonly use digital channels available via their phone, but do not often use computers or laptops

NEEDS
- Communication when updates or delays will arise
- Clear plan of action upon service disruption
- Understanding of terms of agreement so they can share this with customers
- Knowledge of breadth of options available

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Experience Map
Combining Marketing/Sales

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Need</th>
<th>Procure</th>
<th>Project</th>
<th>Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Website</td>
<td>• Lunch and learns</td>
<td>• Site tour (on-site)</td>
<td>• Project initiation (on-site)</td>
<td>• Troubleshooting</td>
</tr>
<tr>
<td>• Tradeshow marketing</td>
<td>• Leverage networks</td>
<td>• Proposal</td>
<td>• Training</td>
<td>• Invoicing</td>
</tr>
<tr>
<td>• Sales calls</td>
<td>• Introductions through contractors</td>
<td>• Premium justification</td>
<td>• Collaboration among vendors</td>
<td>• Feedback (project)</td>
</tr>
<tr>
<td>• White papers</td>
<td>• Product collateral</td>
<td>• References</td>
<td>• Safety monitoring</td>
<td>• Feedback (senior level)</td>
</tr>
<tr>
<td>• Press releases</td>
<td>• Qualification</td>
<td>• Pricing – costs, buy, resell, competitor</td>
<td>• Service quality meetings</td>
<td>• Recommendations to colleagues / industry</td>
</tr>
<tr>
<td>• Advertising</td>
<td>• Tender specs</td>
<td>• Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Associations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Community events</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Site Visits</td>
<td></td>
<td></td>
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</tbody>
</table>

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**Digital Maturity**

**Determining Your Current State**

**Impact**

**Promotion**

Marketing is used for promotion; CRM for tracking sales activities (if at all)

**Performance**

**Aligned**

Messages and tactics are managed among sales and marketing; there is a link between inquires among inquiry channels

*Systems are coordinated between marketing and sales; results are measured to allow for drip campaigns and other message adjustments*

**Maturity**

Lead To Revenue
Online and CRM Integration

MARKETING CLOUD
Nurture and engage your customers with the right message at the right time.

CRM + PRM
Stable, flexible platform to capture, store and report data about your customers their experience across touchpoints and channels.

DASHBOARD + REPORTING
Highly visual, interactive data visualizations that are easy to share and portable as needed.

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Holistic Engagement
Digital Marketing

Marketing Strategy
Paid | Earned | Owned

Impressions
Email
Web Form
Pager
Call
Fax

Sales/Referral Channels

New Lead → MQ Lead → Lead Nurturing
No → Create Appt
Yes → ...

Service Channels
Operations
Sales
SMEs
Team-based Selling

Conversion
NPR Target
Attribution
$ per Project

Measurement

Marketing & Communication Channels

Do we know where our leads come from?
Are we nurturing leads?
Where are we losing customers?
What is our customer acquisition cost?
Are we engaging our customers from awareness to advocacy?
What is our customer lifetime value?
What is the right Paid, Owned, Earned mix for my brand?

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Customer360
Performance Monitoring

Program performance to goals

KPIs

Current performance versus targets

Experience metrics from multiple perspectives: Partners, Customers, Employees

Satisfaction trended with financial measures
Transformational leadership is the process whereby a person engages others and creates a connection that raises the level of motivation and morality in both the leader and the follower (Northouse).
Transformation
Recognizing What’s Involved

Enable the organization to perform

Energize the organization to pursue the endeavor

Engage the organization to see how to achieve the outcome

Envision the desired future outcome and align the leadership

1. **Frame**: Develop common understanding of situation drivers

2. **Diagnose**: Identify the current characteristics of the organization

3. **Map**: Connect people, process and technology to business imperative

4. **Design**: Prioritize critical transformation components and plan program

5. **Implement**: Execute, monitor transformation, and celebrate success

6. **Sustain & Renew**: Create stewardship through modeling, feedback, and coaching
“We must continue doing business today while simultaneously **changing** the way we do business.”

Our experience indicates that organizations go through a transformational growth curve.

This is a lifecycle through which the organization will move based on its ability to define the desired future state.

Red Zone management requires a motivated workforce, a shared vision, energized activities to achieve success quickly and the support systems to stay the course.
Designing the Ecosystem

Recap

- Where are you going?
- How will you get there?
- When will you arrive?
Our Value
How We Work with Clients

Research Insights

Practical Solutions

Industry Expertise

Accelerating Business Performance
We Appreciate the Opportunity

Thank You
# Scope of Services

## Oil & Gas

<table>
<thead>
<tr>
<th>Business Transformation</th>
<th>Expert Advisory Group</th>
<th>Revenue Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our oil and gas consultants help identify and implement key issues critical to achieving organizational success.</td>
<td>Our Expert Advisory Group brings decades of experience tackling the industry’s most challenging projects worldwide.</td>
<td>From new product commercialization to service delivery, we help market leaders outpace competitors within their space and across the industry.</td>
</tr>
</tbody>
</table>
| - Mission Critical Project Delivery  
- Operational Effectiveness  
- Critical Competency & Capability  
- Strategy Development & Implementation  
- Leadership Development & Executive Coaching | - Offshore, Subsea & Marine EPCI  
- Field Development  
- Due Diligence  
- Reservoir Engineering  
- Arctic Team  
- Decommissioning | - Strategic Planning  
- Financial Analysis  
- Revenue Cycle Improvement  
- Operational Excellence  
- Organizational Transformation  
- Quality and Safety Assurance  
- Executive Transition |
Joint venture of Gulf Publishing and Endeavor Management

Since 2001, annual multi-client surveys on marketing effectiveness, brand equity, technology needs and HR issues in the oil and gas industry (upstream and downstream)

Opt-in database of 100,000 World Oil and Hydrocarbon Processing readers used exclusively for industry surveys

Panelists certified by BPA

We use this database for conducting proprietary marketing research studies

We interview thousands of oil and gas industry personnel worldwide each year using online surveys, phone and in-person interviews and focus groups

Main areas of consulting are marketing strategy, brand strategy and new products
About Us

We are a strategic business advisory working major oil & gas industry clients to develop transformational business initiatives leading to rapid growth in revenues and profits.

We have a history of service to the energy industry at all points in the value chain: exploration, production, transportation, trading, processing, marketing and supporting services.

Our O&G group works in 3 key areas:

- Business Transformation
- Expert Advisory Group
- Revenue Generation

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