



„Global HR Transformation“

Basic Considerations For Building Effective HR Service Delivery Scenarios

Human Capital
Performance

Organisational
Performance

Business
Performance

Sales
Performance

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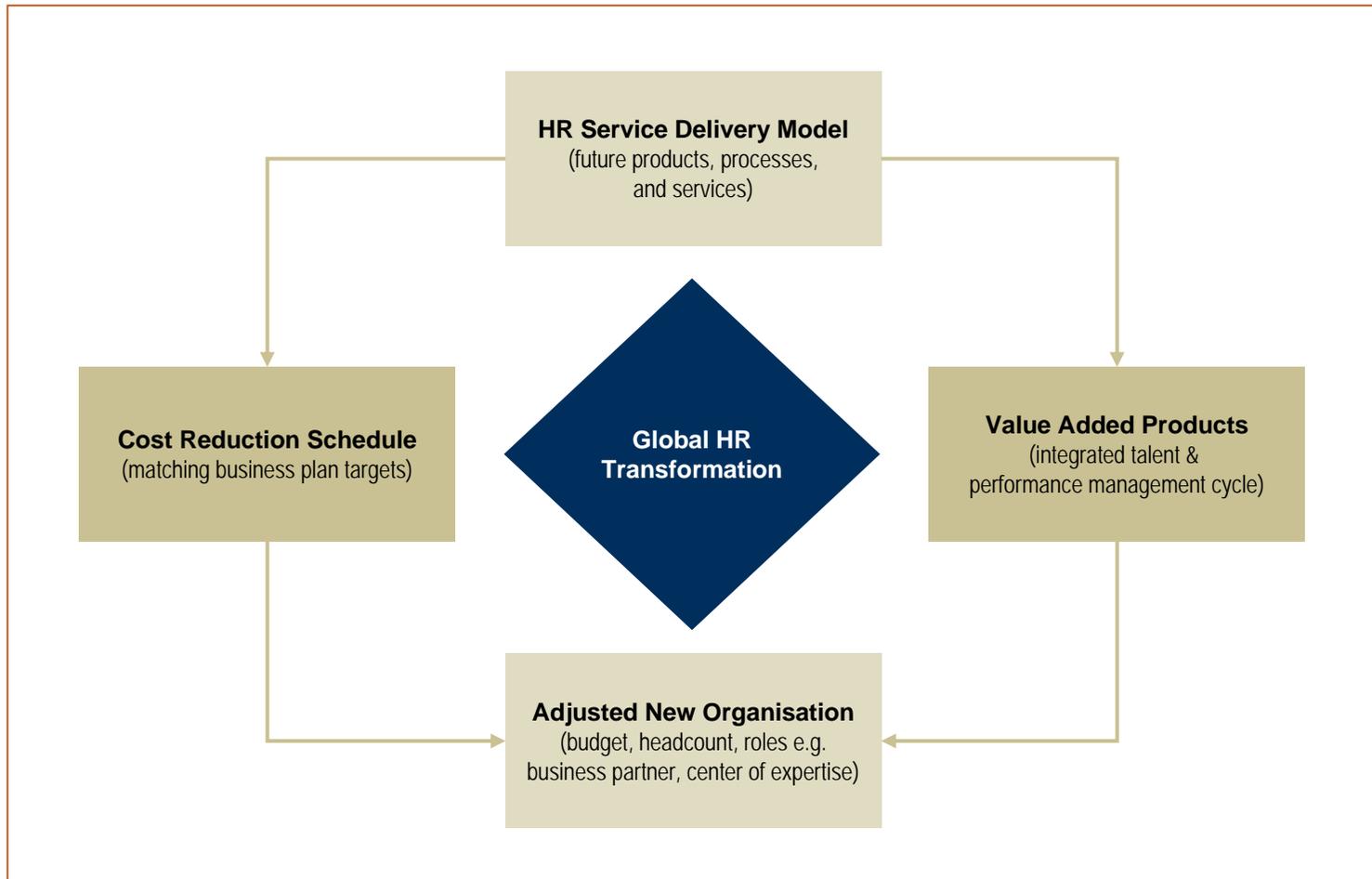
Basic Needs & Trends

