

Attract-Retain-Grow:

How SAP Human Capital Management Fulfills a People³ Vision



Organizations build SAP HCM solutions for one key reason: to better manage and better utilize their “human capital”—from which all other forms of capital are derived. The value of this human capital is not easy to measure, but the aggregated wealth of knowledge, experience, talent, and as-yet unfulfilled potential should be viewed as a powerful competitive advantage. Simply put: the organization that most effectively finds, keeps and grows the best available talent wins.

Strong balance sheets, manufacturing innovations, advantageous patents, and productivity innovations aren’t enough — without human capital these sources of strength are meaningless. Financial strength is built by human ingenuity and perseverance within a company, patents are dreamed of and accomplished by brilliant employees, and competitive advantage gained through productivity innovation is discovered and implemented by an organization’s dedicated workforce.

A world-class SAP HCM solution can be just the tool needed to fulfill this People³ vision of human capital management: attract, retain, and grow the world’s best talent for your organization. In this *VIEWpoint*, Clarkston Consulting’s SAP HCM experts share their wisdom and knowledge about SAP HCM.

How does SAP HCM help my Human Resources team?

In many organizations, HR has struggled to earn a full-fledged seat at the boardroom table. HR has often lacked the analytical and business-driven linkages that Finance, Production, Engineering, and Quality Control have leveraged. But SAP HCM changes all of that. SAP HCM empowers the HR organization to move away from the

classic “smile and file” reactionary mode of serving employees to that of a truly proactive partner with the business.

By reducing the data maintenance workload, the HR team has more time to proactively manage the organization. The HR team can focus proactively on key talent management issues, like:

- Who needs training?
- How can we best leverage our limited training budget?
- Who can we help further develop in their career?
- How can we better assess employee performance?
- What opportunities exist within the benefit program to reduce costs and improve our offering to our employees?
- How can I deploy interactive, e-learning modules across the organization?

These are the types of proactive efforts that can be pursued when the HR organization is unburdened of the old paper chase. When freed of their typical paperwork burden, the HR team can truly be proactive at meeting the organization’s employee resource needs and earn that seat at the boardroom table.

What other benefits can SAP HCM solutions provide?

With an SAP HCM solution, companies can achieve a global view of the entire workforce. Finally, it is possible to truly manage headcount on a global basis. How many positions are approved? How many of these positions are occupied? How many are occupied with contractors and other external employees? How long is it taking us to close open positions? With SAP HCM this kind of analytical capability is close at hand.

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Organizations also struggle with the total cost of human capital. What is the true comprehensive cost of our workforce when we consider salary, benefits, taxes, training, recruiting, retention, incentive plans, and every other form of employee-related expense? With SAP we can find the answer – not just for a department or single organization unit, but for the entire globally dispersed organization.

Organizations continue to be challenged to identify, manage, and grow talent within their organization. By leveraging core SAP HCM functionality, the SAP Learning Management System, and Nakisa Talent Visualization, these organizations can build an integrated talent management system. Succession planning and career growth can finally be proactively managed. Gaps between necessary skills and actual skills can be identified and resolved with the Learning Management System. And during the recruiting process, external candidates can be assessed for key skills and linked to the positions they most closely fit.

What reporting and analytical capabilities does SAP HCM offer my organization?

Your organization can implement powerful reporting tools within SAP HCM. These capabilities include, to start with, hundreds of standard delivered reports which provide immediate value for the organization. These standard reports can be extended and modified for your organization's exact needs.

SAP HCM also provides the Flexible Employee Data tool, which empowers even the newest member of the organization to design and save their own HCM reports. More powerful options include the SAP Ad-Hoc Reporting tool and the SAP Query tool for the ultimate in report design capability. And to extend these reports even further is the inherent ability to transfer the output of any of these reports to Excel for further manipulation via a single mouse click.

If your organization requires more in-depth analytics, a good consulting partner can help your organization implement Business Intelligence and Business Objects. In particular, Business Objects features a powerful HR Rapid Mart which contains prebuilt reports and analytics and interactive dashboards.



How does SAP HCM integrate into the rest of my IT infrastructure?

SAP HCM can help your organization leverage its existing infrastructure investments. For example, you can integrate SAP HCM with Microsoft Outlook. You can now invite participants to a meeting using standard Outlook functionality, but also simultaneously specify how to record time for the meeting. When the meeting takes place, the time can be recorded directly in SAP from Outlook.

When recruiting new employees, Outlook not only manages the interview dates and times but also directly connects with the SAP Recruiting module and shares resumes, as well as notes and comments from other interviewers.

Existing investments in single sign-on technology can be leveraged so that your environment is both secure and convenient. Existing investments in reporting tools can also be leveraged; for example, some organizations have built substantial Crystal Reports capabilities in-house. These capabilities can also be extended in SAP HCM.

What are some of the key success factors for implementing SAP HCM?

It is well-established that some SAP implementations are poorly executed and result in failure. SAP HCM is no exception. But there are three key success factors for an SAP HCM implementation which will help your organization maximize the return on its investment and deliver real value to the organization.

These key success factors include:

#1: Build Trans-functional Teams

The first key success factor is to create and foster trans-functional teams which own their part of the project. For example, if the Learning Management module is being implemented, that team should be composed of team members from:

- The training delivery and training development teams
- Rank and file managers who will use the system
- The safety and compliance team which may rely on the Learning Management system to trigger safety-related recurring training
- Representative end users
- The HR team

In this manner, this trans-functional team will design, build, and own a system that reflects the design interests of the key stakeholders.

