

A person in a dark suit and blue patterned tie is pointing their right index finger upwards. The background is a blurred office setting. Overlaid on the left side is a blue hexagonal pattern. A bright blue horizontal band is positioned across the upper part of the image, containing the word 'TRANSFORMATION' in white, bold, sans-serif capital letters.

TRANSFORMATION

ACT MIDDLE EAST TREASURY SUMMIT 2018
17 October

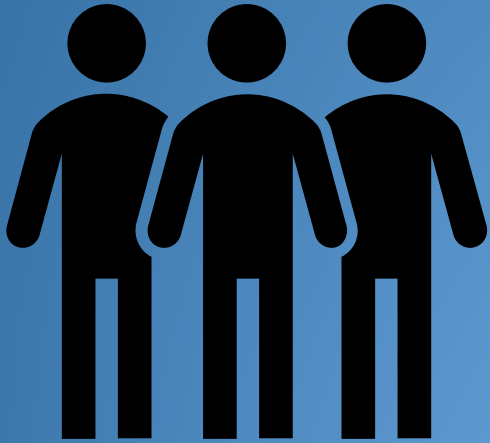
Presented by: Princy Royce, Treasury Manager – ME, India

National Oilwell Varco (NOV)

- The oilfield's leading equipment and technology provider
- NYSE listed
- Headquartered in Houston, Texas
- Been around for 150 years



NOV KEY STATISTICS – June 30, 2018



37K people



614 locations



65 countries



**\$16.6B market
capitalization**

2013-2014

Identified the key enablers or interlinkages –
People, Platform, Policy/Procedures

2014-2016

Sphere of influence of Treasury increased - Strategic Interest

2016-2017

Value creation – functions and regions expanded;
Bank relationships redefined and leveraged – overall wallet share; making use of advisory, etc.