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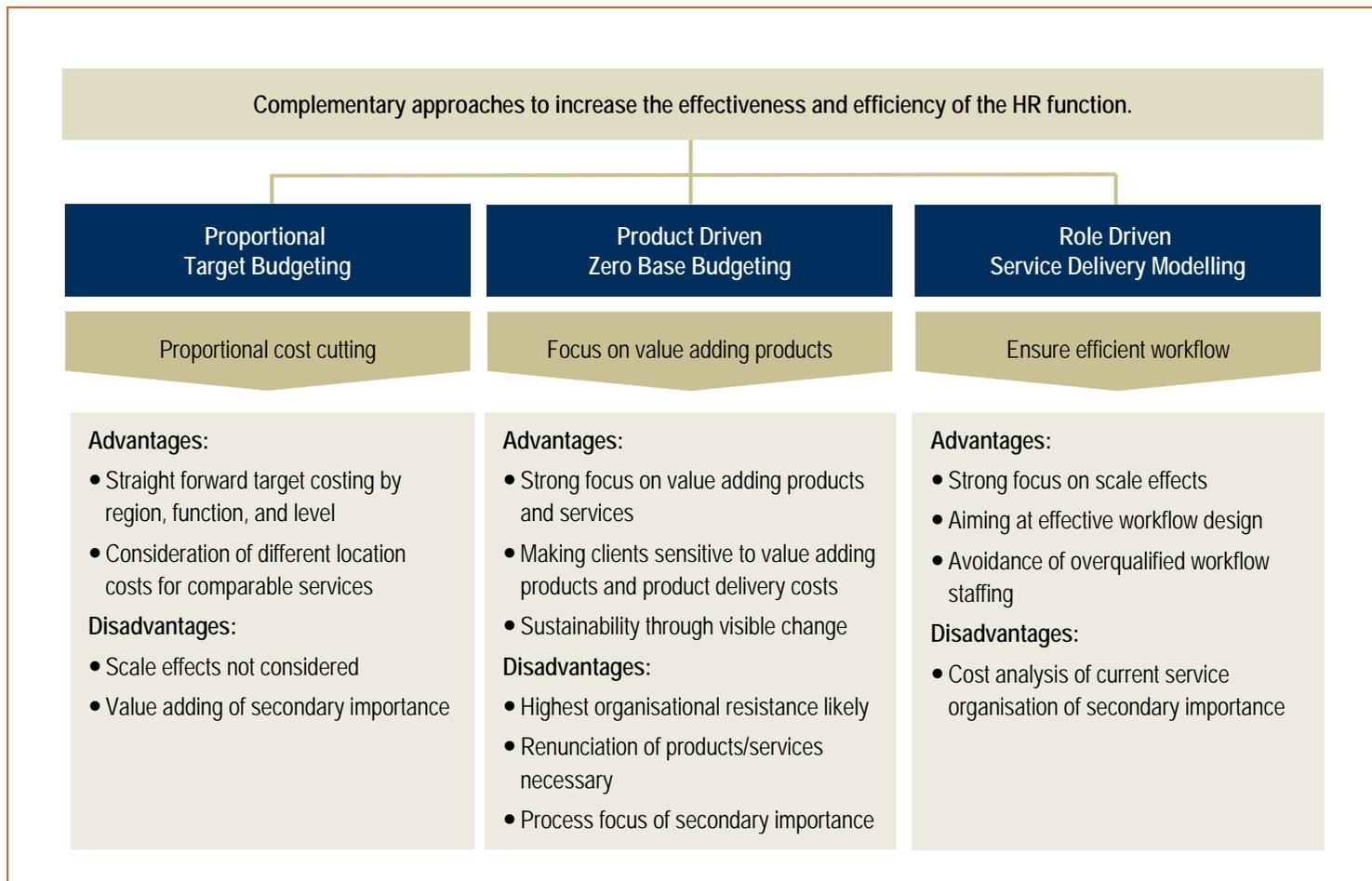
This document provides a helicopter view on different complementary project approaches and aims to gain a basic common understanding of future service delivery options.

Project Objectives & Deliverables (Project Example)



