

Hph – mission



**ASSIGN
BUSTER**

PART A: (1) ??“ business missionThe container is the highly automated system for moving goods from anywhere, to anywhere with a minimum of cost and complication. The container made chipping cheap, and by doing so changed the share of the world economy, it unleashes globalization.

(Levinson 2006) Hutchison Port Holdings (HPH) is the leading port investor, developer and operator with total of 308 berths in 51 ports, in 25 countries throughout Asia, Middle East, Africa, Europe, the Americas and Australasia. The Group has ports and related operations, included the logistics chain, providing customers with a lot of value-added services that include container storage and repair, container tracking, general and bulk cargo transfer, warehousing, marine shuttle services, and other related services.

As a port operator, Hutchison Port gets cargo containers off of ships and puts them onto trucks or trains. Hutchison Port also provides other services to the shipping industry: It does the paperwork to get incoming shipments through customs and uses its computer system to help connect the goods with potential recipients. HPH focus on building an effective customer-oriented company involves far more than good intentions or promotional tricks.

(Levitt 1975) This report will focus on the Pearl River Delta market of HPH Delta. The Pearl River Delta is in Guangdong province of People??™ s Republic of China, refers to nine prefectures of the province of Guangdong, namely Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Foshan, Huizhou, Jiangmen and Zhaoqing, Hong Kong and Macau. It is one of one of the main hubs of Chinas economic growth. Since late 1970s, the delta has become one of the leading economic regions and a major manufacturing center of China and the world. The Chinese government hopes that the

manufacturing in Guangdong, combined with the financial and service economy and traditional capitalistic influence in Hong Kong, can create an economic gateway attracting foreign capital throughout mainland China.

HPH is the market leader in the Pearl River Delta, with market shares of 60% in Hong Kong Port and 47% in Shenzhen Port. (HPH Trust 2011) Hong Kong and Shenzhen are two of the world's top four ports by container throughput. They are well-positioned to leverage its sale and exposure to trade flows in the Pearl River Delta, the world's largest trading hub.

Pearl Rivers Delta Ports of HPH (HPH Delta) has the world class facilities with natural competitive advantages and superior operational efficiency. Hong Kong with the free port status at the nexus of major trade routes and long contiguous berths, are the preferred transshipment hub in the region.

Shenzhen Yantian is has the benefit of the region's manufactured export floes and increasing import cargoes, given its proximity to the major industrial and population centers in the China and infrastructure connections to other inland provinces.

(HPH Trust 2011) HPH Delta has the world class facilities combined with advanced cargo handling equipment and award-winning terminal management system. HPH Delta has the consistently superior productivity. As a port operators reputation depends on its efficiency at loading and unloading" how many " crane-moves" it makes per hour, and how long it takes for a ship to come into port, offload, and get back out. HPH Delta is dependent on a small number of customers for a significant portion of its business.

Consistent with their high degree of dominance in the shipping industry, major shipping lines will be contributing significantly to the business and revenue of HPH Delta. The five and ten largest customers accounted for approximately 41% and 68% of the throughput, although none of these customers individually accounted for more than 15% of the gross throughput. (HPH Trust 2011) The major customers are global and regional shipping companies. HPH delta has long-term relationships with liners and their customers, a well-recognized and strong reputation and brand name due to their track record. It also has close and established relationships with all of the major shipping lines and shippers. It has global connectivity with more than 300 weekly container services to a global destinations. It proven standards of service to attract the cargo mix and achieve higher average tariffs than their competitors.

HPH should focus on the the value of pleasing a customer not the cost. (Hart, Heskett and Saser)