

GLOBAL SHOP SOLUTIONS CASE STUDY

Loadmaster Industries

Not many companies can say their products are used in all seven seas around the world. *Loadmaster Industries*, a leading manufacturer of oilfield equipment, is one of them. Headquartered in Broussard, Louisiana, the privately-held company specializes in producing custom offshore oil field equipment, including derricks, masts, bridge rackers and accessories, and casing stabbing boards for many of the world's largest oil producers.



Loadmaster Industries' office building, fabrication shop and assembly area in Broussard, Louisiana.



A bridge racker used in the construction of very large assemblies.

Operating out of more than 140,000 square feet of manufacturing and preassembly space, Loadmaster Industries also offers a wide array of oilfield services, including design drafting, mast/substructure/accessory design and fabrication, assembly and dismantling of derricks and masts, repairs, leveling and damage surveys, inspection services, and documentation. In an industry where quality and traceability are paramount, Loadmaster Industries is ISO 9001 2008, ISO TS 29001, and API Spec 4f, 8C and Q1 certified.

Founded in 1986, when ERP systems were largely unknown throughout the industry, Loadmaster Industries managed the business with an assortment of spreadsheets and manual calculations. Over the years, as the company and the industry grew, the system became increasingly unreliable and difficult to use. In 2008, management purchased Global Shop Solutions ERP software, ushering in a new era of data integrity and accountability for the company.

"Our ERP implementation team looked at several different systems, and they all had good features and capabilities," recalls Andy Mayfield, head of information technologies for Loadmaster Industries. "What attracted us to Global Shop Solutions was its flexibility and ease of customization."

"Most ERP systems are out-of-the-box packages, meaning they do things a certain way, and if you need something different the vendor can't help you," says Mayfield. "Global Shop Solutions worked well with a lot of our core procedures, so we didn't have to change too much of our business in order to get an ERP system up and working. Nevertheless, we also liked the fact that you can bend and flex the software and write custom scripts to adapt the system to your environment."

Traceability the Easy Way

Initially, Loadmaster Industries focused on the **Accounting** module in order to update accounts payable, receivables, and other critical accounting processes.

More modules quickly followed, and use of Global Shop Solutions ERP software spread throughout the shop floor and administrative offices. In a very short time, the company began achieving dramatic results in many areas, including one of the most important to any manufacturer in the oilfield industry – **traceability of inventory**.

Prior to Global Shop Solutions ERP software, Loadmaster Industries manually documented parts traceability by handwriting the information for every piece of material that came in the door. As production workers cut pieces, they would then rewrite the identifying numbers line by line on a BOM. With some BOMs containing as many as 75 lines of information, this led to an agonizingly slow and inefficient process. Next, the documentation was handed to an admin staffer, who retyped it into an Excel spreadsheet. With so much data translation required, human error permeated the entire process.

“Now, all incoming parts and materials are issued within the system,” says Mayfield. “Global Shop Solutions then gives us a report listing every line of traceability used on the project. In the old days, it could take months to handwrite, re-annotate, and compile all the spreadsheets required to produce this report. Global Shop Solutions now does it in about 20 minutes.”

“In addition, we purchase most of our materials to the job, so inventory cost and control is critical for us,” adds Mayfield. “The fewer leftover stock items we keep in the facility, the less our carrying costs. Using Global Shop Solutions, we can easily conduct weekly cycle counts to ensure inventory doesn’t get out of hand.”

Managing Complex Projects with Ease

Building oil well derricks is a complex, lengthy process, often taking up to 18 months to complete. Without integrated ERP software, accruing time and materials costs involving thousands of man-hours and a multitude of parts and materials can be a nightmare. The **Project Management** module makes it easy to track and summarize everything that goes into big projects.

It starts with employees clocking into work orders and sequences. Project Management automatically accrues the time for each employee – down to the exact minute. Also, as Loadmaster Industries buys materials to the work orders and sequences, the system automatically **accrues those costs in real time**, tracking every purchase order assigned to the project. As a result, managers can get a precise number for labor and material costs at any point in the project, and know that the numbers are up to date and accurate.

“When we conduct our job closing meetings, we review a summary report that compares our budgeted numbers versus what we actually accumulated,” says Mayfield. “If we notice any discrepancies or have any questions, we can drill down on the work order to identify the source of the issue. We’re talking about an 18-month project with 50,000 man-hours and three to four million dollars in purchases, and Global Shop Solutions tracks and accrues all those costs down to any level of detail you could need.”

Project Management also simplifies the partial billing process for lengthy projects. Because the **quoting and sales order** features tie directly in Project Management, managers can easily track margins throughout the life of a project. When issues arise, they can drill down and see the exact quote.

“Global Shop Solutions also ties invoices to the project,” adds Mayfield. “So we can see all payments received to date, how much revenue we have left to be recognized, and how it compares to what we have received to date.”

Minutes Instead of Months

As an IT specialist, Mayfield appreciates the ability to customize Global Shop Solutions ERP software to meet the needs of Loadmaster Industries’ operating environment.

For example, the summary report used during job closing meetings is actually a custom Crystal Report, created using an integration with popular reporting software.



A Loadmaster Industries rig derrick lit up at night.

According to Mayfield, managers review the report on an almost daily basis to make key decisions regarding their large projects.

“In addition to monitoring costs and margins, we also use it to make decisions on sales, quoting and manufacturing techniques,” he explains. “As we review the data, we can determine whether or not a certain process is working well, and if not, make appropriate adjustments. Or, if certain materials purchases keep running over projected costs, we can figure out how to adjust and bring them back in line with the parameters needed for that job.”

Loadmaster Industries also uses the powerful [Global Application Builder \(GAB\)](#) to create custom scripts that have led to astounding productivity improvements.

For example, one GAB script – written by Global Shop Solutions [Consultants](#) – summarizes the 20,000 lines of inventory information in a big project and prints it into one report in a matter of minutes. A different GAB script helps managers avoid the problem of incomplete steps at the end of a project. The script will not allow employees to clock into a sequence if an earlier sequence in the process has not been completed.

“The time savings on the inventory information script are phenomenal,” adds Mayfield. “All we have to do is enter the range we’re looking for and Global Shop Solutions summarizes the data and prints the report. What used to take months can now be accomplished in minutes!”

David vs. Goliath

A relatively small player compared to some of the giants in the oilfield industry, Loadmaster Industries uses their ERP software to successfully compete with companies hundreds of times its size. Mayfield credits the visibility of data and resulting real-time accountability as Global Shop Solutions ERP software’s biggest asset to the company.

“In order to compete, we have to keep our costs in line,” he explains. “With Global Shop Solutions, our floor supervisors can go in on a real-time basis and make sure employees are working on the right projects. They can instantly see cost overruns. And if a project is already over budget, they can see who worked on it, make adjustments, and monitor those changes in real time going forward.”

Mayfield also gives two thumbs up to Global Shop Solutions’ responsive service and support.

“Customer service is a huge positive with Global Shop Solutions,” he adds. “When I call in with an issue, I’m quickly on the phone or Web-xing with a support person, and we hammer things out until we get it right. Global Shop Solutions doesn’t just sell you a system and then leave you have to fend for yourself. They provide the support, system upgrades, and guidance you need to help your company grow.”