



# Shell's New Approach

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## Customer Profile

[www.shell.com](http://www.shell.com)

## Company

Shell

## Location

Australia

## Industry

Petroleum

## Products

Hardcat Fixed Asset Management Solution and Barcoding Technology

## Shell

Shell's distribution arm currently operates out of over 120 locations around Australia and employs in excess of 500 fulltime staff. It distributes to a broad range of commercial wholesalers and retail outlets as well as corporations and operators in a variety of industry sectors such as resources, agriculture and transport.

When Shell decided to consolidate hundreds of disparate fuel and oil distribution operations into four distinct business units, it needed a whole new approach to managing a fixed assets inventory of over 50,000 individual items.

## The Issue

According to Mr Sam Caruso, Project Leader For Shell Commercial, Shell acquired many businesses and took on all of their assets as part of the consolidation process. This included thousands and thousands of individual items from office equipment, storage tanks, bowzers and vehicles in a vast array of locations. It also needed to bring fixed assets that had previously being administered independently albeit as part of Shell's vast array of operations under centralised control.

"We recognised the need to do something about how we were going to manage all the different assets that the various businesses had accumulated," Mr Caruso said. "Not only did each business have it's own methods for accounting for assets but there was also confusion as to who owned what."

"Some of the assets were owned by various distributor business, others were owned by the customers and the remainder owned by Shell. There were also owned assets that had been 'loaned' to customers."

## Solution

The Hardcat solution enabled Shell Australia to locate and verify assets throughout their distribution business.

To comply with strict corporate governance requirements, Shell also needed to be able to have a real-time view into what assets it owned, where they were at any given time and what they were worth or what they were costing. It needed to be able to account for the full life cycle of its assets at a glance including their origins, depreciation, usage, maintenance and redundancy.

“The full inventory of assets from the consolidated businesses needed to be verified and reconciled back to our financials,” Mr Caruso said. “It was a mammoth task.”

## The Solution

Shell assessed about 50 different asset management software options before singling out their preferred supplier.

**“Hardcat’s solution was the only one we saw that used bar-coding and scanner technology which meant that once the system was implemented, verifying, updating and tracking of the assets was very easy,”**

he said. “Bar-coding and scanning takes away a lot of the labour involved. The alternatives required far more manual input to update data within the asset database.”

Shell has run its Hardcat solution on a Citrix server with thin client terminals based in each of its regional focal points in NSW, Queensland and Victoria as well as the national asset administration centre which is based in South Australia. Bar-code scanners and data capture devices have been used to verify assets and are located all over the country at Shell depots and other facilities. In addition to the Hardcat core system, Shell has used the optional asset maintenance module which is available as an extension.

## The Benefits

Mr Caruso said that there has been numerous benefits from using the Hardcat fixed asset management software and they are continually finding additional ways to expand its functionality within the organisation.

“Hardcat can manage any sort of file type that we care to put in there,” Mr Caruso said. “There is an existing occupational health, safety, and environmental (HSE) project happening at the moment across the organisation.

“To ensure that our self-imposed HSE standards are being fulfilled in the delivery of product, we are taking photos of aboveground tanks and bowzers etc. at customer sites and storing them all in a Hardcat database for further reference.”

In its consolidation process, Shell has found that barcoding all of its assets has been hugely beneficial in accounting “This entire exercise allowed us to cleanse our assets which has been crucial to good management of the consolidation,” Mr



## Benefits

- Assist with OH&S practices
- Accurate asset verification and accounting
- Overall Cost benefits

Caruso said. "Once the assets were bar-coded, you were physically identifying and asset whereas in the other packages, you were just saying that it existed and manually entering the information into a database.

"Hardcat made it so much easier than the alternatives to implement a new asset record. Given that we had a huge number of assets that had to be initiated in the database, this was a huge plus and made the process much simpler. We just had to import the data and allocate a barcode to it. Once all the assets have been bar-coded the rolling asset verification exercise is a very simple and efficient procedure. You just scan the asset and the Hardcat software immediately knows what it is and where it is."

Hardcat has delivered a good return on investment for Shell. Not only has the company managed to save money in the managing its assets but because it now has a real time view of its entire inventory, there is far less loss through asset write-offs.

**"Without a doubt, Hardcat has been a tool that we have been able to use to drive down costs in numerous ways,"**

Mr Caruso said. "I would say that costs alone have been reduced by 25-30 per cent. We have saved time and money in staff and operations. There is now just two and half people running the assets where previously we would have had six."

Another cost benefit Shell has achieved, through the use of Hardcat, has been through the maintenance module – employed to distributed bowsers and tanks.

"In the past when we had repair or maintenance needs with new bowsers or tanks, we would just pay repairers because we were too busy to check out whether it was under warranty or not," Mr Caruso. "There were often incidents where we just paid repairers when we had warranty cover or we would get them to fix the same problem four times over because we were unable to easily monitor such assets. Now we have a team in Queensland that uses a Hardcat database to monitor all these repairs and maintenance. This has noticeably driven costs down in that area."

Mr Caruso said that one attractive aspect about Hardcat is that the classification of that barcoded asset can vary. Shell has been able to specify whether an asset is an owned, leased, rented or borrowed.

According to Mr Caruso, Shell's asset management consolidation project has been a big one but it is very comfortable with the decision it made to go with Hardcat.

"The end result will far outweigh what we have invested," he said. "Sometimes when you see a product, you just know that it is going to be good for your business. We had a feeling right from the start that this product was going to be successful and that Hardcat was the right software for the job."

