

Encouraging the Community Spirit

HWL's diverse businesses in the UK have one thing in common – they place great emphasis on the human factor

By Mark Redvers

DURING THE COURSE OF A TYPICAL DAY, millions of Britons buy a product, or use a service, that has some connection with Hutchison Whampoa Limited (HWL), whether it is receiving a text via the 3 phone network, buying a fridge that has been imported by a container ship, purchasing a bottle of perfume or filling up the kettle with water for a cup of tea.

HWL investments in the UK cover

many different sectors, from the nation's biggest and most active ports, its fastest-growing 3G network, to some of its best-known drug and perfume stores and various infrastructure projects that include water, electricity and property.

HWL sees vast opportunities in the country, despite its current recession-hit status, and has grand plans for continued commitment to this nation of 62 million people. In fact its entire philosophy is geared towards the long haul, with constant investment in training schemes that enhance the skills of the workforce.



Surprisingly, perhaps, HWL is not a name that is widely known outside the UK business community, even though the company has something like GBP17 billion invested in the country in companies that include Superdrug, the Perfume Shop, Cambridge Water Company and the Port of Felixstowe.

Corporate dynamism

Most of the businesses were already established when Hong Kong-headquartered HWL embarked on its UK buying spree more than two decades ago, and there was little point in changing names, or established structures, for change's sake. But as anyone who works for the company will attest, the dynamism that Hong Kong is renowned for has become a key part of the culture.

In some areas, notably 3, which leads the way in 3G mobile technology, the expansion of its mobile broadband network has been phenomenal. Hutchison Port Holdings (HPH) operations are also thriving, with major expansion work in its UK ports which include London Thamesport and Harwich International Port.

Mega projects such as these are balanced with smaller-scale initiatives intended to benefit the community. One of the key projects at the port-based operations is a school liaison programme, whereby local schools are given support and assistance in delivering new facilities and initiatives.

Both the Felixstowe and Harwich ports are major

employers in their immediate areas, so HPH-initiated schemes there, together with a similar scheme at London Thamesport, allow children to learn how docks work, and the role they play in creating jobs and generating wealth.

The schools work experience project at Felixstowe is run by Duncan Russell, Staff Training Manager, Education and Development. He sees it as a vital bridge between the community and the port; teenage children vie to join the scheme that allows them to see the inner workings of the vast operation.

"We believe that we should be supporting schools, particularly by showing them the careers that are available for young people," said Mr Russell. "It is not a recruitment programme – although some do end up working with us. It is a chance to help them decide what kind of career to pursue in future."

Mr Russell said outsiders are often surprised to find out how much advanced technology has been incorporated into the ship loading process. "For example, we have the biggest cranes in the world now," he said, "and operators need to learn the technology incorporated into those. It is an exciting industry to be in."

More than 2,500 people work at the port, with keen competition for jobs. Recently, an advertisement for 15 new drivers' jobs attracted a staggering 300 applicants in less than 24 hours. That figure partly reflects the employment situation in the UK – but also demonstrates emphatically that HPH is considered an attractive place to work.

"HPH is known as a company that looks after its employees," said Mr Russell.





“People have worked here for 20 years plus. If they didn’t want to work here they would go. There are well structured training programmes here.

“The company also gets very involved with the community. As well as the work experience programme, we also attend careers fairs at schools in the region. We want the next generation to learn about us.”

Donations to schools

HPH also helps out schools financially with worthy projects. The Grange Community Primary School, for example, was recently nominated as a “dock school” and given GBP1,860 from the HPH Dock School Programme, money which will be used to fund the creation of a “science pond” to help study the water cycle and food chains.

“The programme gives our ports the chance to ‘adopt’ and support local schools, and it allows the schools to benefit from links with one of the area’s biggest employers,” said David Gledhill, Chief Executive Officer of Hutchison Ports (UK) Limited. “We hope that their students find the end product both educational and fun to use.”

Felixstowe port itself is already the largest and busiest container port in the UK, with great road and rail links to all parts of the country. When current expansion work is completed early next year, it will have a new deep-water container terminal, taking the total quay length to almost 1.3 kilometres, and a third rail terminal is planned.

A new deep-water container terminal is also planned for Bathside Bay in Harwich, which will extend the quayside length by 1.4 kilometres. In addition, the Harwich International Container Terminal scheme will make it one of the largest container ports in the UK, almost doubling the total quay length to three kilometres, and enabling the port to handle up to four deep-sea container vessels simultaneously.

That expansion has a predetermined and finite goal, whereas in the area of telecommunications, nobody can accurately predict the trends in phone and Internet usage over the next five or 10 years. The only absolute certainty is that there will be more demand for mobile technology which is where HWL will benefit in a major way.

Its 3G network, known simply as 3, has proved to be a true challenger brand in the UK, building the biggest 3G network and driving the growth of mobile broadband. 3 alone accounts for around half of the UK’s mobile broadband traffic and came top of pollster YouGov’s July consumer survey of mobile broadband customers. Off the back of its pioneering network infrastructure sharing deal, it will have a massive 12,500-site network by the end of the third quarter as 3 continues to fuel the uptake of mobile broadband in the UK with great pricing and careful investment.

The business has challenged both the market and the regulator to bring down costs for consumers and to allow true competition to flourish. With the prospect of a real reduction of mobile termination rates in the UK, 3 has launched a

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massive bundle of minutes, texts and data called The One Plan, which will see it play aggressively in the UK voice market.

Mobile broadband devices are being used more and more to send and receive data – from complex company flow charts to live-streamed football matches – guaranteeing healthy future demand for 3 services. In total, the company now has more than 6.8 million customers in the UK and Ireland.

