

Under a single service umbrella, steel producer cuts telephone expenses and simplifies traffic management

“We were looking for a single supplier who could simplify traffic management and provide our telecommunications needs at less cost.”

Alain Thiry
Head of Telecommunications
Arcelor Belgium – Liège

The BT Business Voice managed service has helped reduce voice costs for Arcelor Belgium by over 20 per cent and centralised reporting and billing functions

Executive summary

Arcelor Mittal – formed in a merger between Mittal and Arcelor – employs 320,000 staff and controls 10 per cent of the world steel production market. In Belgium, various plants were being served by a variety of local telecommunications providers. Call costs varied significantly and service was erratic.

BT Business Voice was chosen to supply Arcelor’s Belgian sites. It provides national and international calling over a secure and reliable global voice VPN that is owned, managed and maintained by BT. There is now no minimum call charge and each plant only pays for the time it is connected. BT gives Arcelor one-stop 24*7 customer care through its Freefone corporate helpdesk.

Traffic management has been simplified under one service provider. Already voice costs at Arcelor’s Liege site have been reduced by 20 per cent in the first year, and by a further six per cent in the second year of service. BT’s management reports are being used by Arcelor to inform decisions about, for example, the use of Voice over IP (VoIP) techniques.

Marketplace

Arcelor Group was formed in 2002, when three European steel makers combined their resources to compete more effectively in the global steel market. With a turnover of €32.6 billion, Arcelor became the number one steel producer in Europe and Latin America. In June 2006, Arcelor was itself taken over by the Mittal Steel Company. The newly forged entity – Arcelor Mittal – employs 320,000 staff and controls 10 per cent of the world market.

Business opportunity

Arcelor’s challenge was to enable the new group to move forward by exploiting synergies. A myriad of IT and communications systems had been forced together by the merger and getting the right IT infrastructure in place would be key to achieving optimum efficiency. The company decided to cut overall telecommunications expenses – and improve quality of service through better applications performance – by creating one common MPLS (multi-protocol label switching) network serving 150 sites across 27 countries.

Case study

Arcelor Belgium

“International reach and project management expertise meant that BT was already providing Arcelor’s MPLS backbone network. The BT Business Voice managed service fitted the bill perfectly for our new telephony requirement.”

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BT solution

In Belgium, as part of this major consolidation plan, Arcelor set out to join up the activities of various plants and industrial subsidiaries into a single company. These entities were being served by a variety of local telecommunications providers. Call costs varied significantly and service was erratic.

Arcelor could see that considerable cost and performance benefits would be gained by bringing all call traffic under one managed service umbrella. In 2004, an RFP for fixed telephony services was issued by Arcelor Belgium. Alain Thiry, Arcelor’s Head of Telecommunications in Liège, explains: “We were looking for a single supplier who could simplify traffic management and provide our telecommunications needs at less cost.”

BT Business Voice was chosen to supply Arcelor’s Belgian sites. A fully managed end-to-end voice solution, BT Business Voice has been designed to meet intra-company, national or international corporate voice communications needs. It provides national and international calling over a secure and reliable global voice VPN that is owned, managed and maintained by BT. The service is available via direct access in 30 countries in Europe, Asia Pacific and the USA and through indirect access from a further 27 countries.

Alain Thiry continues: “International reach and project management expertise meant that BT was already providing Arcelor’s MPLS backbone network. The BT Business Voice managed service fitted the bill perfectly for our new telephony requirement.”

Arcelor’s steel production and sales sites in Belgium are linked simply and cost effectively. The Gent, Liege and Charleroi sites have direct access to the BT Business Voice network via a 2Mbps E1 Direct Access Line (DAL) while other smaller subsidiary sites are linked to the network with BT Carrier Pre-Select. There is now no minimum call charge and each plant only pays for the time it is connected at a favourable rate. BT gives Arcelor one-stop 24*7 customer care through its Freefone corporate helpdesk, and provides a detailed overview of call behaviour – with volume reports by plant – so that Arcelor has a clear view of its overall spend.

Results

Traffic management has been simplified under one service provider. The benefit is that, under its consolidation plans, Arcelor was in the process of merging offices and closing surplus sites. The flexible managed nature of the BT Business Voice service helps ensure that staff remained connected at all times, avoiding disruption to their telephone service.

Already voice costs at Arcelor’s Liege site have been reduced by 20 per cent in the first year, and by a further six per cent in the second year of service. The next step will tackle the cost of calls to mobile phones and create an integrated helpdesk for both fixed and mobile connections. In terms of quality of service and reliability, Alain Thiry says: “We get very few trouble tickets, which means the performance of the network is very good.”

BT’s management reports are being used by Arcelor to inform decisions about, for example, the use of Voice over IP (VoIP) techniques. Alain Thiry concludes: “With Group adoption of MPLS network technology, the opportunity is there to move to a converged infrastructure and use VoIP to make further savings in time and money.”

Main BT products and services

- BT Business Voice
- BT Carrier Pre-Select

Offices worldwide

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