

## GLOBAL SHOP SOLUTIONS CASE STUDY

# Alaska Roteq Corporation

Founded in 1993, *Alaska Roteq Corporation* started out as a small OEM repair facility and has since grown into one of the largest machine repair shops in the state of Alaska, providing industrial distribution and repair services to companies in the oil and gas, power generation, water and waste water, mining, construction and other industries.



*Machine repair of Pinion Gear shaft*



*Faro Arm inspection of pump case*

Headquartered in Wasilla, Alaska, just north of Anchorage, Alaska Roteq focuses primarily on the servicing and repair of rotating equipment, including large pump repair for companies operating on Alaska's resource-rich North Slope. An [authorized repair facility](#) for Flowserve Corp., one of largest pump manufacturers in the world, Alaska Roteq also provides in-house machining services, thermal spray coating, welding, and balancing, as well as field machining, field mechanics and engineering services.

Alaska Roteq distributes many of the industrial items they service, and also carries associated equipment such as control panels, valves, instrumentation and other items. The company's field personnel offer off-site pump, valve and air system maintenance, and are trained for portable milling, drilling and tapping, flange facing, line boring, grinding and other field-related machining techniques.

In the past, Alaska Roteq managed the business using several different software programs, including an accounting program that crashed on a regular basis. Seeking an [integrated ERP system](#) that could handle all critical aspects of the business in one software program, the management turned to Global Shop Solutions ERP software.

"We had one software package for job costing, one for accounting and another for time collection, so all the data had to be consolidated on spreadsheets or by hand," says CFO and Co-Owner David Cucullu. "We wanted to have everything in one software system, and Global Shop Solutions offered a complete system that could handle all our needs."

### **ERP for Companies that Don't Fit the Mold**

There's another reason Alaska Roteq chose Global Shop Solutions ERP software – the ability to [adapt the software](#) to their unique shop floor requirements.

At Alaska Roteq, no two repair jobs are ever the same. Planners have no idea what a job entails until technicians spend hours inspecting the equipment to see what needs to be fixed or replaced. Also, the price to fix the same pump can vary widely depending on what needs to be repaired, which means new routers and work orders have to be created for every job.

"We're not your typical manufacturing company where everything is driven by a part number," says Cucullu, "so we don't easily fit the typical molded ERP system. A lot of ERP systems force you to do things their way, but Global Shop Solutions ERP software was designed to adapt to different manufacturing environments. It gives us the flexibility to plan, schedule, run our repair jobs and track the data in a manner that fits our processes."

### **Simplified, Accurate Job Quoting**

With so much uncertainty surrounding each job, estimating, quoting and creating work orders used to be difficult and time-consuming processes. With Global Shop Solutions ERP software, these critical tasks have become faster, easier and extremely accurate. Alaska Roteq can now identify job costs with remarkable precision, resulting in more accurate **estimating, quoting and margins**.

"Global Shop Solutions helps us simplify these processes after the fact," says Repair Coordinator Ryan Beisel. "We start by disassembling the equipment, inspecting it, putting together a quote, and creating the work order. We then transfer all those costs to disassembly hours in the system, and create a job sequence once it is approved. Then we take each component of a pump or valve and assign it an estimated time of completion and dollar amount."

"Once the job is complete we compare actual to estimated to determine **our true costs** and to see where we can improve next time around," continues Beisel. "Global Shop Solutions ERP software has transformed the way we do business by allowing us to understand how much it takes in terms of hours and money to get the job done."

### **Reducing Indirect Labor Costs**

Alaska Roteq's unique environment also requires tracking indirect labor with precision in order to capture true job costs. By having operators electronically log on and off all jobs and job sequences, Global Shop Solutions ERP software makes it easy to capture accurate times for each job sequence. It also prevents the mis-assignment of certain activities to indirect rather than direct labor.

