

COMPUTERWORLD

HONG 香港 KONG

Hong Kong's source of IT insight

<http://www.cw.com.hk>

June, 2008 • Vol XXV No 5

IT OUTSOURCING PCCW SOLUTIONS CONSULTING & SYSTEMS INTEGRATION PCCW SOLUTIONS

PCCW Solutions attains global recognition

PCCW's growing international status enables it to help HK businesses expand overseas, pitch for global projects and help global multinationals in their Asian expansion plans **By Chee Sing Chan**



Hong Kong's status as a regional hub has always been compared to its rival city-state Singapore and in recent years that competitive streak has run through to the datacenter services space.

PCCW Solutions, the IT services arm of PCCW, has seen rapid growth in its datacenter services and hosting business with the growth mainly from multinationals seeking to consolidate and centralize IT operations in Hong Kong. According to George Fok, managing director at PCCW Solutions, the wave of natural disasters in the last few years has caused concern to IT managers who are now looking consolidate IT facilities and reduce their risk and exposure.

"The advancement of networking technologies and application performance means that one or a few central IT facilities can now support a regional or global operation across many locations with no loss in performance, security or reliability," said Fok.

As a result many multinationals are reducing their multiple datacenters into just one or a handful of operations. The choice in Asia often comes down to Hong Kong or Singapore. Fok understandably believes Hong Kong has the edge in being close to China, arguably a more established financial and legal sector, and is far from any natural disaster zones.

As evidence of that edge, Fok notes that datacenter space in Hong Kong is maxed out. Plus a yet to be completed PCCW facility in

the New Territories is already out of capacity. Fok noted that PCCW is already scouting locations for another site to cope with the huge demand for datacenter space.

PCCW Solutions has also built a datacenter in Guangzhou to serve MNCs in China and admits it was risky to enter the mainland market. "It's a gamble with the fear over data privacy and intellectual property but there is demand from Japanese firms, plus some global corporations and we expect the Chi-

Too many IT managers are still keen to hold onto their little empires

— George Fok, PCCW Solutions

nese online gaming providers will soon require top-grade operations to support their exploding demands," said Fok

HK down on outsourcing

While Fok was bullish on overseas firms in the hosting and outsourcing business, he was circumspect on any growth on IT outsourcing from Hong Kong companies. "We've seen very little activity here and the debate around outsourcing is maturing but little has been acted on," he said.



PCCW's Fok: I expect inflation and cost pressures from rising IT salaries and software and hardware costs to make companies radically rethink their sourcing strategies

Fok believes companies are assessing what can be outsourced as they look to focus on core business goals but many will only be forced down this path if costs grow and the business environment turns downward. "I expect inflation and cost pressures from rising IT salaries and software and hardware costs to make companies radically rethink their sourcing strategies," he said. "But too many IT managers are still keen to hold onto their little empires."

PCCW Solutions has been working hard to support Hong Kong firms expanding into China and overseas. One retailing group tapped PCCW to roll out its ERP across six

continued on back page ▶



▶ *continued from front page*

countries within 18 months. A number of engagements have occurred with Hong Kong firms asking for help in setting up branch networks in China.

Other key projects in the last year have been in the consulting and system integration market where PCCW also triumphed in this year's awards.

One landmark project is PCCW's work with the MTR to develop a management and maintenance system that will be rolled out in the MTR's Beijing and Shenzhen operations. "By combining our development skills with MTR's global best practices in rail network management we can create a world-class software package that could eventually be sold to other rail operators," said Fok.

International vision

Government projects also featured heavily in PCCW's key achievements in 2007. The HKSAR Treasury Department resurrected its previously on-hold project to revamp its accounting system which was over 25 years old. Fok noted that the department wanted to replace its cash-based accounting platform to an accrual-based system and phase one had been completed. Phase two is aimed for completion by end of 2008 and will provide a dual cash and accrual based system for accounting—a first among governments, noted Fok.

Projects such as the E-Passport system with the Immigration Department have been very successful and recognized by various awards including the prestigious Asia Pacific ICT Awards (APICTA). The project picked up the E-Government & E-Community award in 2007.

Success in this project has meant a deal to work on the Macau e-passport initiative and also a consulting arrangement with government in Saudi Arabia.

"These successes have given us international recognition and allowed PCCW to join consortiums in bids for other overseas projects," said Fok. "Last year the objective was diversification—this year it's all about internationalization."

PCCW Solutions slots in SOA for Dah Sing Bank



Ng from Dah Sing Bank: By engaging PCCW to build our Service Oriented Architecture, they saved us years of hard work to gain insights of the technology

To meet growing market requirements and the bank's increasing customer base, Dah Sing Bank (DSB) has deployed a state-of-the-art extensible Enterprise Application Integration (EAI) platform. The new Enterprise Middleware System (EMS) is based on Service Oriented Architecture (SOA). PCCW Solutions is responsible for the overall project management, implementation and quality assurance of this new platform.

By building SOA-based infrastructure, DSB will enable different computing platforms using different sets of standard to interact, simplifying and speeding up product time-to-market. It will support the consolidation of two different technologies and skills sets from DSB and MEVAS bank.

By reusing available components and leveraging standards-based architecture, the bank will save on cost of business process improvement, and achieve quality through standardization. Because SOA can upgrade a service without taking down the system, DSB foresees overall system availability improvement. And since all traffic goes through SOA, the bank can generate consolidated view of customer activity which will serve as its basis for service and relationship enhancement.

The team is confident that SOA will provide the bank a new paradigm in banking system to help unified infrastructure, enhance flexibility, maximize business values and increase competitiveness. Simplified application development means minimized system development cost and risk. It also empowers the IT team to develop system features that may be difficult to accomplish using conventional architectures. With more efficient IT operation and support, the bank can free up resources to further support the growth and development of new revenue generating services.

"When we decided to replace our CORBA middle tier, we chose PCCW Solutions as our application-outsourcing partner because of their expertise in this arena," said Thomas Ng, general manager for IT, Dah Sing Bank. "By engaging PCCW to build our Service Oriented Architecture, they saved us years of hard work to gain insights of the technology by leveraging what they had learned already," Ng added.