

CASE STUDY

Secure Energy Services

Secure Energy Services chooses 4castplus as their critical operational solution to unite the OnSite Environmental Services business units



www.4castplus.com



Secure Energy Services Inc. (<http://www.secure-energy.com/>) provides specialized services to upstream oil and natural gas companies. The company's Processing, Recovery and Disposal (PRD) division assists upstream oil and natural gas companies with the treatment and sale of crude oil, as well as the treatment, recycling, and disposal of by-products associated with oil and natural gas development and production. Its Drilling Services division provides drilling fluids and drilling fluid systems. The OnSite Services division offers drilling waste management, remediation; waste collection and disposal; naturally occurring radioactive material safety training and consulting; abandonment; remediation and reclamation; demolition and decommissioning; and environmental construction services.

The Situation

Over the past several years, Secure Energy went through a significant period of growth. Part of that growth included the acquisitions of a number of environmental services companies which, as now part of Secure, were assimilated together to comprise Secure's new OnSite division (<http://secure-energy.com/our-services/on-site-services>).

As a consolidated environmental services business, OnSite provides the following:

- Reclamation & Remediation
- Drilling Waste Management
- Demolition, Decommissioning & Civil Earthworks
- Planning & Regulatory

One of the great challenges with integrating acquired companies into an organization, is in harmonizing all the business processes and systems so that information and workflows are consistent and unified across business units. Secure OnSite faced this challenge and engaged the team and product at 4castplus to deliver a single solution as their business-wide operational tool that feeds into their accounting and payroll systems.

Corporately, Secure had completed the rollout of their ERP & Payroll systems – Microsoft Dynamics AX, Ultipro – and were on track to integrating the many business units' financial departments into using those solutions. The next logical step was to resolve the problems they were facing operationally, and find a solution to fit their business units' needs.

The Challenges

In early 2014, the management team at Secure OnSite decided they needed to take action to resolve the data and productivity challenges they were experiencing. Due to the lack of an integrated operational system for their business units, significant manual work was needed for management to get a clear picture of the key fundamentals of their business on a day-to-day basis. Fundamentals like margins, unbilled revenue and accruals for example.

In the initial analysis of the situation, the core of the problem stemmed from having no electronic field data capture system for tracking daily costs & revenues from the jobsite. A "Jobsite" in this case can be defined as any field location where the actual work is being performed. Each of the OnSite business units have a mandatory requirement to track all their labor, equipment, materials, and 3rd party expenses on a daily basis; and subsequently submit that tracking document – the Daily Field Report – to the Site Supervisor for approval and signoff. This signed document acts as invoicing backup for when OnSite bills the customer. It additionally serves as supporting HSE information.

At the time, the various OnSite business units had a range of methods for this daily tracking, consisting of mostly paper timecards and spreadsheets. With dozens of projects, hundreds of labor resources, numerous pieces of heavy equipment,

and a vast array of subcontractors – all feeding in their time & expenses on a daily basis – a manual solution like this quickly became an overwhelming and error-prone information management challenge to manage. Nevertheless, in order for the finance team to execute AR, AP and Payroll, they had to tackle it on a daily basis so that they could pay bills and invoice clients. “We needed a system to automate our billing from operational system data,” asserts Greg Bratton, General Manager, Information Technology at Secure, “This was previously a very manual task in our Billing and AR team.”

Here are some of the challenges the various departments & teams faced:

2.1 Billing & Accounts Receivable

The AR group had to comb through the daily tickets from the jobsites and double-check the entries were all complete and the billing rates, amounts and cost codes were all correct. They also had to search for substantiating documentation – such as scanned receipts, reports, photos, etc. to include in the invoicing backup. This process was very labor intensive and subject to errors and missing data.

2.2 Accounts Payable

Environmental services companies utilize a lot of contractors and suppliers on their projects for work such as Lab reports, Civil Work, Specialty Consultants, Disposals, etc. These 3rd-party expenses are recorded on a daily basis along with all the other costs that get submitted for approval. Often the work that’s completed – or materials provided – is not paid on-site, but the vendor will send an invoice to AP at a later date. As a result, it becomes the job of accounts payable to match invoices in order to corroborate them with the initial work or goods received. They often had to interrupt the project managers to review the invoice and give their blessing to pay based on their knowledge of the job activities.

This inefficient, labor-intensive process was expensive and cutting into the already tight margins they were working with as well as consuming valuable Project Manager time that was better spent servicing the client’s needs.

2.3 Project Management

Whether it’s a large number of small projects, or a small number of large projects – they all need to be planned, managed, budgeted and tracked accordingly. The information project managers had access to on how their projects were performing was dependant on field staff emailing in spreadsheets that needed to be manually reviewed and correlated before a Project Manager could ascertain if problems were occurring and take corrective action. Their day-to-day job involved several manual activities and was reactive. Working in spreadsheets and other isolated applications compounded this issue as it took too much time to compile, validate and communicate project information.

