

Pan-United Corporation Ltd Improves Availability to Over 99.7% and Focuses on Core Business



Pan-United Corporation Ltd
Singapore
www.panunited.com.sg

Industry:

Industrial Manufacturing

Annual Revenue:

US\$345 million to \$690 million

Employees:

700

Oracle Products & Services:

- Oracle On Demand
- Oracle Enterprise Asset Management
- Oracle Financials
- Oracle Project Billing
- Oracle Project Costing
- Oracle Human Resources
- Oracle Payroll
- Oracle Self Service
- Oracle Inventory Management
- Oracle Purchasing
- Oracle iProcurement
- Oracle Order Management
- Oracle Internet Expense
- Oracle Database
- Oracle Discoverer

“Using Oracle On Demand to deliver our enterprise resource planning applications means our internal team can spend more time on improving PUC’s capabilities through business improvement projects. Also, we can leverage Oracle’s expertise to meet our service level requirements.” – Seng Mui Mui, Senior IT Manager, Pan-United Corporation Ltd.

Established in 1958 as a dealer in ship supplies, Pan-United Corporation Ltd (PUC) has grown into an integrated logistics and infrastructure group with interests across the Asia-Pacific. Listed on the Singapore Exchange in 1993, PUC’s business lines include basic building materials (BBM), shipping, and China-based ports and logistics.

The BBM division is the largest supplier of cement and ready-mixed concrete in Singapore, and has won several key contracts including projects for the MRT (Singapore’s mass rapid transit and taxi system), PSA (which handles about one-fifth of the world’s total container transshipment throughput) and the Marina Bay financial center. PUC has recently increased capacity by adding more ready-mixed concrete batching facilities and constructing a second cement silo at Jurong Port. In addition, the division is building its environmental credentials by supplying concrete made with resource-saving materials.

With a legacy enterprise resource planning system experiencing instability across its database application, storage, and hardware resources, PUC’s IT team could not deliver the performance and availability required by the Singapore business. The problems emerged during month-end reporting and reconciliation, with users of self-service modules frustrated by Java applets “hanging” and slowing the completion of important tasks.

In addition, a supplier had implemented load balancing technologies that made the infrastructure extremely complex and difficult to maintain, and senior IT management was investing expensive time to deal with at least three vendors.

After initially turning to a third-party consultant to help administer its Oracle Database and then bringing an Oracle expert

Key Benefits:

- Reduced system degradation and outages thereby reducing extended hours for month-end reconciliation
- Increased system availability to above 99.7%
- Enhanced budgeting by delivering fixed rather than variable annual costs
- Enabled internal IT team to focus on improving core business capabilities

onsite, PUC decided to take advantage of the opportunities presented by a hardware upgrade.

In May 2007, PUC signed a contract to implement Oracle On Demand and completed the migration in late September 2007.

“Using Oracle On Demand to deliver our enterprise resource planning applications means our internal team can spend more time on improving PUC’s core capabilities through business improvement projects,” said Seng Mui Mui, senior IT manager, PUC.

“Also, for a fixed price that allows us to budget with certainty, we can leverage Oracle’s expertise in delivering availability, performance, and technology upgrades to meet our service level requirements.”

PUC Struggles with Unidentified Problem

PUC in Singapore owns and operates container ships, tugs, and barges that transport bulk cargoes to destinations in Asia, as well as providing ship management and agency services to cargo vessels and tugs.

The organization also imports and distributes cement in Singapore from a cement silo, and operates a quarry in Malaysia that supplies granite to the island republic. It is a leading supplier of ready-mixed concrete and cement to the Singapore market.

To perform these activities, PUC needed a stable, reliable system to enable basic business functions such as project accounting, asset management, and inventory management.

“I was not able to provide my users with a very stable system,” said Mui. “We were experiencing a range of problems across our infrastructure, hardware, storage, database, applications and patching, and these impacted our stability, performance and availability.”

PUC was also running a range of enterprise resource planning system module versions, increasing the patching task and contributing to system instability. The complexity of the network management system that incorporated load balancing functionality only seemed to increase the problems.

