Customer Innovation Study

Preferred Sands

Preferred Sands relies on Infor to support skyrocketing growth

“I don’t trust any information that is two hours old. We need real-time information in one platform to make a good business decision, and Infor provides that ability.”

Luke Rains
Vice President of Business Operations,
Preferred Sands
Facts at a glance

Organization
Preferred Sands

Headquarters
Radnor, PA

Industry
Industrial Manufacturing

Products and services
Infor SyteLine, Infor ION,
Infor Mongoose, Infor Ming.le,
Infor Advanced Planning, Infor
Sales & Operations Planning

Employees
500+

Total net position
N/A

Web site
www.preferredsands.com

Implementation partners
Decision Resources, Inc. (DRI)

Situation analysis
- Reduce production downtime to increase market share.
- Build a flexible IT platform to support growth in an extremely accelerated and unpredictable market.
- Improve collaboration by creating visibility across departments and eliminating manual data entry.

Innovation strategy
- Needed an ERP system to bring over-budget maintenance projects under control.
- Utilized easy to customize, scalable application.
- Selected Infor® for its complete core functionality and the flexible development framework that makes the ERP foundation easily adaptable.
- Built an IT foundation that improved interdepartmental communication and constantly matched the company's changing business processes.

Results
- Dramatically increased the percentage of maintenance projects completed within budget—from virtually zero to 75%—by connecting the asset management solution with budget information.
- Enabled accounting to alert decision-makers in real-time when budgetary limits were reached.
- Gained a system that supports rapid additions of sites and warehouses in the US and Canada.
- Built a platform that integrates third-party terminal systems with Infor SyteLine®, eliminating phone or email notification of shipments to or from warehouses.
- Made dramatic improvements in inventory, order entry, invoicing, shipping, requisitioning, and accounting reconciliation efficiency.
- Created an interactive work environment that improved connectivity between accounting and operations and supported better overall financial decisions.

High level impact
$1.2 million
one-time capital benefit by decreasing days sales outstanding (DSO) by three days

33%
reduction in shipping transaction support team

97%
more efficient quarterly accounting reconciliation, from three people in five days, to one person in four hours
“With US exploration here to stay, we don’t know where our business will be going six months from now, let alone a year from now. Infor Mongoose helps us compete in this extremely accelerated environment.”

Luke Rains
Vice President of Business Operations, Preferred Sands

A development environment built to compete

Taking care of business

In the five years since Preferred Sands purchased its first sand mine in Nebraska, it has grown exponentially and become the number one frac sand producer in Canada and one of the top three producers in the US. In 2008, Preferred Sands produced and sold 100,000 tons of product for the entire year. Today, Preferred Sands’ output is 300,000 to 400,000 tons a month, from six mines and five sand processing plants.

“We selected Infor SyteLine in 2010 because we were impressed with the completeness of its core functionality,” says Luke Rains, Vice President of Business Operations, Preferred Sands. “But what has really sold us on SyteLine is Infor Mongoose, the development framework we use within SyteLine. It helps us compete in this extremely accelerated environment. We continually look for more places to add efficiency and greater value to customers as we keep adding more sites.”

Preferred Sands’ leadership team recognized the value in the Infor Mongoose platform, because it would allow the company to continually develop customized applications to address ever-changing business challenges and needs. Infor Mongoose lets Preferred Sands “change the rules” within SyteLine, so users can add fields easily and efficiently. “If our plants are shipping today, and tomorrow we are drop shipping on behalf of another supplier, it’s not a nightmare to add the fields required to do that,” Rains says.
No more disconnect

Infor ION integrates third-party systems

For Preferred Sands, aligning its processes was difficult to do. There was a disconnection between its internal business systems and the technology in use by its 57 third-party storage warehouses. Extensive manual data entry requirements, information silos, and inefficiency in communicating updates regarding invoicing and inventory hampered productivity.

Preferred Sands chose to implement Infor ION®, a lightweight middleware platform that enables integration between Infor SyteLine and other systems. Infor ION provides the path for automatic notifications from the warehouses to Infor SyteLine whenever a shipment changes location or is paid for and picked up, with no manual entry required.