2017-2018

Event driven changes – M&A – Enablers made bolt on of M&A easy – Treasury

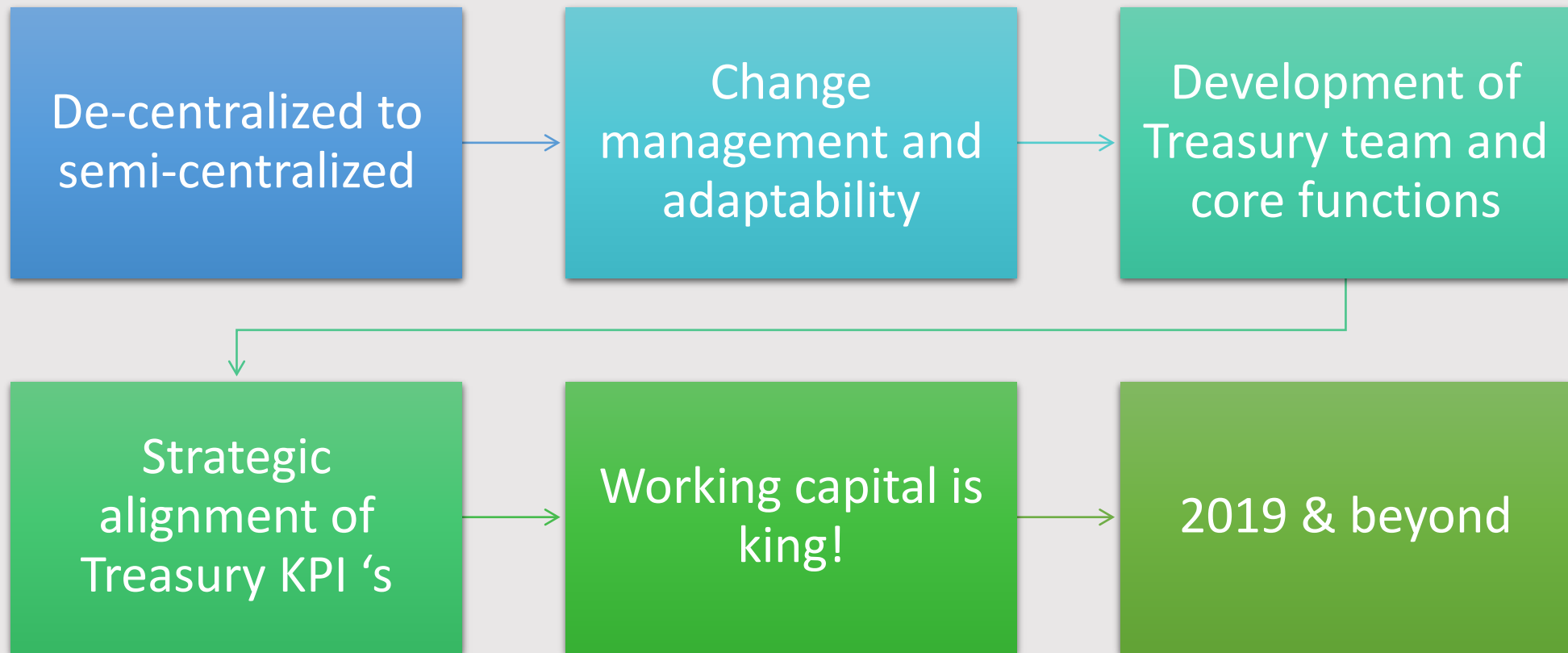
2018 and beyond

Tactical to strategic treasurer – regional management committee – vision to build a **future proof treasury!**

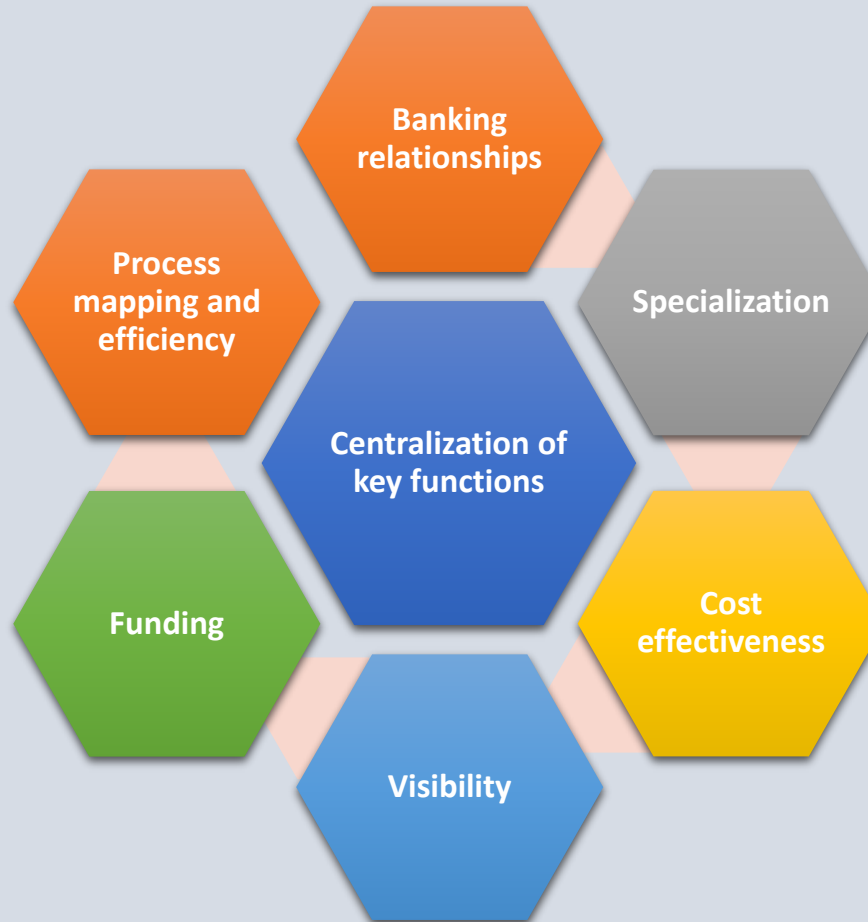
TREASURY TRANSFORMATION: KEY THEMES FOR REGIONAL TREASURY

