



Objective

To upgrade the Building Materials Group's (BMG) existing SAP ERP system and improve the company's Disaster Recovery capabilities

Approach

Recognised the strong HPE collaboration with SAP as a trusted partner to facilitate the migration process

IT Matters

- Achieved a smooth transition to a new SAP ERP platform
- Delivered a hot Disaster Recovery solution to safeguard business assets
- Generated project costs within hours instead of days

Business Matters

- Gave key stakeholders cost profile from production to outcome
- Improved go-to-market capability, delivering a competitive edge
- Reduced administration costs and lifted employee productivity and efficiency
- Achieved mitigation of business risk

Hong Leong Asia Building Materials Group expands its vision

HPE 3PAR StoreServ underpins new Disaster Recovery project for Singapore conglomerate



Hong Leong Asia Building Materials Group (HLA BMG) was looking to innovate and expand its market success. One potential obstacle was the existing SAP ERP platform not keeping pace with this vision. HPE Technology Consulting Services planned and executed the migration perfectly and also provided post-migration tuning and fixes for the SAP platform migration.

Challenge

Innovation and market expansion

Listed on the Singapore Stock Exchange since 1998, Hong Leong Asia Ltd. is the Trade and Industry arm of Singapore conglomerate, Hong Leong Group. Hong Leong Asia started as a building materials supplier in Singapore in the 1940s and has grown into a major diversified industrial conglomerate with operations in China, Singapore and Malaysia. With over 80 per cent of its market beyond the shores of Singapore, Hong Leong Asia is well placed to leverage on its current position to scale greater heights.

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— Daniel Teh, general manager group IT, Hong Leong Asia Ltd.

However, new horizons were beckoning as the Building Materials Group of companies (subsidiary of Hong Leong Asia Ltd.) planned to innovate and further expand its rate of growth. This goal needed to be achieved at the same time as increasing efficiencies and reducing costs. As a result, HLA BMG was facing some interesting challenges in 2013.

One of the most significant challenges was to ensure that its IT infrastructure was not an obstacle to its business growth vision. It was essential that the IT backbone could not only keep pace with its existing business model, but to also handle the next level of technology needed for its expanding inventory management, order taking, processing, invoicing and delivery processes.

A further challenge was the desire to reduce operating costs through the reduction of power consumption in its data centres, as well as reducing carbon footprint in the current infrastructure that supports the business. HLA BMG decided that the adoption of the latest version of SAP ERP was the best way forward. A new SAP ERP systems upgrade would provide better capabilities to handle more transactions and to track costs incurred in the core projects system, where HLA BMG manages projects for construction. This initiative would also help track materials and resources required for these projects.

An extra dimension to the challenge was the fact that the new SAP ERP systems upgrade required a suitable infrastructure to be implemented by expertise that will execute a SAP platform migration across a limited WAN bandwidth between its data centres (4Mbps).

Solution

An optimum SAP platform migration

Hong Leong Asia Ltd.'s group IT general manager, Mr Daniel Teh says that the company had been running its SAP ERP applications on Hewlett Packard Enterprise integrity servers. “We recognised the long term collaboration between HPE and SAP in this region. This gave us the confidence in both parties, having an integrated approach to deliver the infrastructure and technical set of requirements that will ensure an optimum SAP platform migration for HLA BMG.”

HPE Technology Services consultants, with more than a decade of experience in delivering SAP projects, have built a high skill set in both SAP and in HPE server/storage technologies. They were able to advise HLA BMG on the most effective use of the latest HPE products and technologies to maximise the capabilities of the SAP infrastructure set up and migration.



“HPE was able to offer HLA BMG a complete and cohesive solution with servers, storage and disaster recovery capabilities. It was critical that the migration to the new SAP ERP platform helped us achieve three important goals; to accelerate and support business growth; to mitigate risk and to lower the total cost of operations. HPE Technology Consulting Services planned and executed the migration perfectly, they also provided post-migration tuning and fixes for the SAP platform migration,” explains Mr Teh.

