

Seamless Delivery Wins CDL, HP Award for Best SAP Upgrade

Smooth and rapid project rollout lands City Developments Limited significant cost-savings and an award.



**CITY
DEVELOPMENTS
LIMITED**

City Developments Limited (CDL) has been at the forefront of Singapore's property sector since 1963. Today, CDL is an international property and hotel conglomerate with three main businesses: real estate development and investment, hotel operations and the provision of hospitality solutions. With operations in over 20 countries that span Asia, Europe, North America and Australasia, the CDL Group has over 250 subsidiaries and associated companies including five companies listed on the notable stock exchanges of Singapore, London, Hong Kong, New Zealand and Manila.

HP customer case study: HP successfully implemented the SAP Basis upgrade and server consolidation for CDL, spending less time than original projections and was awarded for Best SAP Upgrade.

Industry: Property

Objective:

- Upgrade SAP system from version 4.6c to ECC6
- Upgrade SAP Enterprise Portal from EP6.0 to EP7.0
- Consolidate HP 32-bit servers to HP Integrity 64-bit hardware

Approach:

- In-house resources used to implement the bulk of the project
- HP to implement SAP Basis upgrade, and server consolidation
- SAP to provide point consulting for Treasury upgrade

IT improvements:

- More stable and efficient ERP system
- Simplified IT management environment
- Have a services-oriented architecture that allows for easy customisation of applications

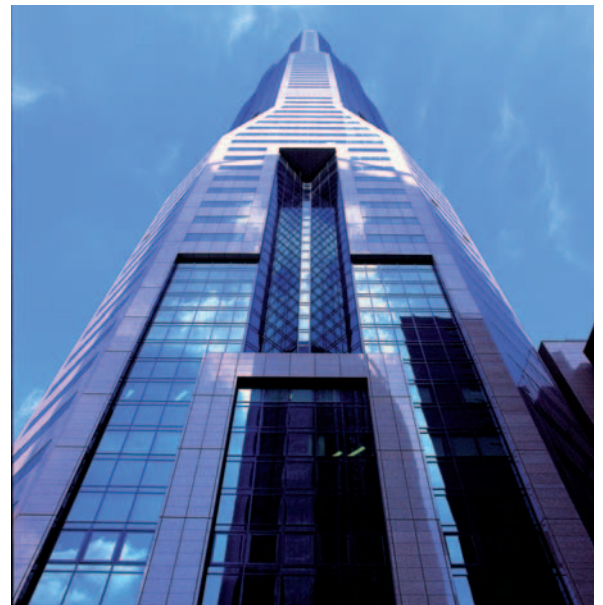
Business outcomes:

Accelerate business growth

- Higher employee productivity
- Greater business agility

Lower costs

- Lower total cost of ownership



About City Developments Limited (CDL)

As one of Singapore's biggest commercial landlords, CDL is a property pioneer, both in terms of property development and technology adoption.

CDL had been the first property company to implement an Enterprise Resource Planning (ERP) system. Intent on staying ahead of the competition, in 2006 CDL decided to upgrade its ERP system in anticipation of future needs.

CDL engaged Hewlett-Packard Singapore to participate in the upgrade of its SAP ERP system and consolidate its HP servers in order to better support its business objectives. The project was very successfully implemented and won the SAP's annual Best Upgrade Project 2006 Award.



Upgrading for the Future

As with most SAP implementations, managing applications for invoicing, payroll, purchasing, accounting, and human resources, can be a complicated affair. CDL's SAP ERP system comprises a variety of modules that include FI/CO, Real Estate, Sales & Distribution, Materials Management, Projects System, HR/Payroll, Customer Relationship Management and Customer Service.

CDL wanted to move to SAP's NetWeaver architecture to accommodate future needs. "We are upgrading for strategic and not tactical reasons. SAP fits us now, but we are upgrading in anticipation of future needs," said Tan Seng Chee, CIO, CDL.

"Previously, buying SAP is like buying a shirt off the rack. You buy the best fit and live with it. With NetWeaver—you can buy and further tailor the software — you get the best of both worlds."