2013-2018 & beyond

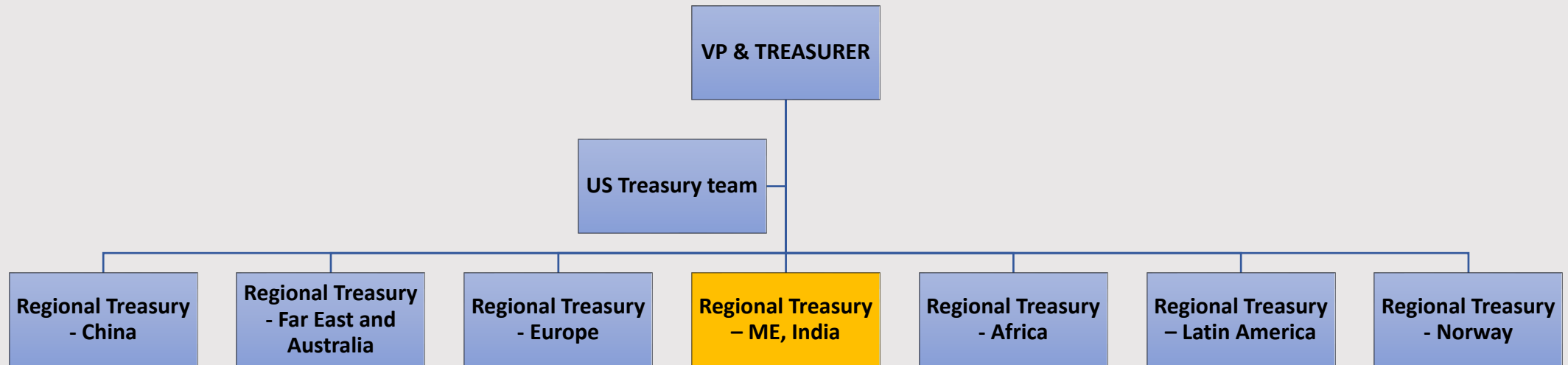
Key stages to treasury transformation



Thinking centralization



NOV Treasury structure



Change management and adaptability

Break the *'If it ain't broke, don't fix it'* attitude

Challenge the attitude with facts and figures through a business case. E.g. additional functions to support Corporate group

Demonstrate value addition or creation. E.g. when we centralized the corporate cards and expense management – Concur integration, trade finance centralization

Centralized FX management and hedging – savings!

Bank account management automated

Event driven change – Agile and Adaptable Treasury

Management change – fresh eyes – supported positive changes

Organizational growth through acquisitions accelerated the pace of centralization and specialization agenda

Newer regions like Africa and Azerbaijan opened up challenges and opportunities to address problems and offer solutions for complex issues like trapped cash, FX volatility, funding sources both local external lines and intercompany