“We did not know whether the load balancing problems originated from the storage or operating system, or from the

database itself,” said Mui. “I had to deal with multiple vendors and we still could not find the answer.”

PUC Delivers on Key Objectives

By purchasing the services of Oracle On Demand, PUC has achieved its four key objectives: providing users with a higher quality and more reliable enterprise resource planning system; allowing its IT team to focus on improving the organization’s core business capabilities; leveraging the expertise of Oracle through the Oracle On Demand model; and adopting a predictable operating expense model that enables certainty in budgeting.

The migration to an Oracle service model has allowed PUC to deliver business improvement projects it would not otherwise have had the resources to complete.

“Before we undertook the migration, my team and I had to spend a lot of time negotiating with vendors and managing the system through periods of downtime,” said Mui. “Since 2008, we were able to implement quite a few new projects with no major problems, thanks largely to Oracle’s 24 by 7 support, tools and On Demand service resources.”

New projects embarked on at PUC’s subsidiaries include business process engineering at Inter Terminal Services to streamline the distribution process and ease stock reconciliation and implementing barcodes on customer delivery orders at Pan-UnitedConcrete Pte Ltd. This ensures the finance team can scan and track delivery orders easily on those orders that are issued but not returned or signed.

PUC had also created three new legal entities using Oracle Financials in just two months using minimal manpower. In 2009, PUC migrated these three legal entities involving ledgers and sub ledgers to US currency quickly and successfully.

Deployment of the Oracle hosted service has eliminated the need to work excess hours during month end reporting caused by the inefficiencies of the in-house infrastructure. Oracle has successfully delivered availability exceeding PUC’s average target of 99.3%, giving users confidence that the system will operate at key times without any downtime or degradation of performance.

“Now our finance team is able to meet tight deadlines set by senior management, and avoid the frustration of the system not being available at the times it is most needed,” said Mui.

The availability of the system also means users can undertake self-service tasks such as submitting leave requests and timecards with certainty the data will not have to be re-entered due to an outage.

The proactive monitoring service included in the On Demand package ensures the rapid detection and correction of any service problems, with minor issues included in a status report sent to the customer on a per week or per month basis. Only more serious problems are drawn to the PUC's attention.

"I now have much less of an issue with patching as the quality of the service provided by Oracle's On Demand team is very good," said Mui.

PUC has gained direct access to the expertise of the organization that developed the applications comprising its enterprise resource planning system. This includes early access to updates, patches, and new features, as well as expertise in extracting the best possible use from its Oracle installation.

Mui and her team are now also able to budget with greater certainty as the variable cost regime that applied to previous infrastructure models has been replaced by a fixed annual price. This ensures the PUC Singapore annual IT budget can be allocated with greater efficiency and certainty, enabling Mui and her team to focus on internal PUC projects and business.

Why Oracle?

With PUC running Oracle Database 10.2.0.2, its approach to Oracle for direct support for its infrastructure represented a natural evolution of the partnership. With Ltd. internal IT resources, a backlog of business improvement projects, and a legacy of infrastructure difficulties impeding service delivery and creating costs, migrating to an Oracle On Demand service model was easy to justify.

"Taking on an On Demand model has freed my internal team to contribute directly to the competitiveness of the business, and I can rest easy knowing the delivery of our critical enterprise resource planning system is in expert hands," said Mui.

Implementation Process

PUC signed a contract with Oracle in May 2007 and the following month started preparing for the migration.

The project itself commenced in July 2007 with the database transferred to the Oracle data center and testing conducted to ensure a smooth transition to the Oracle model. The process was completed in late September 2007.

Advice from PUC

- Ensure all objects and components are properly documented and performance checks completed to shorten the process of migration to Oracle On Demand.

Listed on the Singapore Exchange, Pan-United Corporation Ltd's business lines include basic building materials, shipping, and China-based port and logistics. In Singapore and China, PUC employs approximately 700 staff.