



Expanding in a Down Market: Jacam Weathers the Storm



Leaning on its 34-year history of meeting the challenges presented by oilfield market cycles, and with the added strength brought by vertical integration with Canadian Energy Services, Jacam was able to continue to expand market share during one of the oil industry’s most difficult years in recent history.

Following a historic drop in the second part of 2014, oil prices unfortunately have yet to recover. Global oversupply and OPEC’s resistance to cutting production caused oil prices to fluctuate in 2015 between \$60 to under \$30 per barrel, closing the year at the latter. Oil producers and service companies both have been forced to reduce spending and increase efficiencies wherever possible.

Under pressure to reduce costs, customers have sought lower prices from their vendors.

“Jacam has been able to sustain the business we built in better times by offering our customers significant price relief,” said Jason West, President. “This was

possible because of our vertical integration efforts, which began with our purchase by Canadian Energy



Services in 2013 and have allowed Jacam to remain strong even with the price cuts.”

Cost pressures have created increased market competition among oil industry suppliers, giving Jacam the opportunity to gain new market share. Producers who were previously satisfied with their chemical provider are now more open to seeing what Jacam can offer them, said West.

“This gives Jacam a chance to demonstrate our high standard of service and the effectiveness of our products, and the feedback from these new customers has been very positive,” he said. In fact, Jacam reported it currently has more recurring treatment points for production and pipeline chemicals than ever before.

Additional business and production demands created a

need for increased headcount. Jacam began 2015 with a total of 596 employees and ended the year with 619. The company has benefitted from adding highly experienced tal-

ent, West said, which has been made available by competitors who have been forced to consolidate due to market conditions. As Jacam’s growth has necessitated the need for high-level expertise in certain areas, Jacam added a Director of Human Resources and a Senior Director of Safety, Environment & Health in 2015 – each bringing more than 20 years of experience in their fields.

As Jacam gained additional customers, the company expanded its warehouse and laboratory locations. These included warehouses opened in Hennessey and McAlester, Oklahoma, as well as Fairfield, Illinois. A service laboratory was con-



structed in Midland, Texas, and lab space has been leased in Dickinson, North Dakota. Although Sterling will remain the location of Jacam’s primary laboratory, West said the two additional locations will allow Jacam to perform testing and serve customers in a more efficient and timely manner.

Jacam also recently identified a location in The Woodlands, Texas, for a Research & De-

velopment laboratory. “There is significant industry expertise available in the Houston area, and by opening an R&D facility there, we can recruit some of the best talent in our industry,” said West. The Sterling lab will continue its R&D work as well, he said.

“Our focus now, as always, and as we continue to operate in a low-oil-price market, is to serve our customers by solving

problems,” said West. “To do that, we must continue to innovate and invest in cutting-edge technology to create new and more effective solutions for our customers.

“While current market conditions are not ideal, they have created opportunities for us, allowing Jacam to further distinguish ourselves from our peers and continue to grow our business.”



Jacam has recently constructed a Midland, Texas, lab, which is awaiting equipment. The company expects to begin operations sometime this spring. The Sterling lab will remain Jacam’s primary laboratory; the new facility in Midland will be a secondary lab primarily serving customers in that area.