



## Customer Profile

# Preferred Sands relies on Infor to support skyrocketing growth



## Facts at a glance

**Solution:** ERP

**Products:** Infor SyteLine, Infor ION, Infor Mongoose, Infor Ming.le, Infor Advanced Planning S&OP

**Industry:** Industrial manufacturing

**Country:** US

"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, System Development Director, Preferred Sands**

## About the company

Headquartered in Radnor, PA, Preferred Sands LLC is one of North America's largest manufacturers and distributors of frac sand for oil and natural gas companies in the hydraulic fracturing industry. Launched in 2007, Preferred Sands is the market's only commercial manufacturer with an available green technology in resin-coated sand.

With strategic plant locations in Arizona, Minnesota, Nebraska, Wisconsin, and Canada, Preferred Sands has been named one of Pennsylvania's "Best Places to Work."

In 2012, CEO Michael O'Neill was named Ernst & Young's Entrepreneur of the Year in Energy, Cleantech, and Natural Resources, as well as SmartCEO Magazine's CEO of the Year.

To learn more about Preferred Sands, visit [www.preferredsands.com](http://www.preferredsands.com).

## Setting the strategy

Preferred Sands is driven to excel via efficiency and technology. Excellence is the mantra every day at this oil and gas industry leader.

The number one frac sand producer in Canada and one of the top 3 producers in the US, the company has grown exponentially over the past five years since it purchased its first sand mine in Nebraska. In 2008, Preferred Sands produced and sold 100,000 tons of product for the entire year, just a small fraction of the 2.5 million ton per month market for the oil and gas industry. Today, Preferred Sands' output is 300,000 to 400,000 tons a month. With six mines and five sand processing plants, the company knows that reducing downtime in production is key to increasing market share, which prompted its initial investment in Infor SyteLine® in 2010.

"We selected SyteLine because we were impressed with the completeness of its core functionality," says Luke Rains, system development director. "But what has really sold us on SyteLine is Infor Mongoose, the development framework we use within SyteLine. 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. We continually look for more and more places to add efficiency and greater value to customers as we keep adding more sites."

Indeed, Preferred Sands' story is one of new technology—how Infor® solutions like Infor Mongoose, Infor ION®, and Infor Ming.le™ bring added value to SyteLine's enterprise resource planning (ERP) foundation, expand its reach, and make it more easily adaptable than ever before to a company that thrives on change.

## Getting business specific

According to Rains, Infor Mongoose lets Preferred Sands "change the rules" within SyteLine, so users can add fields easily and efficiently. He appreciates the fact that the system can constantly match the company's business processes and go wherever the company goes. "For example, 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."

With Preferred Sands' dynamic growth, scalability is also critical for any of its technology investments. The company finds the scalability of its Infor solutions a perfect match for this growth strategy. 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. Fifty-seven warehouses serving as remote storage terminals around the US and Canada are also part of the system. To further illustrate the company's dynamic growth, Preferred Sands had only two warehouses in its supply chain in 2011.

The third-party storage warehouses each use their own inventory and control systems. As time progressed, Rains saw that connectivity between all of the applications in use, including a legacy asset management solution, was necessary to further increase productivity. After learning more about Infor ION at Infor's annual user conference in April 2012, Preferred Sands knew that the innovative intelligent open network middleware solution was a perfect fit for its workflow needs. At Preferred Sands, 176 SyteLine users across multiple departments work smarter because of the connectivity delivered by Infor ION today.

## Seeing results

For Rains, Infor ION's greatest benefit is its ability to connect the automated asset management solution with the budget information in SyteLine, a combination that has led to an enormous increase in the percentage of maintenance projects that are completed within budget.

"SyteLine gives us a robust procure-to-pay process, and we wanted to tie maintenance into it so we could have visibility across the entire maintenance project lifecycle," he says. "Maintenance for us is huge. We operate our plants upwards of 95% uptime, so tracking maintenance is really important to us. Now we can track costs at an asset level because of ION, and manage the business process through SyteLine, and it is all connected without any hiccups. It has made a great difference. Before we had the integration 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."

