



Web Fleet Assistant supports CalFrac to achieve their fleet goals for compliance reporting, equipment availability, vendor reimbursements for warranty/campaigns/recalls, and timely accurate equipment information for making strategic business decisions.

The Situation

Calfrac is experiencing rapid growth and a skilled technical labor shortage. In order to meet safety, compliance, and cost containment objectives, CalFrac needed to find an asset lifecycle management solution that would help them simplify their business processes, reduce their costs and optimize the utilization of their mission critical equipment. They wanted a system that would support their rapid expansion and facilitate their effective acquisition, utilization and tracking of equipment one that would aid in the deployment and management of an effective preventive maintenance program, allow optimization of parts inventory, and maximize their warranty reimbursement for both equipment and service replacement parts. They were looking for a solution that would provide them with timely accurate information they could utilize in making strategic business decisions.

Executive Summary

Calfrac, a publicly traded company based in Calgary Alberta, provides specialized oilfield services to exploration and production companies. CalFrac's fleet of equipment ranges from simple pickup trucks to very complex oil well fracturing equipment valued at well over one million dollars. Having this equipment available on time for customer jobs, and keeping it operating non-stop on the jobsite, is a big challenge for the industry. Compliance reporting, equipment availability, vendor reimbursements for warranty/campaigns/recalls, and timely accurate equipment information for making strategic business decisions are critical to the success of service companies like CalFrac. Although CalFrac had business processes in place to support its rapidly growing fleet of equipment, the lack of automation and system integration led to longer processing times, inefficiencies, and a growing staff workload. To address the business problems CalFrac worked with Cetaris to implement Web Fleet Assistant. The new solution allowed CalFrac to achieve improved safety, improved compliance reporting, improved decision making, improved specifications for equipment purchases, improved tracking of equipment and parts, improved equipment availability, increased warranty reimbursement, and increased campaign and recall reimbursement.

The Challenge

Calfrac's business success is very dependent on their ability to identify and acquire appropriately configured equipment utilizing historic specifications that have proven to work in their harsh field conditions. It is critical that this equipment be available for the job when needed – equipment uptime can be worth millions of dollars a day. Like many companies in the Oil and Gas sector CalFrac is experiencing unprecedented growth while simultaneously facing a skilled labor shortage. In order to meet safety, compliance, and cost containment objectives, CalFrac needed to find an asset lifecycle management solution that would help them simplify their business processes, reduce their costs and optimize the utilization of their mission critical equipment which is geographically dispersed throughout North America and Russia. They wanted a system that would support their rapid expansion and facilitate the effective acquisition, utilization and tracking of equipment and one that would aid in the deployment and management of an effective preventive maintenance program, allow optimization of parts inventory, and maximize their warranty reimbursement for both equipment and service replacement parts. They needed a solution that would provide them with timely accurate information which they could utilize in making strategic business decisions.

“We had nothing to manage the fleet – just a white board, spreadsheets, and paper. We were growing fast and were really struggling with our existing processes – they were very labor intensive,” says Shane Millar, CalFrac Maintenance Manager. “Our goal was to get a system in place that would allow us to do our jobs better and faster without having to add a lot of staff support.”



ROI

“The Web Fleet Assistant system easily pays for itself through the increased capture of warranty, campaign, and recall dollars from the vendors. But that is not the biggest benefit – the biggest benefit is our improved decision making based on hard facts – hard facts are hard to argue with – we need to change this and here is why we need to change this – this results in better equipment purchases, increased equipment availability, and improved safety compliance.”

Shane Millar, CalFrac Maintenance Manager



Calfrac assembled a multi-disciplinary fleet maintenance system team consisting of members from maintenance, parts, operations, IT systems, and accounting from both the US and Canada. They developed the list of preliminary functional requirements for the system. Whatever system CalFrac implemented had to be highly adoptable and usable by field personnel, eliminate their overabundance of paperwork, integrate with their existing accounting system and insure they were DOT compliant. They looked for a technically sound, cost effective solution that was easy to use, easy to learn for a staff with a variety of computer skills and accommodated their geographical diversity. Functionally it had to manage the acquisition and tracking of equipment, manage an effective preventive maintenance program, obtain reimbursement for equipment and service replacement parts warranties, manage parts inventory and provide detailed accurate reporting to support the decision making process.

The Solution

The multi-disciplinary fleet maintenance system selection team that CalFrac assembled followed a thorough selection process. Four systems were reviewed, the cost benefit analysis developed, and the recommendation made by the team to CalFrac leadership to implement Cetaris Fleet Assistant.

“When you are looking to do something new you should first look over your fence to see what your neighbor is doing,” says Shane Miller. “Our team evaluated systems that companies in similar businesses were using, always keeping the list of our company’s functional requirements first and foremost.”

The first step was to follow a disciplined requirements definition phase which over a short period of time resulted in documentation of business processes and work flow, the identification of key points of integration and the creation of a detailed implementation and rollout plan. This detailed planning allowed the CalFrac and Cetaris teams to develop and document a thorough understanding of CalFrac’s system, data, integration, and rollout requirements reducing project risk and increasing implementation quality.

Calfrac successfully implemented Fleet Assistant in their largest region located in Western Canada. The implementation of Fleet Assistant provided functionality which included asset acquisition, tracking and disposal management, parts inventory, work order, purchase order, preventive maintenance management, supplier, and warranty management, as well as comprehensive reporting. This successful implementation produced a set of best practices, which were utilized in the remaining regions.