The scope of the project involves the technical upgrade of CDL's existing SAP system from version 4.6c to ECC6 (ERP Central Component). The Enterprise Portal was also upgraded from EP6.0 to EP7.0.

SAP R/3 through version 4.6c consisted of various applications that sit on top of SAP Basis, SAP's set of middleware programs and tools. When mySAP ERP

edition 2004 was introduced, there was a complete architecture change, and R/3 was replaced with the ERP Central Component (SAP ECC). The architectural changes also allowed customers to transition to a services-oriented architecture, which allows the applications to be customised.

CDL had to choose between upgrading to either ECC5 or ECC6. The advantage of upgrading to ECC5 was because it was proven to be stable, as many companies had already done it. The disadvantage was that the next upgrade would be sooner.

At that time, ECC6 was still very new and had just completed the ramp-up phase. Few companies had upgraded to it, and the advantage was the next upgrade exercise would be later.

"Based on a cost benefit and risk assessment, we decided to upgrade to ECC6. It proved to be the right decision as the project was implemented smoothly and successfully and we were able to meet our deadline," said Tan.

Besides the SAP technical upgrade project, CDL decided to concurrently consolidate its SAP servers. The company wanted to consolidate its existing HP 32-bit SAP Development, Quality Assurance and Production servers to HP Integrity 64-bit hardware.

"The smooth collaboration between HP, SAP, and CDL's in-house team enabled the timely completion of the project in just six months, a month ahead of the scheduled 'go-live' rollout."

Mr Tan Seng Chee, CIO, CDL



Trouble-free Implementation

CDL's strong internal IT team took up the bulk of the project upgrade work while continuing to support the users of the SAP system in the company. Meanwhile HP was selected to implement the SAP Basis upgrade and do the server consolidation, and SAP engaged to provide point consulting for the Treasury module.

"We have a good working relationship with HP; they are our second line of support for Basis. In terms of their support, HP has been very responsive. Their service is great, and the people know their stuff," said Tan.

"It's always the little things. Whenever there is an issue, the response time is very fast, and there is a sense of responsibility, right down to the person on the ground."

In terms of the best timing for migrating over to the upgraded system, CDL needed to take into account the company's month-end finance activities, the critical billing functions and the dates of the new property launches which cannot be moved.

The original plan was to implement the project in October 2006. However, CDL had shifted the dates of a few new property launches to October 2006, to avoid the seventh month of the Chinese lunar calendar that is considered an inauspicious time. With this in mind, CDL decided to bring forward the project go-live date by one month, to the weekend of 23, 24 September 2006.

"We ended up having that one small window of opportunity for the system to go live. If that deadline is missed, the next window was a few months later, which would mean substantial rework and disruption to everyone in the company," said Tan.

On Time and Below Budget

The upgrade to SAP ECC6 and the consolidation to the new 64-bit servers went smoothly without a glitch, with no disruptions to the business.

Eventually, CDL not only finished the project early, but also below budget. This major upgrade was completed within six months instead of the original projection of seven months.

The rapid and successful project rollout enabled CDL to spend much less than its original projections. In addition, there was no disruption to the normal user support throughout the six-month project implementation, which gave CDL significant cost savings, according to Tan.

"We are pleased with the way HP executed and managed their part of the upgrade—from the beginning to the completion of the project," said Tan.

With the successful upgrade and consolidation of CDL's SAP servers from 32-bit HP servers to 64-bit HP Integrity Servers, CDL is able to leverage on the power of the new servers.

For CDL, winning the SAP Best Upgrade award is further recognition of the excellent work they have been doing. For its SAP CRM implementation, CDL won the SAP Customer Excellence Award in 2002 as well as the Construction 21 Best Practice Award by Building and Construction Authority of Singapore in 2003.

For HP, this is the second time in two consecutive year they have won the best SAP Upgrade award.

CDL is now enjoying the results of its SAP system upgrade and server consolidation move. It now has a more stable and efficient system, higher productivity, greater business agility, a much more simplified IT management environment, and a lower total cost of ownership.

To learn more, visit www.hp.com

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