

Refocusing HR's resources to make it a powerful business partner

The HR department of a large consumer products manufacturer set up a Shared Services Center and global Centers of Excellence to better meet the business's objectives.



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- Transforming Human Capital
- Aligning Costs with Business Strategy

Executive Summary

Client challenge:

To rebuild HR and deploy its resources wisely by:

- Cutting down on routine transactional work that was distracting staffers and executives.
- Focusing on consistency across HR departments in several global locations.
- Seeking ways to turn HR into a more impactful strategic advisor to company leaders.

PwC's solution:

Reconfigure the HR department by:

- Setting up a low-cost Shared Services Center to handle the bulk of the transactional work.
- Creating Centers of Excellence to perform strategic planning and introduce consistent leading practices.
- Building a Business Partner Organization to deliver strategic and aligned services globally.

Impact on client's business:

- The client found ways to consolidate up to 75 percent of HR's transactional work.
- Client achieved \$1.4 million in savings by cutting the cost of the transactional work, and has potential for an additional 20% savings through additional consolidations globally.
- HR leaders now have the bandwidth to become strategic business partners.

Client’s challenge: To rebuild HR and deploy its resources wisely

As part of an overall effort to improve the effectiveness of its North American operations, a global leader in consumer products turned its attention to its Human Resources department. The issue: HR was suffering from a decentralized approach that resulted in local HR generalists being stretched thin to provide all services to their location, and leaving little time for strategic planning and change.

Staffers were snowed under by the mundane paperwork of simple transactional activities such as payroll and benefits processing, onboarding new employees, and tracking performance reviews. The ugly truth was that HR team members were spending nearly 80% of their time on these activities, and even more troubling HR leaders were routinely engaged for subject matter expertise and escalation and found that over half of their time was spent supporting this kind of transactional work.

Recognizing that finding and nurturing talent was pivotal to future generation of growth, the company challenged itself to build an HR team that could provide the business’s leaders with strategic advice on talent and introduce new ideas for acquiring, evaluating, rewarding, and engaging its growing global workforce.

The good news was that that the company’s EMEA operation was already hard at work with PwC on establishing a shared services capability to improve HR’s efficiency and effectiveness. Why not try to extend that work across the ocean and build one scalable solution that would include Corporate and North American HR, paving the way to more global consistency. The overall goal: to simplify, consolidate and automate

transactional activities and give its leaders the time and space to become impactful strategists, helping the company navigate toward a future of near full employment that would test its ability to recruit and retain top talent.

PwC’s solution: Reconfigure the HR department

The VP of HR looked at the proposed improvements for the EMEA region and began talking to the PwC team about going global with HR, embracing multiple geographies with a single shared services concept that would clear HR’s desks of most of that mundane transactional work.

With that goal in mind, and with some of the strategy already developed for the EMEA side, a PwC team began a very fast-paced 12-week assessment and design process to position HR for a more efficient future.

Our transcontinental team of advisors started with a four-week assessment that included a series of interactive workshops to make sure we could nuance the solution for the company’s specific culture. The big questions: how could the company take the cost out of HR’s transactional work, and how could it address the cross-geography concerns of its Canadian and Latin American divisions?

After getting a firm sense of the current state and the business processes that would have to be changed, the team moved on to an intense eight-week design phase, once again working side-by-side with the client in a series of 17 deep-dive process design sessions to redesign existing processes, identify the role for the shared services team, confirm the areas of change impact for the stakeholder groups, identify any potential technology requirements or projects that would help the new design succeed faster, and plan a phased implementation.

During the design phase it was critical to work together with the HR leadership team—sometimes in two workshops per day—to match the design to their overall business strategy and to make sure that they felt a sense of ownership of the design and a sense of responsibility to implement it. Because so much staffing would change and so many formerly local processes would become centralized at the new SSC, it was important to establish a high comfort level before any implementation could begin.



“We wanted to help HR become better business partners, to show them how to align their programs with the business’s global goals and become more effective strategic advisors to the corporate leaders.”

Susan Sullivan

In the final reorganization, a lean global HR leadership team now oversees not only the Shared Services Center but also global Centers of Excellence in four targeted areas: Learning and Development; Compensation and Benefits; Talent Management; and Diversity, Culture, and Engagement. In addition, a new Business Partner Organization has taken on the responsibilities of providing strategic consultation, identifying business priorities to leadership, and supporting the implementation and rollout of key initiatives.

This new HR operating model represents a better way for HR to interact with its business partners, managers, and employees. Critical to its success is the staffing of leadership roles with employees who have the mindset and aptitude to drive ongoing operational improvements. Never before has HR been better equipped to find the optimal staffing levels, estimate its future needs, and match the right talent to the right tasks.

Impact on client’s business: Savings, consistency, and insight

Consolidating HR’s transactional activity in the Shared Services Center and allowing for more strategic deployment of resources has made a difference.

Our initial assessment found that from 50 to 75 percent of local HR resources’ work could be consolidated, and doing so has paid off. To date, HR’s transactional costs are down 20 percent, and the path forward could lead to an overall 30 percent cost reduction. In real numbers, that’s \$1.4 million for HR, savings that can directly hit the bottom line, or be reinvested to continue to innovate HR processes and platforms for the future.

Moving forward, HR is able to right size large teams to match average demand and to stretch during peaks, implement automation to minimize the need for human intervention in routine processes, and finding ways to shift work to lower-cost global locations when possible, a move that could yield an additional \$200,000 in annual savings.

The company now has the HR foundation it needs to help it fuel growth, improve its corporate culture, achieve consistency across its global operations, and become more agile. All in all, a good place to be in a competitive global marketplace.

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