The Solution

They chose Web Fleet Assistant which provided the following functionality: equipment acquisition, asset management, parts management, work order and purchase order management, standard job / preventive maintenance, campaigns and recall, management, supplier and warranty management, disposal and report management. Fleet Assistant uses advanced .NET multi-tier, multi-threaded Smart Client architecture. Fleet Assistant provided easy integration with existing accounting, dispatch, fuel, and other fleet-management tools.

Key Benefits

- ✓ Improved safety
- ✓ Improved compliance reporting
- ✓ Improved decision making
- ✓ Improved specifications for equipment purchases
- ✓ Improved tracking of equipment and parts
- ✓ Improved equipment availability
- ✓ Increased warranty reimbursement
- ✓ Increased campaign and recall reimbursement

Critical Success Factors

“Our team has been the huge difference,” says Shane Millar. “The team stayed together from the first day when we set out to select a system.”

“The outcome of the Cetaris requirements phase was another critical success factor. The detailed plan was used as a guide for our implementation, and the costs and timeline to implement were clearly defined and maintained. This is hard to do for most projects, especially IT projects. It allowed everyone to continue to focus on their day job and also work on the project.”

The Results

Calfrac achieved and exceeded their stated goals for compliance reporting, equipment availability, and vendor reimbursements for warranty and campaigns/recalls – while at the same time improving their decision making utilizing the timely accurate data from their new system.

Improved safety

In the past CalFrac had experienced a significant amount of incomplete work that was difficult or impossible to track accurately. Fleet Assistant enables them to accurately track any outstanding or incomplete work ensuring that any safety related issues are properly dealt with in a timely fashion– achieving a big safety advantage.

Improved compliance reporting

Calfrac has strict DOT and SOX compliance reporting requirements as a publicly traded company. Fleet Assistant allows CalFrac to produce timely, accurate, compliant reporting, with substantially less effort.

People use the system

Calfrac wanted whatever system they acquired to be widely used across the company – to become part of their culture. One of the reasons they chose Fleet Assistant was because it allowed them to have unlimited users with no additional costs. The intuitive nature of the system and its ease of use has resulted in a high adoption rate and utilization by the CalFrac team.

Improved decision making

In the past CalFrac was forced to make a lot of decisions through necessity based on very limited data. The implementation of Fleet Assistant has allowed CalFrac to improve their decision making process using timely and accurate data – utilizing things like work order history, chronic repair, unplanned repairs, parts usage, warranty reimbursements, campaign/recall reimbursements, and equipment life cycle cost reports.

Improved specifications for new equipment purchases

Knowing which equipment specifications work best in the field is a cornerstone to CalFrac's ongoing success. Fleet Assistant has allowed CalFrac to order equipment with specifications that stand up better to the harsh job conditions, increase revenue and revenue potential by improving equipment availability.

“There is a new saying in the CalFrac Manufacturing Group when working with the equipment dealers,” says Shane Millar. “The Manufacturing Group tells the dealers, you can deal with us up-front on these equipment specs and get them right now or you can deal with the maintenance group later and be required to fix it in the field at your expense.”

Improved tracking of equipment and parts

Calfrac carried tens of millions of dollars in parts inventory with the business practice to expense these parts upon receipt. The implementation of Fleet Assistant allowed CalFrac to clean up the parts inventory – implementing disciplined parts numbering, VMRS coding, and cost data. This has allowed CalFrac to reduce its parts inventory, increase parts inventory turns, and to expense the parts to the specific equipment being repaired that improves the accuracy of equipment life cycle cost reporting.

Improved equipment availability

Calfrac needs to have its equipment operational and on the job earning money. To achieve this goal they need both the right equipment and the equipment maintained properly to insure maximized uptime. Fleet Assistant has allowed CalFrac to implement a drastically improved preventive maintenance program identifying and fixing chronic problems, resulting in increased equipment availability.

“We don't have enough data yet to know the exact impact that Fleet Assistant is having on service uptime – but we are diligently gathering the data,” says Shane Millar. “I know we are doing a better job maintaining the equipment – we are seeing fewer failures affecting top line revenue – this is where the really big numbers are.”

Increased vendor reimbursements

Often new equipment is delivered late and incomplete– a problem across the oil and gas industry because of rapid growth. There are jobs waiting for equipment so CalFrac is often forced to put equipment into the field knowing that there are minor issues that will need to be addressed. CalFrac then completes the required work on this equipment in the field themselves – Fleet Assistant now allows CalFrac to capture all of the related costs and obtain reimbursement from the dealers. In the past they knew of the expenses but had no effective way to claim reimbursement from the dealer. The system also allows them to track and collect reimbursements for equipment and replacement parts warranty as well as manufacturer's recalls and campaigns.

Looking Ahead

“We have made great improvements in our maintenance operations over the last two years. Looking ahead we want to keep up this pace,” says Shane Miller. “Our original team is still in place and is excited about the next projects where we can make a big difference. On the immediate horizon we plan to complete the integration to our Great Plains accounting system, integrate to our dispatch operations, and implement the Russian and Spanish language versions to support our rapidly growing business in Russia, Mexico and Argentina.”