

Case Study: Associated Stocktaking Ensures Successful Inventory Audit at High Arctic Energy Services

High Arctic Energy Services, a leading provider of drilling and specialized well completion services, faced an impending external audit. To ensure accurate quantity on hand and findability of all materials for the audit, they engaged Associated Stocktaking. Despite challenging circumstances, Associated Stocktaking met these objectives, demonstrating their expertise in inventory management.

The Challenge

High Arctic Energy Services had to contend with several inventory management issues, including incorrect stock reception, incorrect units of measurement (UOM), and confusion between inventory and non-stock items. These problems threatened their audit compliance, necessitating the intervention of a professional stocktaking service.

The Solution

Associated Stocktaking formulated a comprehensive plan to tackle these challenges:

- **Identifying parts without resource numbers:** The team meticulously worked through the inventory, identifying parts and correcting resource numbers.
- **Segregating "non-inventory" from inventory:** The team quarantined unresolved items and collated non-inventory items in specific locations per rig. The team believed that many of these items could be brought into stock with the right expertise.
- **Re-arranging stock for better visibility:** The aim was to make each part number visible upon entering a container, eliminating the need for rummaging. Though this made shelves crowded, it greatly improved findability.
- **Correcting resource numbers and bin locations:** Around 600 items were assigned new bin locations, improving user-friendliness. Discrepancies in resource numbers were investigated and corrected as necessary.
- **Eliminating duplicate locations:** Some items had both primary and secondary locations recorded. The team removed secondary locations where appropriate, consolidating stock into one location when possible.

Implementation

The implementation process was intensive, requiring meticulous attention to detail. Despite the challenging conditions (including extreme temperatures in shipping containers with no ventilation and extreme humidity), the Associated Stocktaking team demonstrated unwavering commitment and dedication to the task at hand ensuring completion within the timeframe allocated.

Results

The results were fantastic. High Arctic Energy Services not only achieved 100% findability of all materials in the audit sample, 100 percent accuracy in quantity on hand and 100% alignment in shelf-to-system assessment but also significantly improved their inventory management through procedural advice and some warehouse/ racking improvements.

Conclusion

The successful inventory audit at High Arctic Energy Services underscores the proficiency, experience and skill of Associated Stocktaking. Our strategic planning and meticulous execution ensured High Arctic Energy Services' 100 percent compliance with the external audit and in addition to this core requirement we substantially improved the site to facilitate ongoing inventory management.

Testimonial from High Arctic Energy Services

"Good afternoon, Ola!!

The Mission you chose to accept was to make my inventory 'Findable' at PoM Supply Base (PSB). You delivered on your commitment.

I am pleased to advise that we have just completed our external audit of PSB and achieved 100% findability of all materials in the audit sample provided and then 100% alignment in the shelf to System assessment as well.

Great work, I appreciate the diligence and task focus, in challenging conditions, that was put in to achieve that result.

Please pass on my thanks and acknowledgement of a job well done to your whole team.

Thanks"

Huw Werrett - Manager Supply Chain, High Arctic Energy Services

About Associated Stocktaking

Associated Stocktaking is a professional stocktaking service provider known for its meticulous approach and commitment to delivering top-tier results. We specialize in ensuring inventory accuracy and enhancing operational efficiency for businesses across various sectors, including the Resource sector.