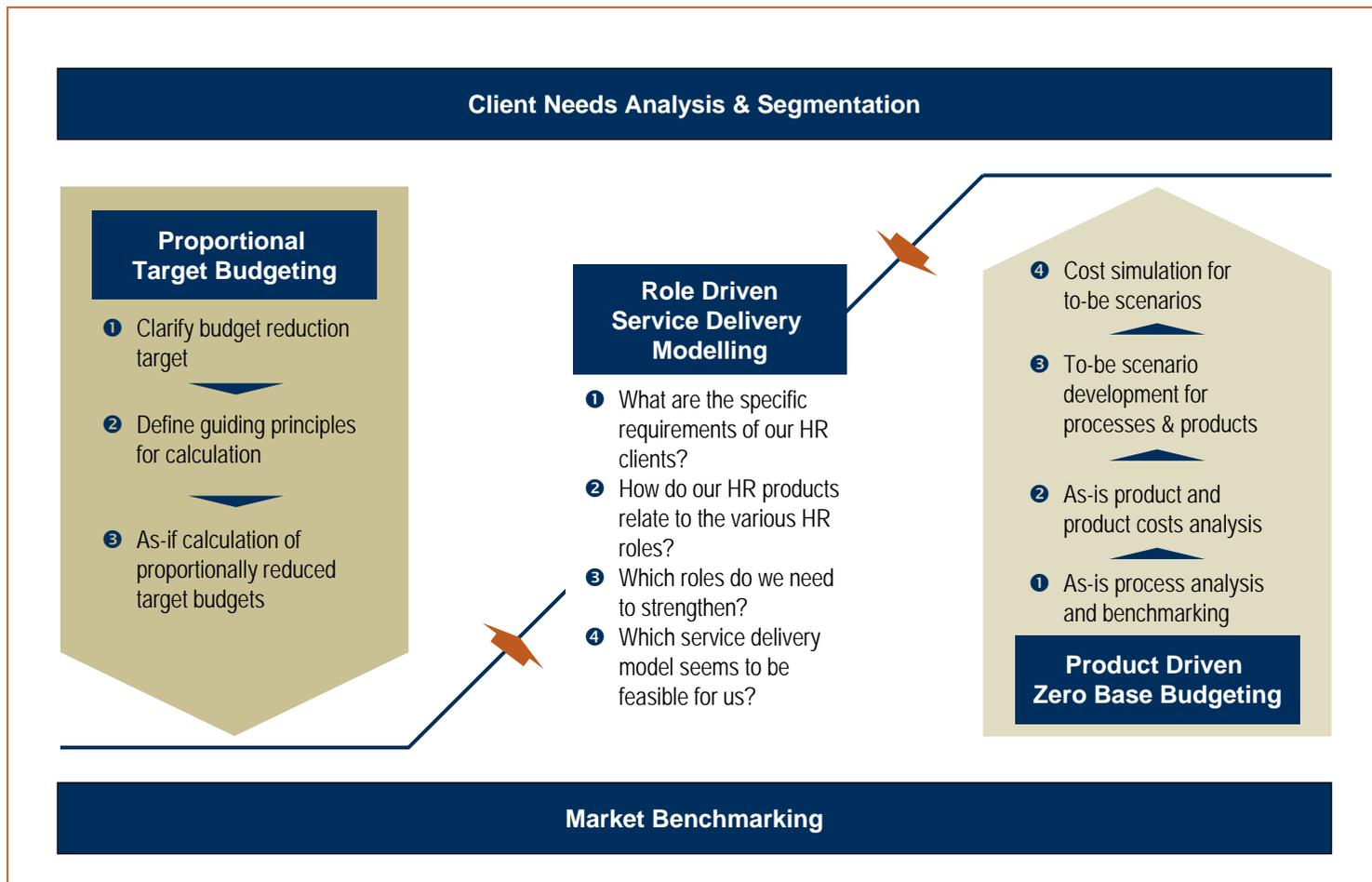
The project aims to increase the effectiveness and efficiency of the HR function through both, the increase of value added and the reduction of costs.

Complementary Project Approaches (Project Example)



The complementary approaches provide advantages and disadvantages for a sustaining transformation process.

Integration of Complementary Approaches (Project Example)



The two different budgeting approaches and their impact on future role driven service delivery scenarios need to be systematically assessed.

Proportional Target Budgeting Approach

This approach focuses on proportional cost cutting

Proportional Target Budgeting

1 Clarify budget reduction target



2 Define guiding principles for calculation



3 As-if calculation of proportionally reduced target budgets

1 Clarify budget reduction target

- Analyse business targets
- Analyse performance metrics
- Derive target budget

2 Define guiding principles for calculation

- Define cost parameters
- Define breakdown calculations

3 As-if calculation of proportional target budgets

- Total organisation (company, divisions, business units)
- Total FTE scenario
- Regional / country scenarios
- Functional scenarios
- HR relationship management scenarios

Product Driven Zero Base Budgeting Approach

④ Cost simulation for to-be scenarios

- Cost simulation of alternative to-be scenarios based on the change of processes and product offerings

③ To-be scenario development for processes and products

- Change of processes
- Change in product offerings (standardisation, automation, elimination, etc.)

② As-is product and product costs analysis

- Description of a service directory (standard products, individual amendments, projects)
- Identification of reference parameters for each product (e. g. number of units)
- FTE analysis by products
- Cost analysis by products and per unit