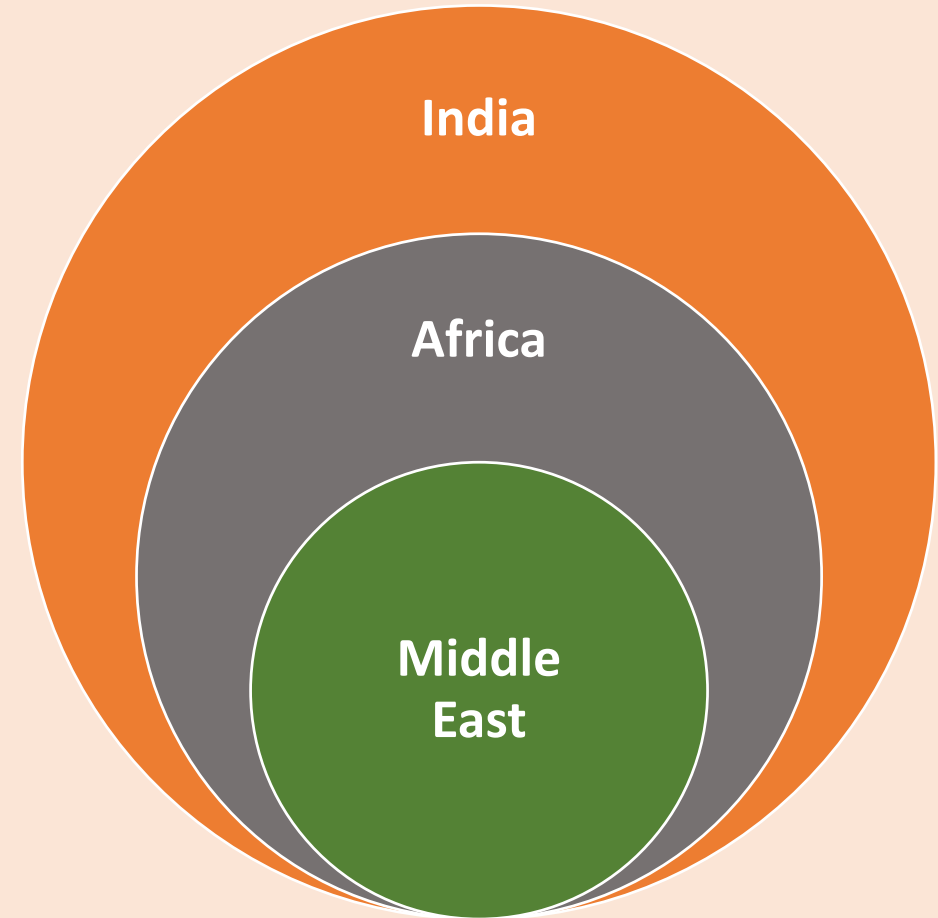
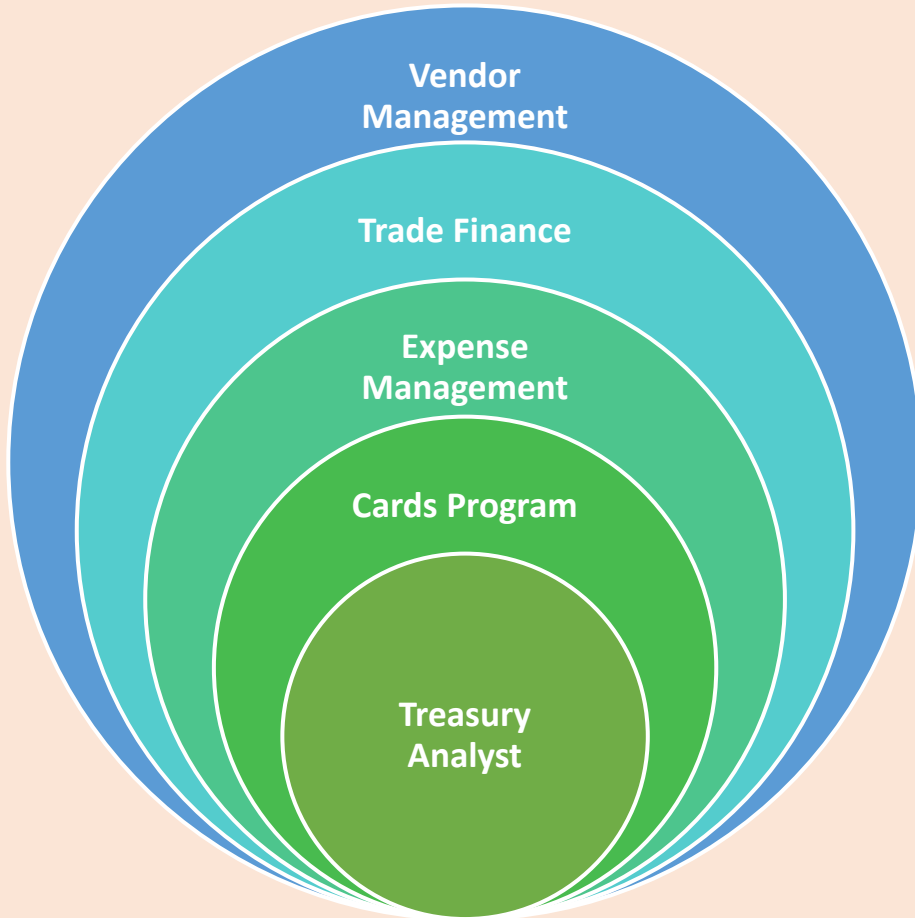
Review and redesign

