

Oil Field Supply and Distribution Company

Situation: The company was a severely underperforming strategic acquisition by an increasingly frustrated multi-national corporation. It had an impressive reputation in the marketplace despite being mired by years of mismanagement. For years following the acquisition, the company was unprofitable and would have been cast aside as the corporate stepchild. However, the situation was far too material to ignore, and congruent with Pareto’s law, the company progressively sucked management’s time and the company’s resources. Notwithstanding the weak management, the company successfully established itself as a marquee supplier for oil-patch production. In fact, its product offering was coined in the vernacular of the trade as “rope, soap and dope!” The company had an extensive supply system throughout the Southwest, with locations offering most product needs for its customer network.

Actions: VERTO leadership deployed a tough turnaround plan, including replacement of operating leadership, strategic guidance from the CEO helm, surgical cuts at headquarters and numerous management changes at the distribution branches.

Results: Through these changes and a parallel rationalization of the product portfolio, the customer buying experience was drastically enhanced from one of roadblocks to a streamlined and pleasant experience. Despite the drag of a depressed industry sector, the company was made profitable, and was ultimately sold for a significant premium.