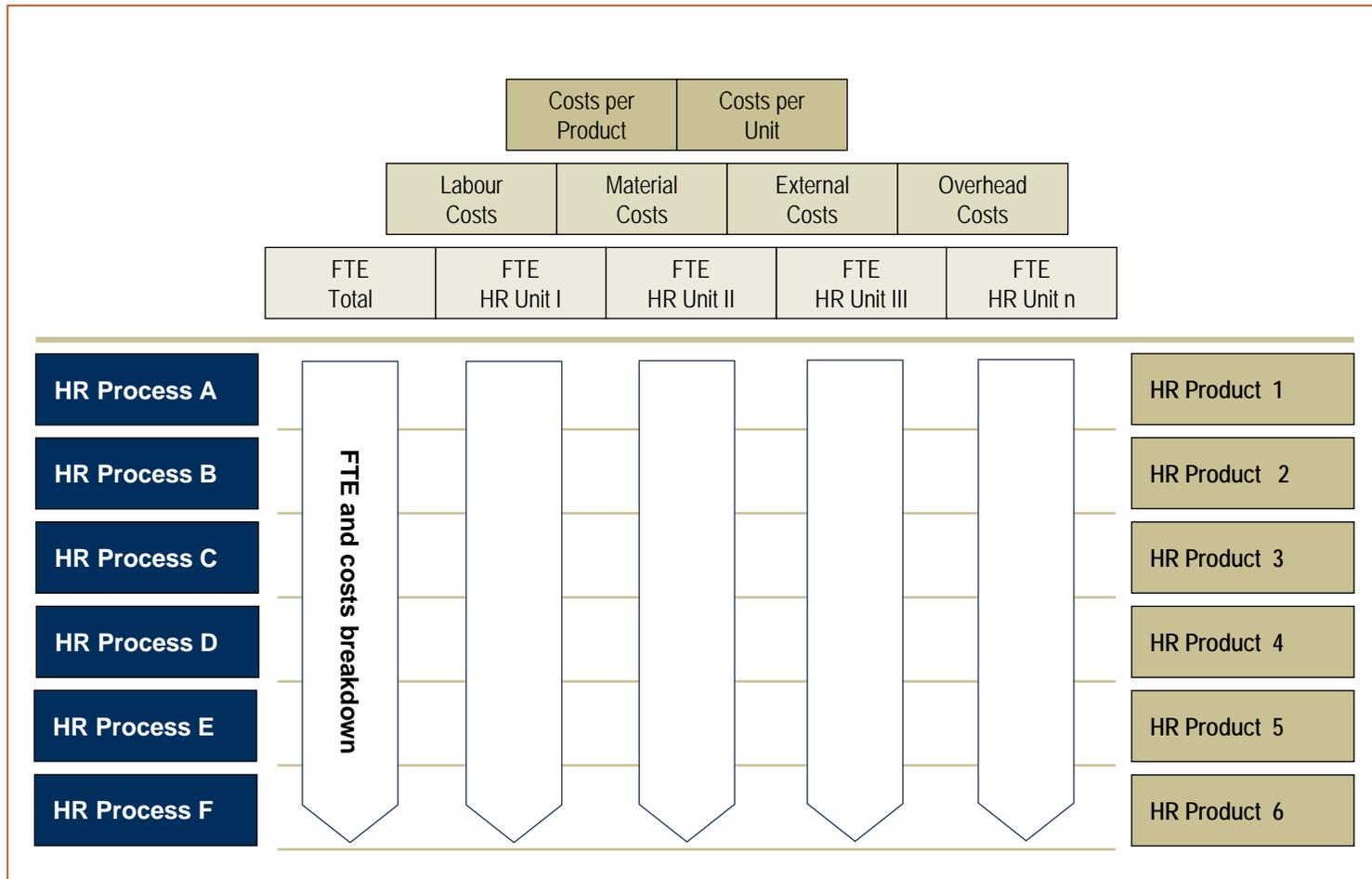
① As-is process analysis and benchmarking

- Internal process mapping
- Internal process analysis
- External process benchmarking