#2: Think Globally, Act Globally

Unless there is absolutely no possibility of eventually building a global HR organization, it is imperative that the organization design a system that will provide a cohesive global structure for HR. Answers to seemingly simple questions such as “what types of employees do we have?” and “how do we hire employees?” are critical decisions which demand global thought, global design and global support.

Thus “think globally, act globally” means that the organization must build

a global design and implement reality globally. Socializing and instilling a global design doesn’t happen by means of a disjointed webinar and a conference call with disengaged participants. “Act Globally” means that if an organization truly wants to build a global structure there must be onsite, hands-on, face-to-face interaction that builds trust and partnership across what is often a diverse culture. This doesn’t happen by summoning to “headquarters” a few key players from around the globe for a dog-and-pony show of what you’re about “to do to them.”

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Three key success factors in action

How does an international pharmaceutical organization move beyond a US-based, one-country SAP HCM implementation, and develop a global system supporting nine countries around the world? Our client’s challenge was to leverage their existing US implementation (developed with Clarkston Consulting in 2008) and extend it globally.

Our client asked us to lead the new SAP HCM implementation with locations in the UK, France, Germany, Spain, Italy, Switzerland, Belgium, and Japan. The project team included 30+ individuals spread across three continents, six time zones and seven languages.

The result? A truly global HR system supporting the demands of this rapidly growing pharmaceutical firm. The project successfully extended what was originally built in the US, but did so in a way that respected

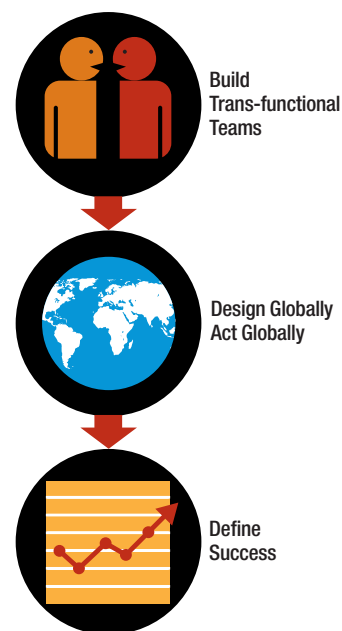
and accommodated the unique HR needs of each country. The new system also respected established standards dealing with categorization of employees, headcount management, and organizational structure.

Because the solution respected existing standards, yet provided flexibility for local country legal and social requirements, HR leadership in the US finally has a comprehensive and consistent view of their human capital across all countries.

The solution also respected Safe Harbor HR data privacy legal expectations between the US and EU countries. This facilitated the centralized storage of all employee data in US-based servers, while distributing access to that data around the globe.

The new system represents a quantum growth in this organization’s HR capabilities, and has empowered substantial international growth.

The organization that hopes to successfully build a global HR organization must “go to the globe” and carry with it the vision and insight for the path forward. The organization that does so, will carry with it the trust and partnership required for success.



#3: Define Success

The organization must decide before the project is even launched: How do we define success for this effort? At the end of the day, when we are done, how will we know whether this was a success? What will success look like? Is it the mere achievement of some goal or goals? Or is it the achievement of goals during a certain time frame and within a certain budget?

This definition must be determined and supported by the leadership of the project. This then must be written and incorporated into the charter for the project. Every team member of the project, from within the organization to all outside consultants, must understand the measure of success for this effort.

When that vision of success is clear and kept visible, it will serve as a focal point for the project team and will serve as a guide for maintaining project scope.



Why Clarkston for your SAP HCM Solution?

Industry leaders turn to Clarkston Consulting and our SAP HCM solutions because of our demonstrated ability to build truly global human capital solutions in two key industries: life sciences and consumer products. Whether your organization has 600 employees in New York, Paris, and

Geneva, or 60,000 employees in more countries than you can count—Clarkston Consulting can deliver an SAP HCM solution that is both globally- and business-integrated.

Clarkston Consulting has been doing this for years—from straightforward domestic implementations, to global implementations linking the US business with multiple countries in Europe plus Japan, to complex implementations connecting SAP HCM to older legacy HR systems. From Payroll to Time Management, from Organizational Management to Nakisa Visualizations, from Recruiting to Benefits, Clarkston provides the expertise your organization needs to build global SAP HCM solutions.

But Clarkston Consulting's SAP HCM consultants also bring expertise in the life sciences and consumer products industries. No other firm understands better how to craft winning solutions with SAP HCM in those industries.

Regardless of the desired approach, Clarkston Consulting can help your organization find that implementation "sweet spot": the most net benefit with the most efficient use of internal and consulting resources.

As one of SAP's first national implementation partners and a multiple SAP America Award of Excellence winner, we have been delivering successful SAP projects worldwide for 18 years, building a consistent record of success. In fact, in a recent client satisfaction survey, "Knowledge," "Dedication," and "Results" were the words our clients used to describe us.

Our many success stories, consistently high rate of repeat business, and unparalleled customer satisfaction rating all mean one thing: our knowledge, coupled with our dedication, is a winning formula for results.

“From Payroll to Time Management, from Organizational Management to Nakisa Visualizations, from Recruiting to Benefits, Clarkston provides the expertise your organization needs to build global SAP HCM solutions.”

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About Clarkston Consulting

Clarkston Consulting is a different kind of management and technology consulting firm. We deliver a unique experience for market leaders within the Consumer Products and Life Sciences industries. Considering professionalism, expertise, and value as prerequisites, we take service a step further through our unyielding commitment to the success of people as individuals, both our clients and our employees. By combining integrity, adaptability, and a whatever-it-takes attitude, we have achieved an extremely high rate of referral and repeat business and a 9-year average client satisfaction rating of 97%.