Another business that has weathered the recession-ary storm is the HWL retail division, where Superdrug, The Perfume Shop, Savers and Sen have all been growing. The retail stores come under the jurisdiction of the HWL-owned A S Watson, the world's leading international health and beauty chain.

Career satisfaction

Understandably, employees feel proud to be working for a company expanding so rapidly. "It is very satisfying to work for a forward thinking, growing business," said Amanda Kitchingham, The Perfume

Charity begins at work

Superdrug Store Manager Julian Taylor is known for dreaming up wacky schemes to raise money for charity, including sponsored head shaving, and staff fancy dress days.

All cash raised at the store, located in Weymouth, on the south coast of England, goes to help a cancer charity that makes hospital life a little more tolerable for teenage patients. It is a cause close to home: he lost a young brother to cancer.

Mr Taylor is one of many HWL staff who, with the company's keen support, raise thousands of pounds annually for various charities. "One of our most successful fundraisers was a sponsored head-shaving session," he said.

"I think in that year we raised GBP6,000 and last year we raised GBP3,000.

"The money went to the Teenage Cancer Trust. I lost my brother to cancer when he was 18. That is what made me choose that charity, as there is nothing for that age group."

The father of three daughters, with a fourth child on the way, he met his Swedish wife when he offered her a job in Superdrug. She now runs her own clothing business, as well as studying for a law degree.

"I started with Superdrug in 1989 as a warehouse lad and worked my way up to manager," he said. "I enjoy the job, I particularly like the team of people I work with."

The store manager of The Perfume Shop in nearby Bournemouth became active in cancer charities when a close friend – now recovered – underwent the anguish of chemotherapy. Dawn Earp signed up for the Look Good, Feel Better charity that aims to give recovering women, some of whom have to wear wigs because of the treatment, tips on how to use make-up.

"The big companies donate perfumes and make-up and people volunteer to help out at hospital sessions," said Ms Earp. "I go to Poole Hospital on my day off. We have 12 ladies who are either going through treatment, or recovering. We show them how to put on make-up with cosmetics donated by the companies.

"Some are very ill and some are getting better, but all have gone through intensive treatment. This is a treat for them, a way of picking themselves up. It might sound a simple thing, but after chemotherapy, they really appreciate being able to have some eyebrows again."

Despite a busy schedule, Amanda Kitchingham, who is The Perfume Shop's Regional Manager for Ireland, Scotland and Northeast England, also finds time to help out with charities.

"I do evening presentations for cancer care groups for ladies who have suffered from cancer and are either in remission or still undergoing treatment," she said. "I take fragrances with me and talk about the business, our work philosophy, how to use different strengths of perfume, etc.

"These evenings are so rewarding."

Shop Regional Manager for Ireland, Scotland and Northeast England. "Great opportunities are being presented at store level and in training, development, opening new stores, driving the business and delivering expectations to individuals.

"In my job with The Perfume Shop, I have been able to encourage development and growth in individuals. There has been tremendous progress in that area, and the loyalty and length of service in many of my teams is testament to how much they appreciate who they work for.

"It is rewarding being able to work with a luxury product that is available for every customer. Every customer can come into The Perfume Shop and enjoy the experience of being involved with a beautiful product."

A beautiful product of a rather different kind will be unveiled by the property arm of HWL in the next few years. The Lots Road development in London is set to be one of the capital city's most sought-after addresses, featuring 800 luxury residential apartments in 13 buildings.

The development, designed by renowned architect Terry Farrell, is right on the River Thames and will include two towers of 37 and 25 storeys offering stupendous views across Europe's largest city.

The country's most famous architect, Norman Foster, who designed Hong Kong International Airport, has also been hired to draw up plans for Albion Riverside, on the south bank of the Thames. Various other HWL property projects include the award-winning Montevetro, as well as Royal Gate Kensington, Belgravia Place, and the 3,500-apartment Convoys Wharf, overlooking Docklands.

Meeting daily needs

Rather less glamorous – but vital to everyday life – are the various infrastructure projects held by Cheung Kong Infrastructure Holdings Limited (CKI) that, in total, amount to GBP1.7 billion in investment.

The businesses include Cambridge Water, owned by CKI, that supplies approximately 300,000 people, and Northern Gas Networks that owns the North of England Gas Distribution Network (NEG) extending from South Yorkshire to the Scottish border.

CKI has a 4.75 per cent interest in Southern Water Group, a regulated water and

sewage company, and a joint venture with Hongkong Electric that saw acquisition of a 50 per cent interest in Seabank Power Limited, which owns and operates a 1,140MW gas-fired combined cycle power plant near Bristol.

The final piece in the current UK jigsaw of interests is Hutchison China MediTech Limited, the holding company of a pharmaceutical and healthcare group based primarily in China. Listed on the Alternative Investment Market of the London Stock Exchange, the company focuses on researching, developing, manufacturing and selling pharmaceuticals and health supplements derived from traditional Chinese medicine and botanical ingredients.

All in all a varied and fascinating portfolio which will be expanded further as opportunities arise. But despite all the ongoing acquisition, as employees readily testify, HWL is a company only too aware that the most important factor in virtually every corporate success story is the human one. 



News Flash

As of this story's publication, a consortium led by HWL Group companies, Cheung Kong Infrastructure Holdings Limited and Hongkong Electric Holdings Limited, has made an irrevocable offer to Electricité de France (EDF) for 100 per cent of EDF Energy plc's ownership in its UK electricity distribution businesses with a total offer price of GBP5.775 billion, approximately HKD70 billion.

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