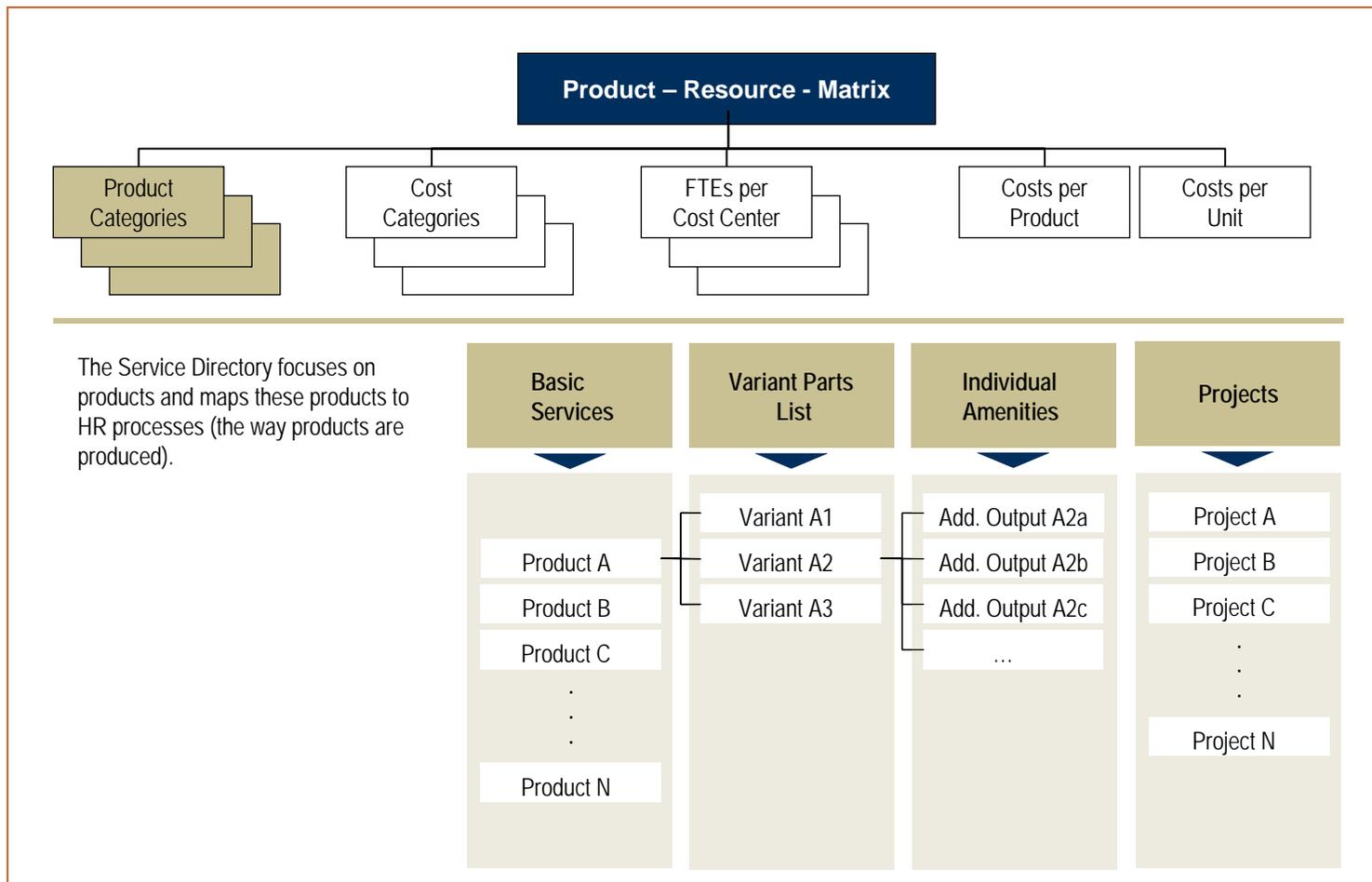
This approach focuses on the offering of value adding products.

Dimensions of the Product Driven As-Is Analyses



The as-is-analysis serves to achieve transparency on FTE and cost allocations by HR processes and in particular by HR products. The analyses delivers e.g. costs per unit and performance indicators for scenario building and shows possibilities for process improvements.

Analysis of the Service Directory by Products and their Variations



HR provides a wide range of HR services which should be analysed from a product perspective.