In addition to Infor Mongoose and Infor ION, Preferred Sands installed Infor Ming.le in April 2013 to help members of its dispersed user base communicate with each other. The social network-like platform incorporates email, Microsoft® Excel®, SyteLine and the Infor Motion ActivityDeck into one framework. "So much of our conversations about our business have been out of context or in the context of something from the past," says Rains. "People would be trying to make a decision based on 20 emails on a topic, or someone would dump some information from SyteLine into a spreadsheet and send it around as the basis for a business decision. The problem was that we move so fast, I don't trust something that is two hours old. I toss it. We need real-time information in one platform to make a good business decision. Infor Ming.le provides that capability, giving us the ability to access various systems all from one place."

Infor's solutions have positively impacted the way Preferred Sands' users communicate and collaborate by creating visibility across departments that previously would not have worked together. For example, accounting now has a real-time view into operations and can provide instant feedback on decisions. 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 departments have a better understanding of their financial impact, which contributes to the success of the organization as a whole.

Infor's solutions may have the greatest impact on procurement and processes related to the storage terminal network at Preferred Sands' warehouses. Employees previously had to communicate with warehouse staff via phone or email each time a shipment was sent, delivered, or picked up by a customer. Then warehouse terminal operators and Preferred Sands employees had to manually enter and update information in SyteLine, which frequently led to user errors like forgotten invoices.

"Now that Infor ION helps us integrate the third-party terminal systems with SyteLine, automatic notifications are sent each time a shipment changes location or is paid for and picked up, without requiring any entry from the user," Rains says.

While Preferred Sands did not establish any key performance indicators prior to implementing the Infor solutions, since implementation the company has:

- Eliminated duplicate manual entry requirements with automated data transfer, helping reduce user entry error and ensure accurate and consistent information.
- Provided users with real-time data access from any location, delivering instant information on inventory, shipments, and order fulfillments so all employees are up to speed on product movement through the supply chain.
- Greatly increased the percentage of asset management projects being completed within budget.
- Improved budgeting through greater visibility into procurement and spending requests, as well as connectivity between the accounting and operations departments—allowing the company to make better overall financial decisions.
- Conducted in-depth reporting and analysis of various data sets to identify potential efficiency and resource savings opportunities.

## Doing business better

In the near future, Preferred Sands plans to deploy Infor ION on mobile devices so that users can receive notifications and perform interactions while on the road or away from their desks. “This is one of the reasons we selected Infor ION,” says Rains. “You no longer have to be within SyteLine physically to approve a purchase order. You can do it on your mobile device and send it back to SyteLine for updating.” The company expects the mobile functionality to be live by the end of 2013.

Preferred Sands also plans to use Infor ION to deepen its focus on distribution by acting 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. “SyteLine will push price changes and other information out to the web store through Infor ION, rather than waiting to be asked,” Rains says.

Sam DeBone, vice president of sales and marketing for Decision Resources, Inc. (DRI), the implementation partner working with Infor on the Preferred Sands project, is impressed by how Preferred Sands has relied on SyteLine, Infor ION, and the other Infor products to support unusually rapid growth. “It’s such an interactive work environment,” DeBone says. “It’s unique, and what they have accomplished in a few short years is phenomenal. Best of all, they understand the role technology plays in running a successful business today.”

In addition to improving efficiency within Preferred Sands, the Infor solutions have made Rains’ job easier. “I’ve worked in growth companies all my life,” he says. “It can be challenging, so all-around scalability is the biggest plus. We selected all the Infor solutions because they are scalable. Now if we bring on a new storage terminal, someone in IT just does a little bit of configuration, and off we go with warehouse No. 58 helping us deliver greater value to our customers.”

The company continues to deepen its planning and execution excellence by adding Infor’s Advanced Planning and Sales and Operations Planning (S&OP) tools. “The Advanced Planning tool allow us to take our supply execution to the next level,” says Rains. “With six origin mines and a growing network of partner producers, we are now trying to optimize supply from over 18 different origins.

As complexity has grown, we have hit the limit of what can be achieved by a spreadsheet or even the human mind. There are just too many variables.” S&OP is a natural extension of Advanced Planning and is the perfect application for Ming.le. “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. Even though we are spread across the company and the country and have different views and priorities, we can work together to create a plan that allows us to drive growth and optimize profitability.”



641 Avenue of the Americas  
New York, NY 10011  
800-260-2640  
infor.com

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