



*High performance. Delivered.*

## From local function to global business partner: How Accenture helped SAP achieve its shared services vision for HR

### Business background

SAP's vision for its HR department was for it to become a strategic business partner, and not just be seen as a purely administrative function. Combining routine functions across group offices and moving them to a shared services organization was seen as an ideal way to achieve this objective. This would free local HR staff to concentrate on more complex and higher value work, while at the same time saving money – another important objective. The fact that shared services could achieve this through streamlining duplicated functions, increasing efficiency and moving to a lower cost location played a major part in building the business case for shared services.

SAP began building the case for shared services across EMEA on their own, but then decided to get support from a strategic partner with deep experience of shared services in HR to help them with the planning and change management tasks. Stefan Böhm, head of global HR operations, SAP comments: "We worked with Accenture because we were convinced they not only understood our HR objectives and business processes but were best qualified to manage the transition". SAP's own IT team was to take care of the technical implementation of the Employee Interaction Center, itself a preconfigured back-office solution developed by SAP for shared HR service centers.

### How Accenture helped

Accenture has earned its reputation in shared services through the successful delivery of projects, especially in the areas of HR and finance business functions in large global companies. Accenture has designed and implemented HR shared services solutions for more than 80 large international clients over the last 10 years. They were therefore able to help SAP in all four phases of their HR transformation: initial assessment, operating strategy, design and finally the build and test phase. Accenture's contributed to the initial analysis by identifying the services to target across EMEA, developing a tailored shared services model for SAP and consolidating the initial business case. Accenture also supported the site selection and the initial set up and staffing of the Prague service centre. Prague was chosen as the location for its proximity to SAP's European headquarters in Germany, low staff and property costs, as well as the high availability of potential resources with good language and technical skills.

After the completion of this initial phase, the strategy, business case, services in scope and site selection were presented to and agreed by SAP's steering committee and board. The next phase focused on defining the solution in detail. This covered everything from process definition, creating the service center operating model, and refining the business case, through to finalizing

• Consulting • Technology • Outsourcing

location selection, starting site fit out, defining the migration plan and recruiting new staff for the service center in Prague.

A joint Accenture and SAP team worked closely with the local HR teams in the countries and subject matter experts across the six main HR services: global mobility, data and organizational management, payroll, recruitment, training and development, and compensation and benefits. This team mapped the new global processes for these services in detail, defining which parts of each service should remain at country level and also determining the order in which services would migrate.

Because of the relative independence of the various functions it was decided that HR would be migrated service by service across tiers of countries simultaneously, rather than country by country. The only exception was the payroll service, which, due to its high complexity and extreme sensitivity, was migrated on a country by country basis. Together with the payroll migrations, a new service called "HRdirect" was introduced, making the shared service center in Prague the new service channel and first point of contact for all HR related employee inquiries.

The newly defined global processes were validated with the eight 'TIER 1' countries that had been chosen as a geographical scope for the first migration. Here only those limited changes were allowed to the global processes which were required for legal or statutory reasons. After the new processes had been agreed, the business case team worked with the individual countries to finalize the number of employees required in the service center to support the new services.

Global mobility was chosen as the pilot service, being the first to be transferred to be the new shared services centre in Prague. Bernd Gutschi, associated partner Accenture and project lead comments: "By its nature, this service already involved a lot of interaction between countries, and moving it to a single center immediately created opportunities of scale". For this step the technological solution for the shared service center – SAP's Employee Interaction Center – was essential for routing and ticketing of specific cases to the appropriate teams.

To ensure smooth migrations and an adequate preparation of the local organizations for the changes involved in the implementation of shared services, Accenture also worked with local SAP teams on an extensive change management program. This included informing and gaining buy in from stakeholders at different levels over an intensive communications program to hiring and training the new shared service center resources in time. To ensure the delivery of quality service right from the beginning, a strong focus was put on the knowledge transfer to the new hires, applying a wide array of methods, such as in-depth process and system trainings, work shadowing and business simulation.

Accenture laid emphasis on recruiting and relocating the right leadership staff to ensure that the newly hired service center team, which was quite young, received the strong leadership they needed in the beginning. A very experienced lead manager could be hired for the Prague service center and after SAP's

existing Mobility team lead offered to transfer to the service center as well, this brought deep experience and business insight into the newly established Prague team.

The regional scope for Mobility was soon extended from the eight 'TIER 1' countries to all of EMEA. Just one month later, the shared service center took over its next service with the previously Walldorf-based Data and Organizational Management for entire EMEA without major issues. The experiences from these migrations have provided a sound basis for approaching the more sensitive and difficult country by country transfer of the payroll and new HRdirect service.

As the migration of service lines progresses, the service centre will be able to offer a new service, HRdirect, which will provide a single contact point for all HR related enquiries. "This will lead to a great improvement in service efficiency, ensuring that there will always be a contact available for any service enquiry, wherever it comes from in Europe", says Bernd Gutschi of Accenture.

In August 2005, the series of 6 Payroll and HRdirect go-lives started successfully with UK and will continue with South Africa, Switzerland Austria, Italy and France until beginning of 2006.

The migration roadmap for 2006 supports a further roll out of Payroll and HRdirect as a basis for migrating additional key HR services such as Recruiting or People Development, which have a high priority within the HR organization.

## Benefits achieved

Within six months after the "go live" date, the SAP shared service center already processed more than 13.000 requests. Many of these are being settled through the intensive utilization of Portal applications and self service functions. 80% of the remaining requests are being settled at the 1st level by using the Employee Interaction Center.

"SAP's shared services centre will offer immediate benefits in terms of cost savings, streamlining of processes and greater efficiency in the way the HR services are delivered", says Holger Reimers, client partner for SAP at Accenture. "It has also allowed SAP to implement some of its latest HR and EIC functionality simultaneously across all its European country organizations, and will facilitate further enhancements".

Prof. Dr. Claus E. Heinrich, Board Member, SAP: "As the project has progressed, SAP's HR function has been freed from many transactional and administrative tasks to concentrate on people centric HR projects, such as talent and leadership development. The implementation of shared services allows HR in general to concentrate more on consultancy services in the lines of business and therewith supports the transformation to a real business partner".

Copyright © 2005 Accenture, SAP All rights reserved.  
Accenture, its logo, and High Performance Delivered are trademarks of Accenture.