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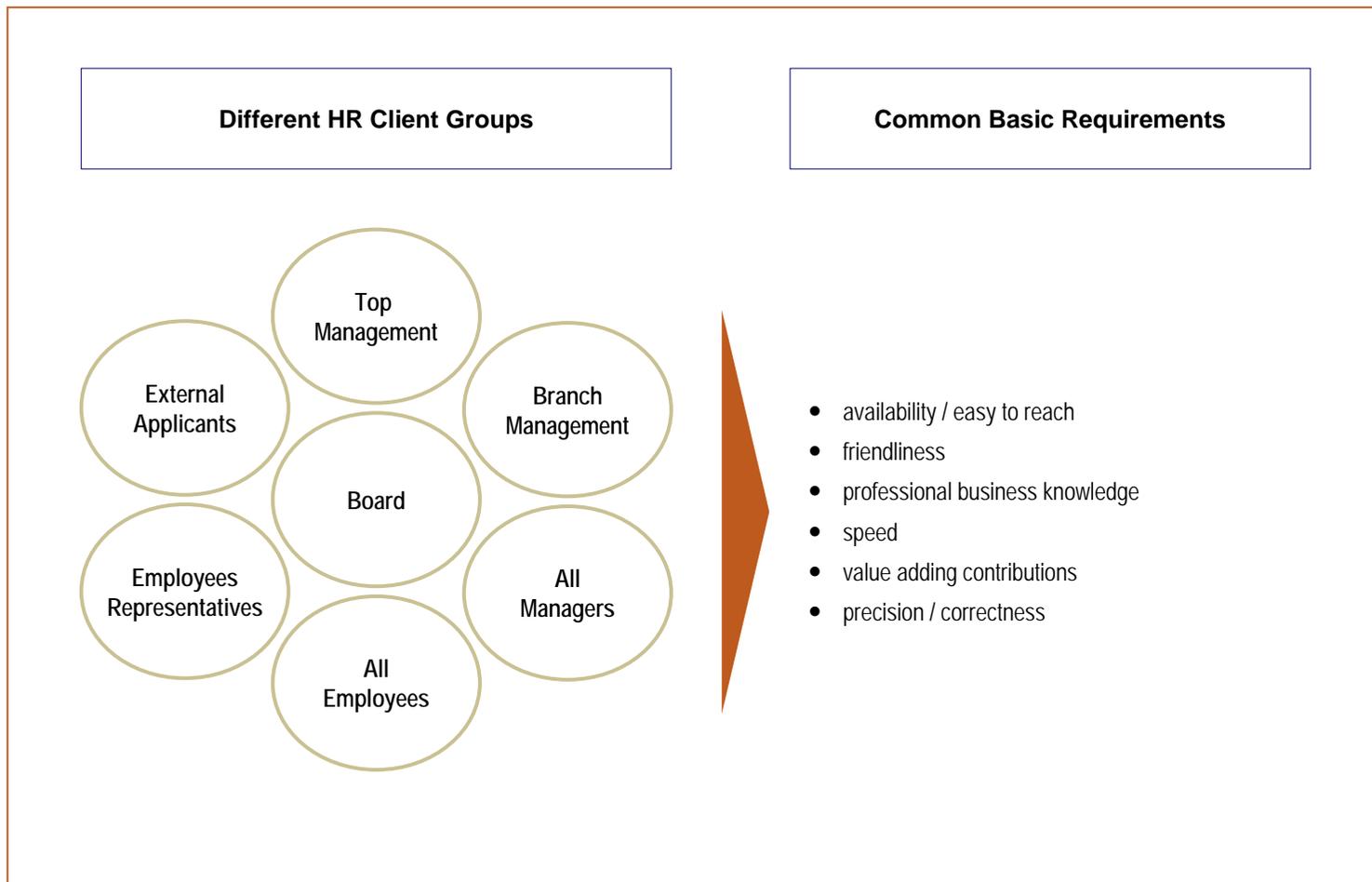
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This document provides a helicopter view on different complementary project approaches and aims to gain a basic common understanding of future service delivery options.

Different HR Client Groups



The HR service delivery model needs to meet the different requirements of various client groups.

Typical Requirements of HR Clients (1/7)

Different HR Client Groups



Typical HR Requirements of the Board

- Enhance decisions about human capital and connect human resources to strategy
- Increase the success of the organisation by improving decisions that impact or depend on talent resources
- Anticipating development and implementation of a human resources strategy that is aligned with the Corporate strategy
- Implementation and follow-up controlling of HR-related ideas and decisions of the Board
- Hiring/placement of top candidates in the right positions at the right time
- Management of all co-determination issues in alignment with Corporate strategies
- Coaching and advising Board Members in their own leadership role
- Individual development and career counselling for direct reports
- HR related information and analyses

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

Typical Requirements of HR Clients (2/7)

Different HR Client Groups



Typical HR Requirements of the Top Management

- In-depth knowledge of business processes and projects and the resulting HR requirements
- Knowledge of the existing employee potentials
- Optimisation/Controlling of the development of labour costs
- Support to planning and approval of employee resources
- Avoidance of open jobs, e. g. in case of terminations
- Pro-active succession planning
- Individual development and career counselling for themselves and for direct reports
- Advisory/Counselling and implementation support in case of new work models
- Support in case of conflicts with managers, employees and employee representatives
- Information on HR policies and objectives of the company
- Information on the morale and climate in the individual organisation units
- HR related information and analyses
- Furthermore similar requirements as All Managers

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

Typical Requirements of HR Clients (3/7)

Different HR Client Groups



Typical HR Requirements of the Branch/Subsidiary Management

- Acting in the interest of the branch/subsidiary (as few restrictive rules and systems as possible)
- Avoidance of unnecessary bureaucratic systems
- Coaching and advising Branch/Subsidiary Managers in their own leadership role
- Providing pool of leadership potentials
- Supporting the (local) Head of HR e. g. in Corporate, legal and co-determination issues
- Furthermore similar requirements as Top Management

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

Typical Requirements of HR Clients (4/7)

Different HR Client Groups



Typical HR Requirements of All Managers

- Advisory/Counselling in individual people issues
- Support in the use of HR systems and legal frameworks (e. g. flexible working time, employee assessments)
- Clarification of individual issues e. g. regarding compensation package, bonus, retirement benefits, company car
- Support to align the personal leadership style to future leadership requirements
- Individual development and career counselling for themselves and their staff

