

Precision Drilling Primes the Pump with Wasp Barcode Inventory Solution



Precision Drilling Trust

Ensuring its 226 drilling rigs, 229 service rigs and 28 snubbing units operate at top capacity is the priority for the 11 technicians at Precision Drilling's Nisku Technical Support Center, located near Edmonton, Alberta. And that means keeping about \$2 million of replacement parts and pieces of equipment on-hand.

Using Excel to oversee and locate this inventory was arduous, time-consuming and expensive for Lee Letawsky, parts technician and purchaser. He was forced to manually update item counts, physically locate pieces of inventory and had no insight into each component's age, usage history or availability. This process was inefficient and the cost of duplicate orders and overnight shipping charges soon added up.

Letawsky initially considered using the inventory module for SAP's R/3 enterprise resource planning software, in use throughout the company. However, he found it was too complex for managing the smaller, less expensive equipment in the center's arsenal.

"We had a mess. Parts were scattered all over and we wasted lots of time looking for things or ordering things we already had. I wanted to make inventory-control easier and more efficient," Letawsky said. "SAP was overkill for our needs. We needed an application that had really good reporting, tracking and was easy to use. It had to be up-and-running as quickly as possible, without getting involved in technical jargon."

Drilling Down

After exploring several free trial offers, Letawsky purchased Wasp Barcode's InventoryControl Pro, a WDT3200 mobile computer and a Wasp WPL305 barcode printer. When new products arrive at the warehouse, Letawsky uses the barcode on the part and scans the information into InventoryControl software. He has also created location barcode labels that he affixes to



CASE STUDY AT A GLANCE...

► **INDUSTRY**

Energy - Oil and Gas

► **ORGANIZATION PROFILE**

Precision Drilling's Nisku support center near Edmonton, Alberta, provides maintenance, repairs and overall (MRO) to the \$900-million-plus company's equipment, including 226 drilling rigs, 229 service rigs and 28 snubbing units.

► **SITUATION**

Under the guidance of Gerald Teeuwesen, Vic Archer and Brent Yelle, the Nisku service center relied on a spreadsheet to manage more than \$2 million of repair and service parts inventory. This time-consuming, highly manual process resulted in unnecessary shipping, inventory and labor expenses.

► **RESULTS**

With Wasp InventoryControl, Precision Drilling can instantly access accurate data on inventory status and location, eliminating unnecessary reordering of parts and overnight shipping fees. Further, Precision can create reports to track suppliers' delivery times, as well as usage of parts and equipment, for predictable spending and ordering. InventoryControl saves Precision Drilling two days a month in time spent managing inventory, and paid for itself in less than 6 months.

► **PRODUCTS USED**

- Wasp InventoryControl Pro
- Wasp WDT3200 mobile computer
- Wasp WPL305 barcode printer



various shelves and bins in his warehouse so he can track the location of each part.

Besides tracking the quantity and location of parts, Letawsky uses InventoryControl to store additional information, including frequency of use; cost; size; shelf life; storage options and any temperature controls.

When parts - such as gaskets and pumps - are used together, Letawsky taps InventoryControl's assembly feature to create a complete repair set that can be tracked as one unit. Creating and tracking these assemblies has helped Letawsky improve the process tremendously.

"We have a moment's notice when a rig goes down and we have to get all the required repair parts out quickly," said Letawsky. "Previously, it was often faster to order a new part because we couldn't locate it in our supply room in a timely fashion. Or, we had to rush one of the components because we missed sending it initially. Now we know what we have and where it's located, and can get all the necessary parts to the field the first time."

Pump it Up

Precision has repair parts that cost upwards of \$5,000 to \$6,000 each, so eliminating just a few excess pieces of inventory and avoiding rush shipping provides rapid ROI and a positive impact to its business profitability.

In addition to eliminating over-ordering, Wasp's barcode-based solution is accurate and up-to-date, allowing Letawsky to end the error-prone practice of handwritten note-taking. "Barcodes are virtually bullet-proof," he said. "Barcodes, to me, are like a telephone. You just pick them up and they work."

InventoryControl also gives Letawsky visibility into inventory age to ensure older items are used first, he said. Further, access to reports in InventoryControl provide him with additional insight that helps him run the center more efficiently.

Knowing how long particular suppliers take to ship allows him to build-in extra time, as needed, which reduces his reliance on costly overnight or second-day shipping fees. And he easily stays abreast of

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Lee Letawsky
Parts technician and purchaser

quickly-rotating items, to ensure they are always at-hand. In addition, he is now equipped to monitor trends, such as high failure rates in particular pieces of equipment, a tool unavailable to him using Excel.

Letawsky saves about two days a month that he previously spent working on the manual spreadsheet, he said. With Precision Drilling's vast warehouses, knowing where each item is located shaves precious minutes or hours off locating equipment, Letawsky added. InventoryControl also may cut payroll, since on-call mechanics no longer have to waste time hunting down pieces during expensive over-time shifts, he noted.

"If you're not in control of your inventory, you don't know what you have," said Letawsky. "There's so much money tied up in equipment, you really need to know and track your inventory. This system has saved tens of thousands of dollars, improved the repair process and made my job much more enjoyable. It's easily paid for itself in less than six months."



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