Excellence via efficiency and technology

While Preferred Sands did not establish any ION-related key performance indicators (KPIs) prior to this initiative, decision-makers understood that successfully employing the middleware would deliver the necessary visibility into processes to create KPIs that were previously unavailable.

At Preferred Sands, 35% of Preferred Sands employees are SyteLine users and work smarter because of the connectivity delivered by Infor ION today.

Since the initiative, the company has been measuring impressive improvements in efficiency and cost savings. Rains attributes the dynamic growth of the company’s fast-growing resin business—which is doubling in size every year—to the support Infor provides. Inventory reconciliations alone are 66% more efficient because the company can do them quarterly rather than spending money each month to rent a plane for staff to fly over the sand fields and measure them.
When Preferred Sands went live with SyteLine, the software served eight sites. Twenty-nine sites are now using it, including consolidation entities such as resin-coating facilities and logistics providers. Preferred Sands knows that reducing downtime in production is key to increasing market share. That is why Rains and his team appreciate Infor ION’s ability to connect the automated asset management solution with the budget information in SyteLine.

“Maintenance for us is huge,” says Rains. “We operate our plants upwards of 95% uptime, so tracking maintenance is really important to us. Before we had Infor I could say that almost every one of our maintenance projects went over budget to keep our plants at peak performance. Today, 75% of the projects are within budget.”

Preferred Sands installed Infor Ming.le™ in April 2013 to help members of its dispersed user base communicate with each other. The social networking platform incorporates email, Microsoft® Excel®, SyteLine, and the Infor mobile ActivityDeck into one framework. As a result, users can make better business decisions.

In addition, accounting now has a real-time view into operations. With instant insight into spending, rather than having to wait for a month-end report, accounting can alert operations decision-makers when budgetary limits are reached. Because systems are tied together via Infor ION, Infor Mongoose, and Infor Ming.le, all of Preferred Sands’ departments have a better understanding of their work’s financial impact.
Mobile up and running; web store next

After system implementation, Preferred Sands deployed Infor ION on mobile devices so that its users could receive notifications and perform interactions while on the road or away from their desks—greatly accelerating the requisition process. Next, Preferred Sands plans to use Infor ION to deepen its focus on distribution by helping it to act as a logistics provider for the oil and gas industry. The company will deploy a web store that matches suppliers with businesses looking to purchase goods, with Preferred Sands handling the transport and delivery of the products. Infor ION will serve as the connecting link between the web store and the company’s existing applications.

The company continues to deepen its planning and execution excellence by adding Infor’s Advanced Planning and Sales and Operations Planning (S&OP) tools. “It is hard to imagine a business process more collaborative than the sales and operations planning process,” says Rains. “Now that the newest version of S&OP is embedded in Ming.le, the back-and-forth conversation around how we are going to drive the future of our business from strategy to execution can easily take place.”
Connectivity Yields Productivity

Infor ION and Infor Mingle™ lead to reduced downtime and increased efficiency at Preferred Sands.

Read more >

Preferred Sands wins big

The frac sand producer was recognized as an Excellence in Action Award winner at Inforum 2013, Infor’s annual user conference.

Read more >

Infor Ming.le™ creates social business buzz

In an increasing social world, Infor introduces Infor Ming.le™ to business in what promises to be an electric relationship going forward.

Read more >

Rapid growth—with Infor’s help

In the five years since Preferred Sands purchased its first sand mine in Nebraska, it has grown exponentially and become the No. 1 frac sand producer in Canada and one of the top three producers in the US. In this video, Preferred Sands leaders detail how Infor Ming.le™, ION, SyteLine, and Mongoose products are helping them change the way they do business.

Watch the video >
Infor builds beautiful business applications with last mile functionality and scientific insights delivered as a cloud service. With 13,000 employees and customers in more than 200 countries and territories, Infor automates critical processes and helps eliminate the need for customization through embedded industry domain expertise. To learn more, visit www.infor.com.