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

Typical Requirements of HR Clients (5/7)

Different HR Client Groups



Typical HR Requirements of All Employees

- Open and transparent information on HR issues
- Knowing each individual: taking care in the day-to-day business
- Fair compensation adequate to market, job requirements and individual performance
- Fair advisory and clarification of personal issues e. g. performance evaluation, competency assessment, training, compensation, working time, vacation, illness

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

Typical Requirements of HR Clients (6/7)

Different HR Client Groups



Typical HR Requirements of Employee Representatives

- Trustful and fair collaboration
- Fulfilment of legal information, counselling and co-determination rules e. g. in case of a change in working structures
- Mediation between different interests
- Clarification of interpretations
- Clarification of individual cases / complaints
- Statistical analyses of co-determination relevant HR issues
- Intervention in case of violation of laws or industrial-relations agreements
- Information and training of HR professionals and Managers in co-determination relevant issues
- Preparation of negotiation papers and industrial-relations agreements
- Presence in works meetings e. g. of works council
- Individual counselling

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

Typical Requirements of HR Clients (7/7)

Different HR Client Groups



Typical HR Requirements of External Applicants

- Fast response to application
- Fast identification of relevant contact persons
- Pre-information on the company as the employer
- Attractive compensation and development offers
- Getting the candidate enthusiastic about the company
- Taking active care of the candidate
- Fair treatment in the candidate interviews
- Fair contract negotiation
- Transparent communication in the refusal

The needs and perceptions of different client segments shall be verified and specified in scenario discussions with key stakeholders.

