Wednesday, 16 July 2014

ASG Group - ASX/Media Release

ASG awarded a Master Services Agreement with AGC AusGroup

ASG Group Limited (ASG) today announced it has signed a Master Services Agreement (MSA) with AGC AusGroup Limited (AGC) (AUSG:SG). The MSA encompasses a broad range of initiatives, as part of a business transformation of how AGC manages their supply chain and ICT resourcing. It represents a shift towards industry ‘best practice’, using a ‘utility and consumption model’ variably priced per user to provide a scalable and flexible platform to address AGC’s expanding business operations, nationally and regionally.

AGC selected ASG based on their unique capability and track-record in providing a comprehensive New World solution, and their understanding of the business pressures that exist for companies operating in the natural resources sector.

The MSA represents further expansion of ASG’s New World model, and is part of the $100 million pipeline of short-listed opportunities that ASG has previously advised are under negotiation.

The three key elements of the AGC MSA include:

1. A complete IT asset transfer
2. Transitioning the company to a ‘New World’ model of ICT service delivery
3. Implementation of the model across Projects, Finance, Supply Chain and HR.

For AGC the critical element in the process is the savings to be attained by a complete asset transfer of its entire ICT infrastructure to ASG Group. This includes the technology hardware, the processes and the people. Traditionally these assets were owned by the company. AGC are now able to secure their ICT requirements as services, dependent on consumption, without the operating and capital expenditure associated with traditional ICT service provision.

As part of the business transformation programme to be conducted under the terms of the MSA, AGC and ASG will commence the transition to the full implementation of a ‘Software as a Service’ model, allowing full supply chain integration across a range of ICT systems. The centralisation of these various
internal processes allows ASG’s Application Infrastructure Technology to manage procurement, projects, finance and HR/payroll remotely, in line with the business operations of AGC.

ASG CEO Geoff Lewis commented “This represents a completely new way of managing a company’s historically fixed ICT budgets. The successful implementation of the ‘New World’ best practice template allows AGC to move to a flexible model supporting the scalable, and global, nature of their business.”

AGC CFO Gerard Hutchinson said “This new and exciting partnership with ASG will enable AGC to redirect our focus from providing traditional IT delivery internally to receiving consumption based services from ASG’s portfolio of services and solutions to meet our current and future ICT needs of our business. The partnership offers us access to an enhanced capability, capacity and commercial flexibility with ASG whilst continuing to deliver to our businesses a quality IT service. “

FOR MORE INFORMATION: Mr Geoff Lewis
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About ASG Group:

ASG Group Limited (ASX: ASZ) is an award winning and Australian IT business solutions provider, offering IT management and consulting services, business intelligence and thought leadership. Established in 1996, the company’s goal is to provide innovative, high-quality and cost-effective services to its clients. In 2002, ASG listed on the Australian Securities Exchange. For more information visit www.asggroup.com.au

About AGC:

AGC (AUSG:SG) is an Australasian company listed on the Singapore Stock Exchange, which provides a range of fabrication, construction and integrated services to natural resource development companies. Originally based in Western Australia, AGC now provides a range of these services nationally and regionally through its parent AusGroup Limited.