

Premier refractories international

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Company: Digica Ltd. Customer: Premier Refractories International
Date: April 2001
Owned by the Cookson Group, Premier Refractories International is a major manufacturer of heat-resistant refractory products for use in the production of iron, steel, aluminium, glass and cement, and its reputation for technical excellence has helped build a turnover in excess of £150 million. Premier Refractories has manufacturing operations in the UK, Belgium and France from where it sells its products worldwide.

Facing a Dilemma

Premier Refractories operates two AS/400 machines, one located in the UK, the other in Belgium. Supporting nine sites in the UK and a further seven in Belgium, France, Germany, Italy and Singapore, these machines are running applications that include financials, purchase and sales order processing, forecasting, specialist engineering stores systems, laboratory statistics and management information systems. Most of these systems are in-house developed, and any packages in use have been modified for Premier's use.

With a relatively small in-house IT department, Premier often found themselves short of resource, particularly during holiday periods, or to cover sickness absence. Premier Refractories felt that, to provide the resource they needed, they had two choices: to increase their in-house resource, with all the time and costs involved in recruitment, training and on-going management, or outsource. Premier also believed that, with mostly dumb terminals attached to the AS/400s, they were relying on outdated systems that were not delivering the potential business benefits promised by the latest technologies. With the Year 2000 in sight, followed by the need to address the issues arising from European monetary union, Premier saw the need to free the IT Manager from the day-to-day management of the IT department to concentrate on developing an IT strategy that would take the Company successfully into the twenty-first century.

The Obvious Choice

Premier decided to outsource its AS/400 systems to Digica, the specialist provider of outsourcing services to mid-range and desktop users.

Premier chose Digica for their extensive experience of AS/400 systems and because they could also demonstrate their ability to help Premier move their IT systems forward. Under the contract, worth £1.4 million over three years, Digica is responsible for the management of all hardware, including the networks, for applications support and for the provision of a help desk to act as a single point of contact for users' IT related enquiries and problems. The UK-based AS/400 was moved from Premier's site at Sheffield to Digica's datacentre in Nottingham, and the machine in Belgium is operated remotely.

Premier and Digica designed a service level agreement (SLA) with a standard monthly fee for 98.8% up-time of the AS/400s.

If the service falls below that threshold, Premier reclaims a portion of the monthly fee as a penalty.

Moving Ahead

As well as managing their current systems, Digica is also on hand to help Premier turn its future IT strategy into reality. “The number of installed PCs continues to grow”, said Bill Wilson, the recently appointed IT Manager at Premier Refractories, “and I want to make sure this happens in a structured way. At the end of the day, we’re working towards replacing dumb terminals with PCs in a thin client, web-enabled environment.” With Digica’s participation, Premier has already installed a server and PC LAN at two of its sites and intends to roll out similar technology to its remaining sites.

Towards the Millennium

In common with most other organisations, Premier is in the midst of converting their systems to deal with the millennium date change. This process commenced when Premier asked Digica to undertake the initial scoping exercise. Each application was classified into one of four categories: from Category 1 being business critical applications, like kiln processing systems which, should they fail on 1st January 2000, would bring the company to a halt, to Category 4 which includes systems where failure would not cause an immediate impact. Once the scoping exercise was completed, Premier made the decision whether to recode, replace or retire, and Digica is

now providing the systems and software expertise needed to ensure their millennium programme is successfully implemented.

The Right Decision

Premier Refractories has already benefited, and will continue to benefit, from outsourcing their IT systems. The in-house team was overloaded with unprioritised development requests and there was very little PC expertise at the centre.

By outsourcing the existing systems to Digica, Premier ensured access to resource to cope with their immediate needs, and expertise to help them acquire new and better systems for the future. “ We are now actively investigating other IT outsourcing possibilities and the implementation of an ERP system”, said Bill Wilson. Outsourcing made sound economic sense for Premier Refractories. They had been asked to vacate their office at Sheffield which meant moving the AS/400 anyway. The costs of rehousing the processor, coupled with both the costs and effort involved in developing skills internally, made outsourcing a most attractive option.