2.4 Payroll

It’s a critical function of any finance team to make sure their employees are paid accurately for the work they’ve done and reimbursed for their expenses – like subsistence, hotels and mileage – that they’re owed. The process of gathering all the hours worked, including making sure the regular & overtime hours are allocated correctly according to the labor laws of the geographical location they were working in, required a lot of painstaking effort of combing through paper and spreadsheets.

Once again, this area was causing ongoing concerns for the management team from the point of view of the unnecessarily high cost of the function.

Additionally, they wanted to avoid any duplicated entry – i.e. they didn’t want their employees to have to enter billable hours into one system and payroll hours into another. “We wanted to capture all our labor data in one system,” says Bratton, “And use that same data for both payroll and AR billable purposes.”

The Solution

In early 2014 the OnSite management team sanctioned the initiative to begin the search for a solution to rollout across the OnSite business units. The main drivers for this were:

- The need for electronic Field Data Capture for streamlined, trusted and real-time information flow from the field to the office
- Consistent operational processes across business units
- Improved customer service and reporting
- Better visibility into projects, resources and key financial indicators
- Reduced operational costs
- Strong financial controls on operational data for accountability
- A single data feed into the Accounting system

The Secure IT group evaluated a number of potential candidates for a software solution throughout the summer, including 4castplus, and in the end chose 4castplus for a number of reasons:

It was the closest match. 4castplus best met the long list of requirements they had defined for their system of choice. It wasn't a 100% fit, but it checked-off most of the boxes.

User friendliness. 4castplus is an easy-to-use system which makes for a much smoother transition for people to adapt to.

Attentiveness. The 4castplus demo team put a lot of effort into the numerous presentations asked of them by Secure. They were very thorough & transparent.

Partner approach. The 4castplus team took a very relationship-driven approach to how they sell, support and maintain the solution. They were very prepared to engage and commit the effort to address the functionality gaps and ensure the project would be a success.

Growth Potential. There were a number of nice-to-have features in 4castplus that weren't part of the checklist, but seen as areas that the OnSite business units could take advantage of over time.

Innovation. 4castplus is a forward-thinking, innovative company. They knew that 4castplus would continue to grow and innovate along with Secure for many years.

In Q4 of 2014, the 4castplus and Secure teams embarked on an implementation to transition four of the OnSite business units from their current systems & processes to 4castplus as an operational platform: Reclamation & Remediation, Demolition & Decommissioning Projects, Planning & Regulatory and Drilling Waste Management.

The Rollout

Key to the success of any software implementation, is for the company to choose a good implementation team; and commit the resources that ensure the project is managed well. OnSite picked a team of four dedicated individuals that executed the project with exceptional precision.

The initial release took several months to go live since there were a number of software gaps that needed to be developed into 4castplus on a very aggressive timeline. The teams on both sides worked closely to make certain that the kick-off projects went smoothly. By May, 2015 the first "Jobsite Timesheet" entries were submitted into 4castplus by site personnel, and routed in real-time to project management for approval, accounts receivable for billing, accounts payable for third-party invoicing, and employee data exported to payroll.

Over the ensuing eight months, more projects and operational teams were on-boarded while more and more features were built into 4castplus. As can be expected, there were many requirements and business needs that were learned on-the-fly that just couldn't have been planned for. The implementation teams worked well together to achieve quick turnaround of new features to meet these needs.

“The 4castplus team repeatedly demonstrated their commitment to the successful implementation and adoption throughout the Secure Energy Onsite division. There was a lot of work needed to adapt 4castplus to our specific business needs and the 4castplus team was with us every step of the way.”

Byron Johnson, VP Finance, OnSite Division.

4.1 Vital Design Principles

In addition to all the functional requirements of this initiative, two overarching principles of system design were to make it:

1. Very easy to use
2. Reduce the probability of error

4.1.1 Ease-of-use

Of course everyone wants software to be easy to use, but in this case it is an extra sensitive issue on account of the types of users of the system – construction managers and site foremen that are busy, overworked, and not always receptive to learning new technology. On top of a great many other usability targets, the 4castplus team designed the interface to be easy to navigate and not require too many mouse clicks – construction guys hate mouse clicks and scrolling!

4.1.2 Reducing Errors

To reduce the probability of error, the 4castplus team designed the system in a way that everything possible could be pre-configured to shrink the amount of entry for the guys in the field to as little as possible. As a multi-user, collaborative solution, 4castplus could take advantage of a “Project Team” concept. Rather than just throwing the whole thing at the site personnel to figure out, 4castplus enables project administrators back in the office to perform a great deal of setup and entry ahead of time on their behalf. In other words, by the time the site personnel are ready to capture the daily field information, a good chunk of the work has already been done by the team in the office. Here are a few examples of pre-planned and pre-configured settings:

- Assignment and coding of activities
- Preconfigure labor cost and billing rates according to discipline and class
- Pre-Determination of Labor Rate rules so that hours are auto-allocated to the correct buckets. [Click here to read more on this topic.](#)
- Site Planning – which labor, equipment, vendors are expected on site. Which activities are to be worked on
- Reimbursable expenses can be pre-assigned and pre-costed
- Pre-configured document “Drop-Zones” for site personnel to drag & drop documents into predetermined categories
- Pre-configured “Daily Log” categories

This distribution of effort not only reduces the chance of errors, it also reduces the time required in the field to capture the daily costs, documents and activities. For more on this, have a look at this [article on reducing jobsite tracking errors.](#)

4.2 Corporate Change Management

Change is hard. Some individuals embrace change as a positive opportunity to learn, grow and do a better job. Others however, fight change and view it as disruptive and unnecessary. Especially for many of the construction jobsite personnel – many of which are not that eager to learn new technology. The success of this new system was reliant on these individuals entering all the labor, equipment, materials, expenses, documents, site foreman’s report and progress information on a daily basis. Gaining their buy-in and compliance was key.