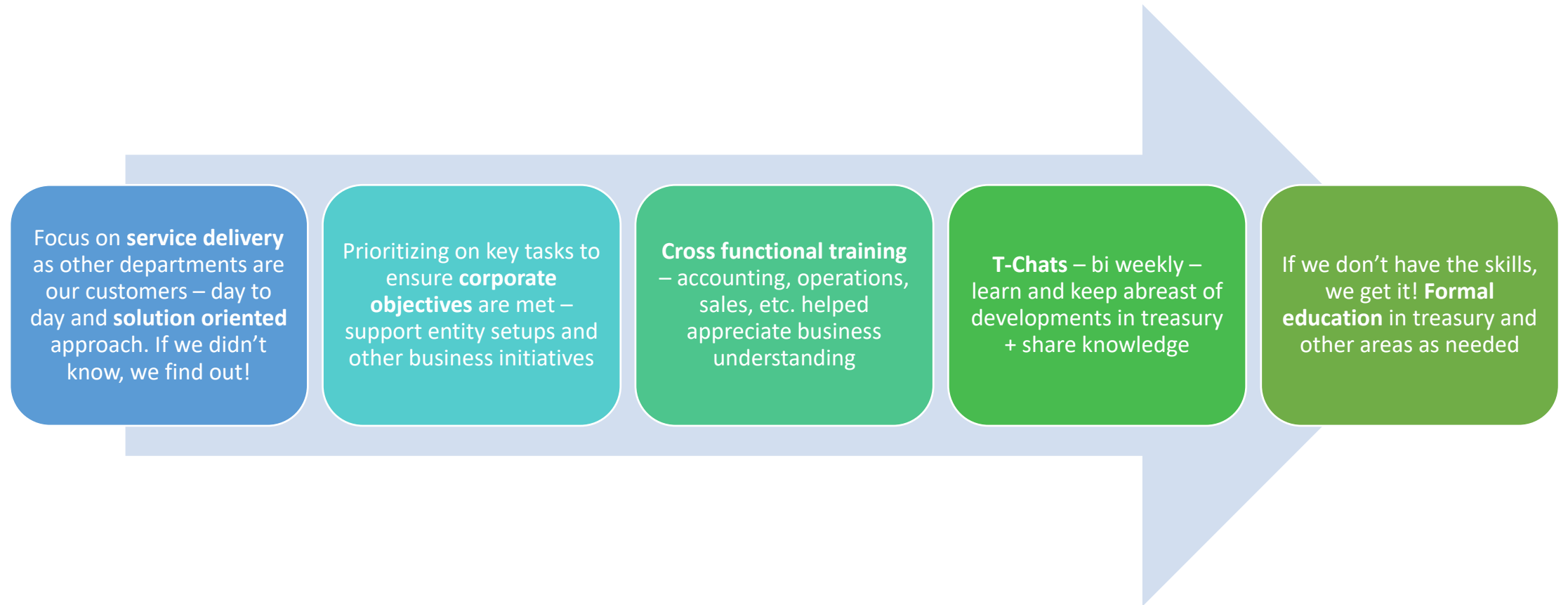
No aggressive moves or short cuts to change. Adapt to current environment, learn and chart process ahead

New policies were designed for Treasury covering cash, liquidity management, FX, etc – subset of Corporate policy with a regional flavor

Review of pricing with banks, standardization of processes, segregation of duties, user entitlements audited, reduction of manual and paper based work, monitoring and controls instituted, corporate reporting, cash forecasting

