



National Oilwell is a worldwide leader in the design, manufacture and sale of comprehensive systems and components used in oil and gas drilling and production, as well as in providing supply chain integration services to the upstream oil and gas industry.

National Oilwell engaged Hitachi Consulting to help optimize business processes that would enable them to continue their aggressive global expansion and become more customer-centric.



## C Case Study: National Oilwell

### Business Challenge

Ranked number 77 in Fortune's list of 100 fastest growing companies in 2003, National Oilwell is a \$2 billion manufacturer and distributor to oil and gas drilling and production companies. Imagine the logistical challenge of providing products and services to some of the world's largest companies in some of the most remote locations across the globe.

In 1999, the Distribution Services unit of National Oilwell faced several challenges. They were aggressively acquiring new companies and coping with disparate systems and processes in more than 130 distribution centers. Customers experienced varying levels of service and inconsistent system interfaces, depending on their geography.

But National Oilwell had a vision. They wanted to continue with their aggressive growth and become more customer-centric by providing their customers with consistent service and one system interface worldwide. They also wanted to help their customers reduce costs by becoming their primary supplier and moving towards more efficient channels like electronic exchanges.

Additionally, they wanted to optimize their own business processes and improve efficiencies, maximizing their value to all stakeholders.

National Oilwell knew IT was a major enabler of these growth goals and developed an integrated IT and process improvement strategy to enhance procurement, inventory management and logistics activities.

### The Solution

National Oilwell teamed with Hitachi Consulting to transform their worldwide supply chain, outmaneuver their competition and grow their business. Hitachi Consulting's experienced consultants worked alongside National Oilwell's team to produce measurable value quickly and transfer knowledge every step of the way.

First, the team implemented a core ERP system (SAP) to provide the base for growth and expansion. Next, Hitachi Consulting helped build a customer self-service engine that included online purchasing and interfaced directly with customers' systems.

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Last, electronic signatures and bar coding were to be implemented to help speed collections by confirming deliveries, even those to the most remote locations.

Throughout the project, there has been a relentless focus on change management and on serving employees and customers worldwide. National Oilwell has outmaneuvered its competition. Customers have found real value in doing business with a company that helps them to become more efficient through use of technology and they enjoy consistent, high quality service worldwide.

By implementing standard systems and processes, National Oilwell formed the foundation necessary to support its rapid growth.

### Business Benefits

As a result of the project, National Oilwell has:

- Increased Average Sales per Operating Rig 82 percent over the last four years.
- Become more efficient as shown through the volume of transactions that are handled through electronic channels—a channel that has grown from 5 percent of revenue in 1998 to 35 percent of revenue in 2002.
- Won major new Fortune 1000 customers due in large part to focus and improvement on customer service.
- Achieved consistent systems and processes throughout the world expanded the company from its North American base to the Far East, Middle East, North Sea, and South America.

*"Hitachi Consulting's experience with our industry and technology gave us confidence that they could deliver a high quality solution. They cared about our success and made sure we were both fully aligned to deliver the required business results. Because of their flexible approach and results focused culture, Hitachi Consulting is a valued business partner."*

Noel Connolly

CIO for National Oilwell, Distribution Services



### About Hitachi Consulting

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies across many industries. We leverage decades of business process, vertical industry, and leading-edge technology experience to understand each company's unique business needs. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting's client base includes nearly 30 percent of the Fortune 100 as well as many leading mid-market companies. We offer a client-focused, collaborative approach and transfer knowledge to our clients throughout each engagement. For more information, call 877-664-0010 or visit [www.hitachiconsulting.com](http://www.hitachiconsulting.com)

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