For the migration process, specific product deployments covered HPE UX (UNIX® Server) rx2800 i4 – 2 physical and 1 virtualised – and HPE Industry Standard DL380p ProLiant Gen8 Server. The Disaster Recovery project used HPE 3PAR StoreServ 7200, HPE StoreOnce 2700 and HPE Data Protector.

HPE proposed a hot Disaster Recovery solution to deliver a much improved Recovery Point Objective (RPO) and Recovery Time Objective (RTO) capability compared to the cold or warm DR approaches. “While there are many technologies available to support a hot DR approach, HPE proposed the use of Oracle Data Guard (ODG) as the hot DR option. This delivered the crucial RPO and RTO parameters demanded by our disaster protection plan.

“HPE uses knowledge transfer sessions to ensure the most effective handover of systems and operations, it meant our people were comfortable with the process from the outset.

“The detailed documentation and product knowledge required to manage the infrastructure was reinforced by four weeks of post go-live support. This was an excellent handholding process that was especially valuable after the migrated systems were in place,” explains Mr Teh.

Benefit

Achieving business growth goals

HLA BMG had an ambitious range of operational outcomes which it had planned as part of the innovative expansion vision that was aligned with its accelerated business capabilities around the region. “The HPE capability to orchestrate the SAP ERP database migration delivers faster realisation of HLA BMG’s business outcomes. It does this by accelerating business growth, lowering costs and mitigating risk.

“Faster migration that helped to accelerate business growth was a critical achievement. We were able to reduce downtime and eliminate the negative business impact. We can also react faster to change requests from the business. This allows us to adopt new and improved business process and solutions faster,” says Mr Teh.

When HLA BMG was assessing the challenge, When HLA BMG was assessing the challenge (but also an opportunity) of migrating to the new SAP ERP infrastructure, the mitigation of risk was a major issue. “Risk is an inevitable component of any businesses, eliminating or reducing its impact would help us to achieve growth and attain innovation goals.”

Customer at a glance

Application

SAP platform migration

Hardware

- HPE UX Integrity rx2800 i4
- HPE DL380p ProLiant Gen8
- HPE 3PAR StoreServ 7200c
- HPE StoreOnce 2700

Software

- HPE Data Protector

HPE services

- HPE Technology Consulting Services

“An important objective of the SAP migration project was to ensure that our business assets would be functional in the event of any failure within the IT systems. HPE’s experience and knowledge in the DR environment helped us achieve this. As a result, our go-to-market for project orders is delivering us a competitive edge across our business sectors.”

— Daniel Teh, general manager group IT, Hong Leong Asia Ltd.

“We knew that HPE had a proven track record as experienced and certified migration consultants. That was an important first marker. This was reinforced by their reputation for quality assurance, which is widely valued. Finally, HPE’s performance validation and proven methodologies supported our confidence in the key area of risk mitigation,” shares Mr Teh.

With the smooth SAP platform migration achieved, HLA BMG has recorded a range of benefits that positively impact its operational business model. The company is enjoying lower operation costs due to the ability to minimise its administration effort. Tight integration with core business processes has enabled higher employee efficiency, with SAP now being a critical element of active business infrastructure.

Strong improvement in operational efficiency

Mr Teh explains that because fewer resources are needed for migration and testing further costs are being taken out of the business. “We are able to generate project costs in hours instead of days with the centralised automation of quotations and tracking on projects. Now that we are able to deploy better cost control along structured reporting lines we are seeing a strong improvement in operational efficiency.

The impact on HLA BMG stakeholders, such as plant managers, project managers, and senior operational managers, is important since they now get a single view of the cost profile from production to outcome.

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Mr Teh highlighted that a cultural shift may not have been part of the initial vision but it is now positively affecting the company. “The skills and support of the HPE Technical Services consultancy team was evident and it created a learning experience for the wider business group to drive similar rates of acceleration across other parts of the business.

“HPE has helped our business change its mindset with innovation and led us to a new way of doing things which helped in lowering operating costs, improve manpower efficiency and accelerate business success.”

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