

Praxis

AGGREGATING SERVICE





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Praxis is a young company on a fast track: already known as a reliable partner for crushing services it has grown through excellence in the way it manages its assets to deliver services to major customers

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Praxis Earth Works (Praxis), based in Grande Prairie in northern Alberta, is a new company, led by its General Manager Ryan Martin since October 2010 – yet in terms of experience it lacks nothing when it comes to rock crushing, its core competency. The company started out operating a single crusher, making aggregate for a mixture of private clients, government departments and municipalities within a reachable radius of Grande Prairie. “We were working for people who had gravel pits or quarries and needed certain grades for road building or mining purposes,” explains Controller Ryan Gosse.

That work got the company off the ground and established it for the first 18 months of its existence. Then came an important breakthrough when Praxis landed a contract with Walter Energy (Walter), which, readers of this magazine will recall, has been growing its business effectively at its three mines, Wolverine, Willow Creek and Brule in north-eastern British Columbia. The BC border is less than 100 miles from GP, and it made every sense to secure this important client. But Walter is a big American corporation and getting a job from such a client is different from establishing a partnership. Contractors have to deliver! Praxis in the event delivered the value that Walter expects. As Gosse puts it: “Walter Energy has really been a big part of our growth, making up a significant portion of our business.”

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Crushing unit on site

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The wider world might not have registered the emergence of Praxis: so far it has managed to grow on the basis of repeat work or word of mouth referral from satisfied customers. It has not needed to advertise or chase work. For a mining operation like Wolverine, Praxis delivers two types of end product, a larger aggregate around two inches minus for use in blasting operations and a finer gravel, up to maybe half an inch, for laying down on the mine roads. The client has no lack of material, as they are cutting large amounts of overburden. The contractor’s job is simply to crush it to the size specified and load it onto the trucks. Simply? Anybody involved in this work will perhaps query the use of that word as we shall see, but it describes the scope of Praxis’s involvement.

If Praxis has a unique selling point, other than the reliability with which it does its job, it is that it works throughout the year. Northern Alberta is not an easy place to work, especially in the winter. “December to March is definitely tough!” Gosse admits. “Minus 30 or 40 degrees is not uncommon where we are.” That is hard on equipment – in fact no equipment is really designed for those conditions so it takes a lot of looking after. “Production slows in the winter, so does our profit but we look on it as better than shutting down and losing our experienced staff. If we shut down in the winter like a lot of companies do we might not get our core staff back come spring.”



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Year-round working makes sense from both the economic and the HR point of view, he continues. “It is a big pull when we are advertising vacancies to be able to tell people that they can work year round – especially in an area where the O&G industry is a large employer. Those companies usually shut down for three months in the spring melt season

and that is how we compete with them for the best available labour.”

So there are seasonal highs and lows but Praxis crushes 12 months of the year. Walter Energy normally has a spring crush program and a winter one. “We are just finishing up the winter crush program. In between, we squeeze in municipal jobs and similar civil

work.” The filler work is always there to keep the company’s capital assets in productive use and the workforce in gainful employment. So as soon as the equipment deployed at Wolverine was dismantled it was shifted on Praxis’s own low-bed trailers to another job for another client.

It was in late 2012 that Praxis decided to do its own transportation. Prior to this, equipment movement was contracted out, but bringing that in house made sense for the crushing operations and allowed the company to consider diversification. “We bought a couple of transport trucks and now we transport all our own equipment ourselves

including our crushing plant and the support equipment we use like excavators and loaders. And with that equipment we have also started to do contract trucking when we don’t need it ourselves – so we have transformed from a pure crushing company to a joint crushing and transportation operation.” All of the crushing equipment, he explains, is capable of being put on a low-bed or is mounted on its own axles. At the end of a job it is cleaned off, dismantled, loaded on a trailer and relocated.

The fleet is still only two trucks strong but expansion is in the air. Praxis has just landed a big contract which involves aggregate crushing but then stockpiling it at a different

site. Hauling the gravel has not been part of the deal to date. The plan for the coming year to 18 months is to grow the asset base to three mobile crushing plants and establish a transportation company that combines Praxis's own trucking requirements with contract low-bedding, moving other people's heavy equipment, and gravel hauling. This will simply involve obtaining alternative trailers. That will enable the company to expand into civil construction work, road building and forestry work available in Alberta and beyond.

Of Praxis's 30 or so employees it is a remarkable fact that only five are native to

the Grand Prairie area. Most come in for their three weeks 'on' and return to their home town for their week 'off'. This is typical for this town which, is the largest support centre north of Edmonton, the provincial capital. It has, Gosse reveals, a resident population of 55,000 but a transient population of five times that many, mainly working in the O&G and mining sectors, which accounts for its huge number of hotels.

Praxis's employees have to have experience of handling heavy equipment, though only the team supervisors need to have prior crushing experience. It is skilled work, with a

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Crushing unit on site



Equipment on the move

lead operator on a control tower overseeing a team of up to four and seeing that the feed matches the machines' capacity. They work 12 hour shifts, he explains. "At the beginning of the shift they do their pre-equipment checks and make sure everything is up and running and nothing needs to be fixed. After safety meetings they crush for nine or ten hours, and in the last hour or two they do maintenance like oil changes, belt changes, even bearing changes, ready for the next shift to come on." Major maintenance and overhaul is carried out at the workshop in Grande Prairie, which has a fully equipped service truck in case it needs to go out to the site.

It may be harder to maintain something like 100 percent annual expansion beyond the first three years, but Praxis remains hungry for new customers and opportunities, expecting to maintain its 50 percent year-on-year revenue growth record through to 2015 and beyond. With three crushing plants

and a growing trucking operation its reach will spread – ideally it will keep its Grande Prairie service centre for northern Alberta and north-eastern British Columbia but will add a presence in the south of the province near Calgary or Edmonton. "There is a lot of work available – the limiting factor for us is the amount of equipment we have and the number of staff," concluded Ryan Gosse. "We are a growing business in a growing market." But ever prudent, he stresses that the market will determine the speed of growth, and the company will never overstretch itself by leveraging beyond its ability to fund expansion from its cash revenues. **BE**

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