Leading Hong Kong Power Utility Realizes Operational Synergy through Enterprise-wide IT Platform Standardization with HP

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Joe Locandro
Information Technology Director, CLP Power Hong Kong Limited

Background

Hong Kong’s leading power utility company, the CLP Group, implements a business expansion strategy requiring it to set up, manage and grow businesses across Asia-Pacific.

“The CLP Group envisions itself as a leading investor-operator in the Asia-Pacific electric power sector. We are focused on enhancing our shareholder value by delivering world-class and reliable services to our customers," says Joe Locandro, Information Technology Director of CLP Power.

CLP believes that technology is paramount to its long-term expansion plans and business objectives. "CLP employs innovative and proven technologies to drive efficiencies in all areas of the business. We believe in equipping our people with the most suitable productivity tools and providing them with a hassle-free and stable computing environment," Locandro adds.

Situation

In 1999, CLP Power, the principal subsidiary of CLP Holdings, undertook a massive IT re-vamp which called for the development of reliable, top performing platforms with secure data replication for many of its mission critical applications. The project was awarded to HP, for the supply of hardware, software, technical expertise and priority premier support services.

On top of its core electricity business CLP Power in Hong Kong, where it serves 2.2 million customers, the CLP Group develops a portfolio of electricity businesses in the Chinese mainland as well as other countries in Asia-Pacific including Taiwan, India and Thailand. Most recently CLP also entered into the electricity retail market in Australia apart from its investment in power generation.

To achieve IT synergy across CLP’s investments in Asia-Pacific, CLP decided to enter into a regional IT agreement. "We need to work with a company that can help us pursue our long-term growth objectives. A supplier that can offer a regional, standardized framework on which to support all subsidiaries across the CLP Group for IT delivery," Locandro says.

Solution

CLP’s selection of a technology partner for the Framework Agreement on IT purchasing is guided by its stringent partnership selection requirements. "We wanted to establish, with our chosen partner, a cooperative development of a successful, long-term strategic relationship based on mutual trust, world class best practices, sustainable competitive advantages and clear cost efficiencies for all parties involved," says Andre Blumberg, Technology and Architecture Manager, CLP Power Hong Kong Limited.
Challenges

- Potentially complex procurement and deployment of IT solutions installed across various CLP Group subsidiaries around the region.
- Standardization of IT solutions including, but not limited to, servers, storage, software and services.
- Increasing business user efficiencies through the use of standardized platform.
- Achieving significant savings through legacy equipment optimization.

Solutions

- Master IT infrastructure Framework Agreement for the supply of hardware, software, technical expertise and priority premier support services.

Results

- Efficient and easy procurement and deployment of HP products guided by a Regional Purchasing Agreement between HP and CLP Group.
- Fast and easy integration of solutions deployed across the region.
- 25% efficiency improvements and cost savings using HP-based enterprise IT infrastructure.

HP passed the selection process with flying colors. Blumberg said CLP is pleased to continue the relationship with HP and now over 95% of all the applications CLP Power uses internally run on HP’s platform. These applications include SAP ERP solutions integrating Finance, HR, Procurement, Workforce Management, Billing and CRM modules, among others. CLP’s IT infrastructure also supports data mining, email, file and print servers as well as the upcoming outage management software enabling high electricity supply reliability.

Results

HP’s ability to offer a regional purchasing agreement helped CLP avoid the complexities involved in negotiating individual contracts for each country and each subsidiary. "HP has presence in all territories in which the CLP Group operates in. This extensive international presence of HP puts them in a position to offer pricing transparency across countries, so that we know exactly what the procurement prices will be for each HP product and solution in different markets. HP's strong regional presence has been crucial in our efforts to improve cost-efficiencies and streamline deployment logistics, offering a one-stop-shop model," says Blumberg.

Specific technologies under the HP banner helped the company stay ahead of the curve. For example, HP Integrity servers based on Intel Itanium 2 processor as well as ProLiant servers based on AMD Opteron processor are playing an increasingly important role in the company’s data center operation. "Different business needs each demand unique solutions and HP is the only supplier offering the complete range of computing platforms that we require," Blumberg adds.

Says Locandro, "This new Framework Agreement helped us realize enhanced system reliability. We also achieved 25% cost savings and productivity gains through regional IT system integration leveraging our existing business applications, which run on the HP platform."

"We regard HP as a trusted technology adviser. This project is truly a partnership centered on innovation and a win-win outcome. We chose HP primarily because of its expertise in the products and services we require, complemented by its highly adaptive, flexible and customer focused culture and industry specific best practices. We are extremely pleased with both our choice of HP and the initial results we obtain from our deployment of HP solutions," he concludes.