Development of Treasury team and core functions





What we do as a TEAM

McKinsey 7-S model

- 7 elements EG: **SHARED VALUES, STRUCTURE, STRATEGY, SYSTEMS, STYLE, STAFF, SKILLS**- both hard and soft – interdependent factors – analyze if we are in a good position to achieve intended objectives
- Helped determine **team objectives** and mission and vision – coined by the team
- Tuned to meet corporate mission and vision

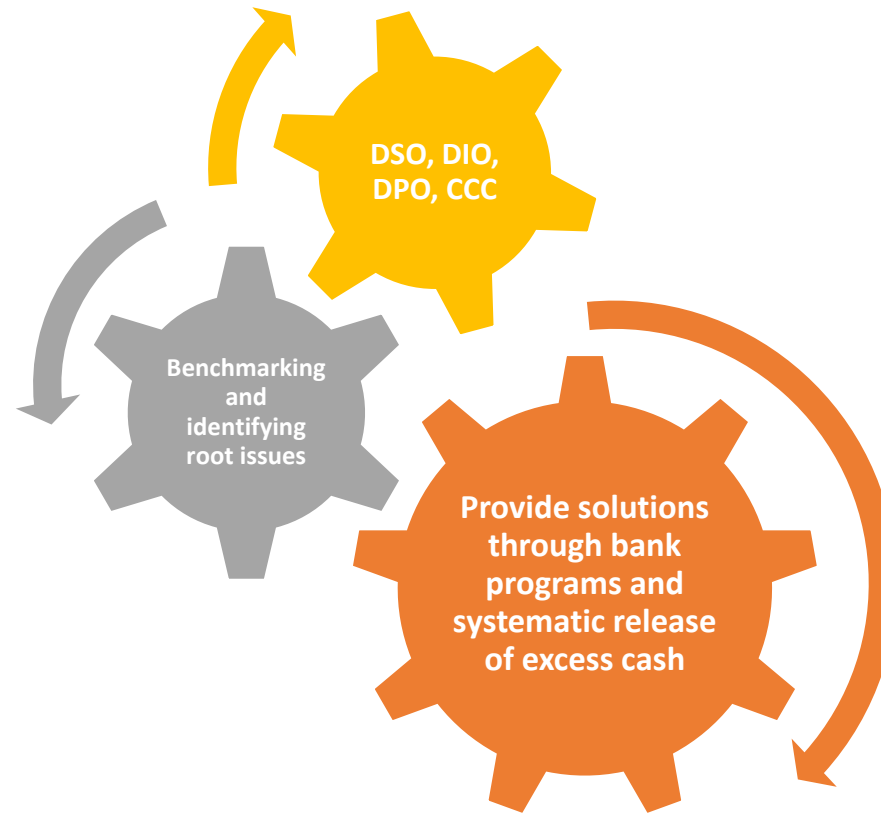
KPI's and benchmarking

- **Team KPI's and monitoring**
- **Benchmarking** against similar departments and organizations
- **Balanced scorecard** for Treasury
- **Rewards** being designed as per the **motivational levels** of individuals

Feedback and 360 degrees

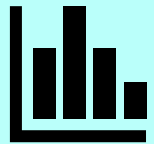
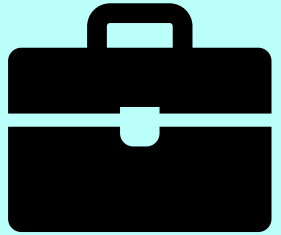
- **Feedback** sought from other departments and teams
- **Ratings and surveys** internally for manager and employees

Strategic alignment of Treasury KPI's



Another opportunity: Working capital is king!

What I learnt from the process!



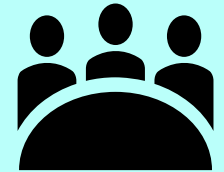
Business case



**Structured
approach, planning
and charting
direction**



**Broadcast and
market the
idea**



**Read, Network and
Learn from those
who have “been
there done that”**

2019 & beyond : Key themes

- SHARED SERVICE CENTER
- USE OF NEW TECHNOLOGY
- REGULATORY DRIVEN CHANGES



THANK YOU!