Despite the expected objections, the OnSite implementation team showed great resolve in bringing everyone on board for a successful rollout. They expressed that the ease-of-use of 4castplus made it much easier to tame these objections and help users adapt to the new system and new processes.

“I personally found the 4castplus team to be great to work with. Always open to listening to our business needs, they were adept at working with sometimes vague requirements and turning them into a viable, user friendly system.”

David Curran, Manager IT Projects and Planning.

Meeting Objectives

With the long list of requirements and tall-order of objectives anticipated for this project, it’s critical to reflect on how well these were met and whether there was a sufficient return on the investment. Now that 4castplus has been in place over a year at OnSite, let’s have a look at who’s benefited by functional area:

5.1 Accounts Receivable

AR may well be the biggest beneficiary from this initiative since they really had the most to gain. Now that 4castplus is in place, much of what they previously did is now automated, and the incidents of errors are significantly reduced. 4castplus organizes all the billable transactions and invoicing backup documents for them in a nicely contained package so that invoices can be prepared in a snap. They additionally now have better tools and reporting for invoicing different contract types: like Fixed Price, Cost Plus, Unit Price and Time & Materials.

For more on 4castplus and accounts receivable, have a look at this presentation: <http://www.slideshare.net/4castplus/routing-jobsite-field-data-for-approval-and-billing-in-4castplus>

5.1.1 Turning Garbage into Gold

Even though 4castplus provides tools to reduce errors, mistakes still happen and changes still need to be made after-the-fact. The 4castplus Adjustments module provides a powerful means to make auditable changes to transactional data. It serves to remove data bottlenecks. Many different people are involved with putting cost and billable data into a project and to expect everyone to be 100% perfect is just not going to happen. Adjustments allow ‘clean-up’ of the data to be completed by individuals with either the responsibility or knowledge that certain transactions require Adjustment.

5.2 Accounts Payable & Payroll

The job of AP has been massively streamlined as 4castplus provides them with the tools and data to quickly match & approve vendor invoices. Each vendor expense that's entered from the jobsite is recorded in the system as an incurred cost transaction that generates an accrual. When AP receives an invoice from that vendor, they need only to open the 4castplus "Vendor Invoice Matching & Approval" module to lookup the incurred transactions to match them with the items on the invoice. In the event that the initial entry was an estimate, AP can enter an adjustment to true-up the cost with the invoice.

5.3 Project Management

Project managers now have a tremendous amount of power to plan, execute and analyze their projects & programs. They have real-time visibility into all project activities from employees, contractors and suppliers; along with accurate analytics on Budget vs. Actual and remaining costs to complete. They also have a built-in estimating & change management tools, in addition to a module to help them do progress measurements for fixed price projects (and EVM). Change orders are now transparent and auditable for internal and customer management purposes. The project managers have access to a great variety of one-click reports and a custom reporting module for a broad range of reporting needs – all in real-time.

With the built-in approvals system, users can configure multi-level workflows so that project managers can be on the approval path for anything originating from the jobsite or other timesheets prior to being routed to AP, AR and Payroll.

5.4 Site Foremen / Site Personnel

Site Personnel are now utilizing a dedicated solution for tracking and reporting on their projects. As mentioned above, they no longer have to tackle the low-value work (such as knowing rates & codes) so they can focus on the high-value work such as making their projects run smoothly and profitably. They are now part of the Intelligent Jobsite movement.

5.5 Management & Finance

Since deploying 4castplus, OnSite is running a more integrated and efficient operation with greater visibility into how the business is doing.

One of the main objectives of this initiative was to deliver a single feed to the management team that consolidated OnSite business fundamentals. A wealth of information is now been opened up to them, and management can run reports that combine the OnSite dataset together as a single-picture; or they can drill down to each business unit and run analytics on dozens of key performance indicators.

This can be done directly in 4castplus, or within their ERP (Dynamics AX) as regular extracts are pulled out of 4castplus and populated into AX. As of this writing, work is underway to pull data from 4castplus to also populate Secure's centralized Business Intelligence tools to combine OnSite data with other enterprise data for a complete corporate picture.

The All-In-One-ness aspects of 4castplus make it easy to create & run reports from a great variety of perspectives. They also get data in real-time: information is available now to answer questions, respond to customers, and resolve issues now.

Interested in Learning More?



Contact Us

Send us an email at: info@4castplus.com

Give us a call at: +1-403-450-7887

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