

CASE STUDY

Egan Company Dramatically Reduces Equipment Loss With AlignOps



Introduction

Egan Company is a specialty contractor and system integrator based in Champlin, Minn. Egan's Support Operations Team is responsible for overseeing the purchasing and tracking of the approximately 20,000 tool assets the company owns. Because of the volume of projects the company is involved with across 12+ specialty trades, an effective and efficient asset management program is critical to the company's success.

The Challenges: Where's that tool?

In 2014, the company was struggling to manage the inventory and location of its tools across the board. Tools would go missing during or after a job was completed. This was costing the company tens of thousands of dollars in replacement costs, wasted time, and lost productivity. Not only did each missing tool need to be replaced but it was also affecting job profitability.

The Solution: Track that tool

The Support Operations Team began implementing AlignOps' tool management software in 2014, which delivers enterprise-wide visibility for a company's tool and equipment inventory.

"Ever since we started using AlignOps, the expense of lost or misplaced tools has dramatically gone down," said Kevin Astrup, Egan Company's Tool Systems Lead.

"The software lets individuals in the field know that this tool is being tracked and accounted for by the Support Operations Team. We've seen very large missing and lost tool cost drastically decrease over time."

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Once the Support Operations Team completed a full asset inventory, the number of tools lost in the field dramatically dropped. In addition to the oversight from Egan, the software created better transparency on site, empowering job foremen and project managers to better manage the necessary tools and equipment for each project and quickly identify missing tools or tools no longer needed on the project that could be returned.

After implementing the tool management program company-wide, Egan's Information Technology Team developed an internal, customized reporting system to integrate into its AlignOps system, which enables a direct interface with its accounting software. This integration highlights the extensibility AlignOps brings to its clients and in Egan's case, has brought the billing process for on-site equipment to a near-real time status. Now, Egan project managers and field leaders can quickly see what tools are checked out, what's collecting rent, and what is being billed daily.

“Before creating this billing integration, our accounting department would have to manually hand enter the costs into our customer billing system,” Astrup explained. “This left room for human error and it was very tedious and time consuming. The new billing integration process has really streamlined the time and labor for billing.”

Conclusion

It's hard to imagine how difficult Egan's tool tracking and management system might be today without AlignOps. As the cost of equipment soars and global supply chains struggle to meet current demand, utilizing and tracking the assets that you currently own is a priority to help manage cost and avoid paying excess cost in the future.

Astrup also shared that he's aware of companies without a tool management system that automatically assume they're going to lose a substantial amount worth of tools for each job. If the job ends and they get anything back, they consider it a win. He pointed out that with a tracking system, that loss could be corrected and the savings could be as high as 90%. However, once a company implements a tracking system, they'll realize just how much money has been wasted over time and how much they stand to gain moving forward.

When a company realizes the cost savings that could be achieved by implementing a tool tracking system, AlignOps will set the standard for tool tracking, accountability and cost savings on the jobsite.