

CASE STUDY

Schlumberger *Building a Dialogue for Innovation*

A legend in the oil field services sector, Schlumberger has built that renown on industry-leading technology and a deep expertise that allows the company to deliver maximum value to its customers.

To remain a leader in these areas, the company has staked a commitment to two essentials: maintaining a strong, cohesive work force and developing innovative technologies. In 2006 alone, Schlumberger's R&D investment topped half a billion dollars US. But with roughly 70,000 employees of more than 140 nationalities working in more than 80 countries, ensuring teamwork and knowledge sharing across boundaries requires a great deal more than financial resources.

"Our personnel have grown much more diverse over the last few decades, and our increasingly decentralized R&D operations regularly are generating new product lines," explains Schlumberger's Management Development Director Joe Perkins. "The challenge for us is to find a common language that will enable us to look at innovation and product development as an integrated chain, from what is happening in the field to what happens in the lab on through to our business operations." The search for that common language brought Schlumberger to MIT Sloan.

The solution began to take shape when a team of the company's senior executives traveled to MIT to participate in *Driving Strategic Innovation*, one of MIT Sloan's most popular executive education courses. The Schlumberger team quickly realized that the course they were taking embodied the critical elements the company was looking for—everything from causal loops in the energy market to innovation, value chains, supply chains, and marketing. They also realized that MIT Sloan's unique ability to integrate advanced research, new technology, and innovative business practices made the School an ideal collaborator.

In consultation with Schlumberger executives, MIT Sloan faculty and staff designed a strategic custom program that features case studies developed from in-depth interviews with some of the company's Houston-based employees. The program brings a broad spectrum of participants to the MIT campus from around the globe. A recent cadre included tech center managers, product managers, geographic marketing managers, and the president and managers of well services operations from locations as far flung as Dhahran, Saudi Arabia; Stavanger, Norway; Beijing, China; Cambridge, England; and Sugar Land, Texas.

PROFILE

Oil field services leader
Schlumberger operates 23 research and engineering facilities worldwide, enabling it to develop innovative technologies that add value for its customers.

ACTION STRATEGY

Develop a shared language around strategic innovation that encourages product development as an integrated chain from field to lab to business operations.

LEARNING MECHANISM

A customized version of MIT Sloan's landmark course *Driving Strategic Innovation* that convenes Schlumberger managers from around the world at MIT Sloan. They spend five days on intensive study of value chains, supply chains, marketing, and causal loops in the context of Schlumberger-based case studies.

RESULT

Schlumberger managers from a broad range of geographic and functional backgrounds have the rare opportunity to network and brainstorm about innovation using a common language, shared frameworks, and a cohesive set of best practices.



“As Schlumberger continues to grow, we become functionally and culturally more diverse. Our MIT Sloan custom program is critical to helping our managers maintain a common focus.”

Joe Perkins
Management Development
Director
Schlumberger

The five-day intensive session creates an invigorating climate for brainstorming. Participants apply best practices from within and outside of the industry to Schlumberger's highest priorities. At the same time, executives build a powerful interdisciplinary network that helps them to keep the company anticipating rather than reacting to the demands of their industry.

“Schlumberger places a great deal of value on global managers who've worked in diverse environments and functional segments,” says Perkins. “The custom program we've developed with MIT Sloan helps us encourage managers to think broadly with a common focus and a common language.”

Schlumberger executives return to their operations energized from their intensive learning experience at MIT Sloan and equipped with new strategies and new relationships that will support them in the challenges ahead.

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