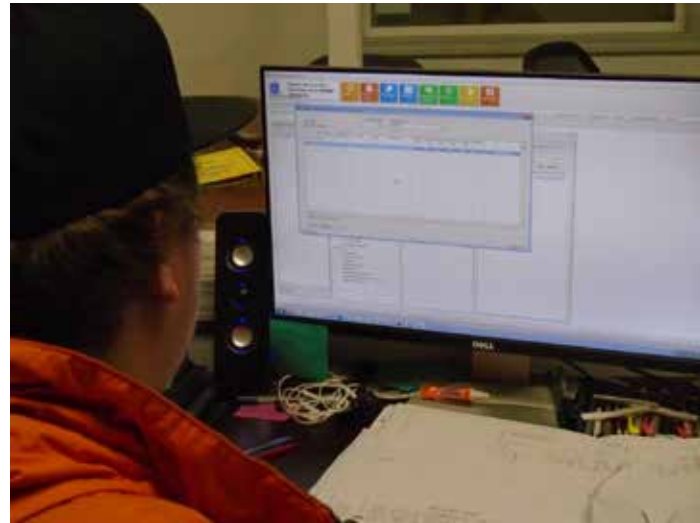
For example, disassembling and reassembling oil or wastewater pumps is a grimy task. While other manufacturers might consider cleaning grease off the floor as indirect labor, at Alaska Roteq it is part of the job, and needs to be recorded as direct labor. Global Shop Solutions ERP software offers the flexibility to distinguish between direct and indirect on the work order so that operator times are properly allocated on all jobs. Moreover, the software can even track indirect labor involving back office personnel.

"Our shipping and receiving person is a jack of all trades with about 90% of his time going to indirect," says Beisel. "But if he's spending two or three hours getting a big pump ready to ship, those hours need to be allocated directly to the job, and Global Shop Solutions ERP software allows us to do that."

"We also set goals for the percentage of direct versus indirect for each job," continues Beisel, "and we're always trying to do a better job of understanding how we arrive at the actual percentage compared to what we estimated. Global Shop Solutions ERP software allows us to learn from the past so we can do a better job next time."

### **50% Sales Growth**

Since implementing Global Shop Solutions, Alaska Roteq revenues have climbed a robust 50%. Much of that growth is attributable to the company's skilled workers and quality repairs, but the ERP software has also played an important role.



*Alaska Roteq employee using Global Shop Solutions ERP software*

“By knowing our precise costs, Global Shop Solutions ERP software allows us to offer very competitive pricing,” says Cucullu. “It has also improved our on-time delivery rates. And that’s one area where we’re no different than any other manufacturer – if we keep our customers happy with delivery and price they will keep coming back.”

According to Beisel, job costing is not only more accurate, it’s also quicker and easier.

“Previously, we could do a reasonable job of capturing individual costs, but tying them all together to get a true picture of overall costs was a real struggle,” he explains. “We had to export time collection to an Excel spreadsheet and then import that data into a separate job costing system. With Global Shop Solutions ERP software, it’s all there in one system, the data is always up to date, and we know we can trust it. As soon as a job is finished we know the actual costs of each job sequence as well as the entire job.”

Both Cucullu and Beisel consider Global Shop Solutions ERP software’s ease of navigation and quick access to detailed job data as one of the software’s main advantages. They especially like the **Shop Management** application, which serves as a gateway to any level of information about a job or a customer without a lot of searching or navigating through different screens.

“Shop Management lets me do just about anything I want with just a few clicks of the mouse,” adds Beisel. “I can review all work orders, open or closed. I can get a quick screenshot of actual versus estimated hours for each component of a job. I can see who worked on it, when, and for how long. It even gives me the profit margin at the end of a job. Through this one screen, I can find out everything that’s happening in the business in exquisite detail.”

Having lived through the company’s early days, with multiple software systems and redundant manual processes, Cucullu appreciates the ability to manage the entire business in one system.

“Global Shop Solutions ERP software is like one-stop shopping for all your business management needs,” he concludes. “With one system you can take care of all your purchasing, scheduling, work orders, shop floor controls, new order entry, accounts payable and receivables. You name it and the software can do it – all in one place.”



*Alaska Roteq’s Wasilla, Alaska facility*