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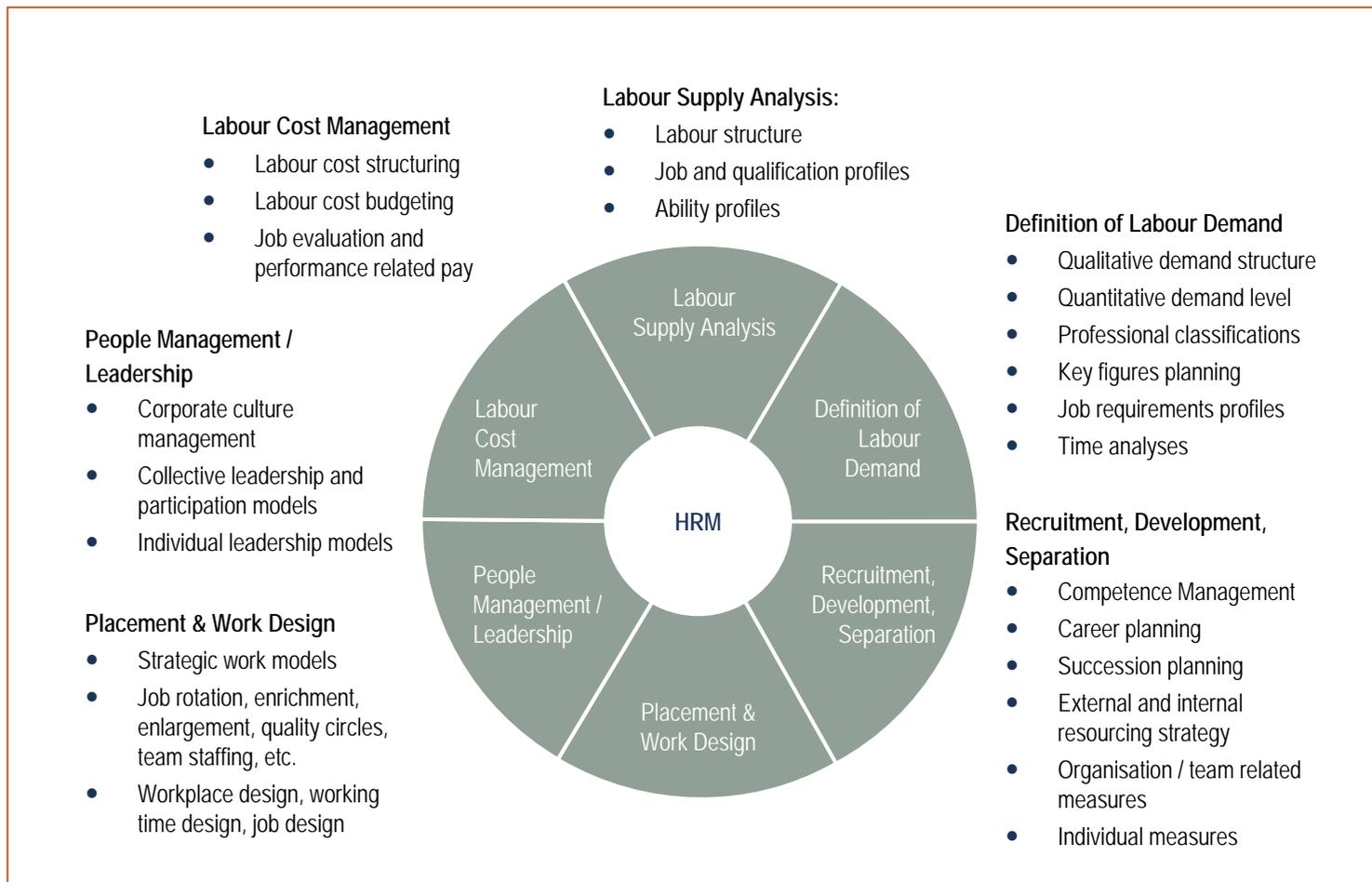
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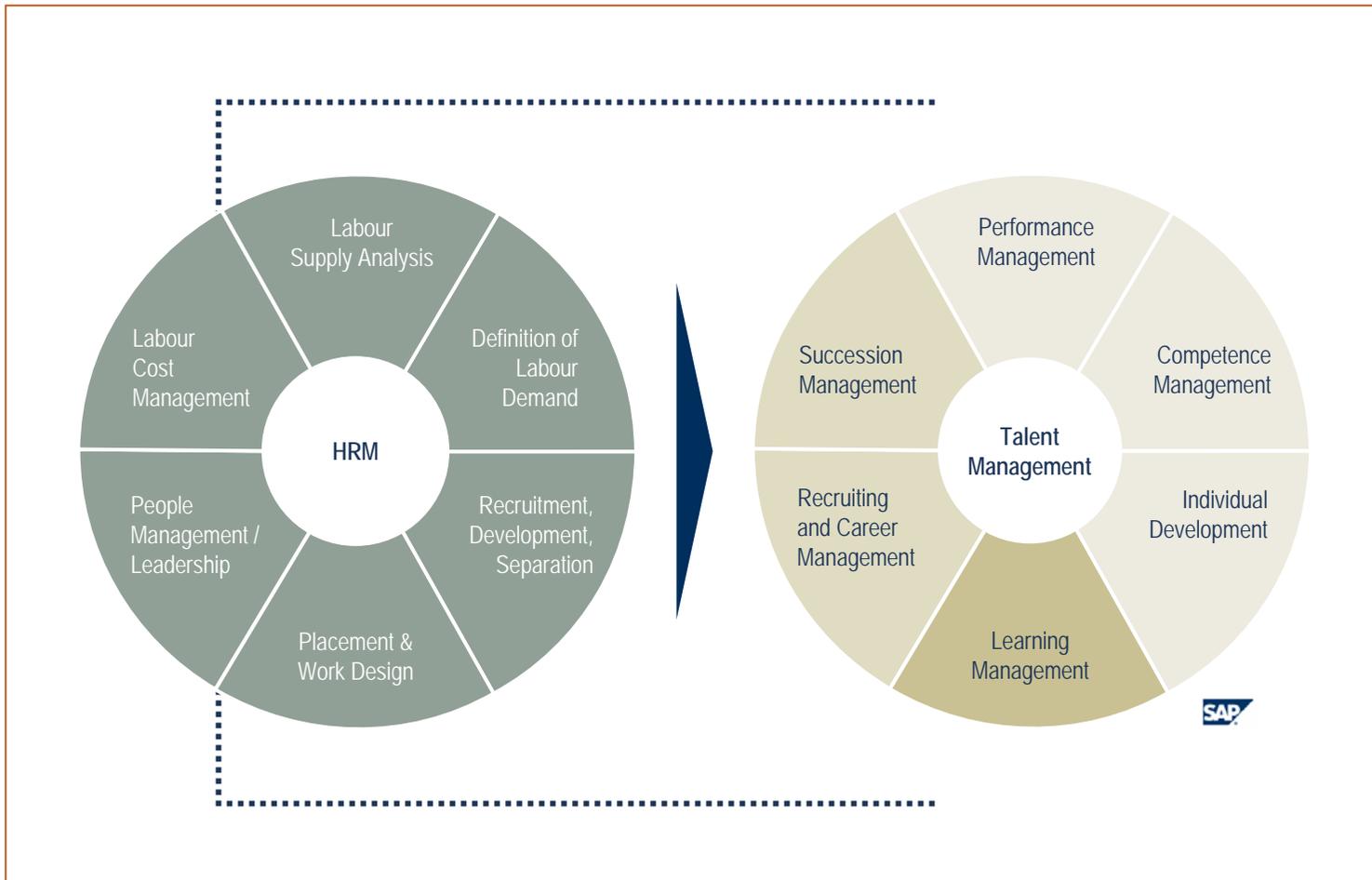
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Systematic Approach to Human Resources Management (HRM)



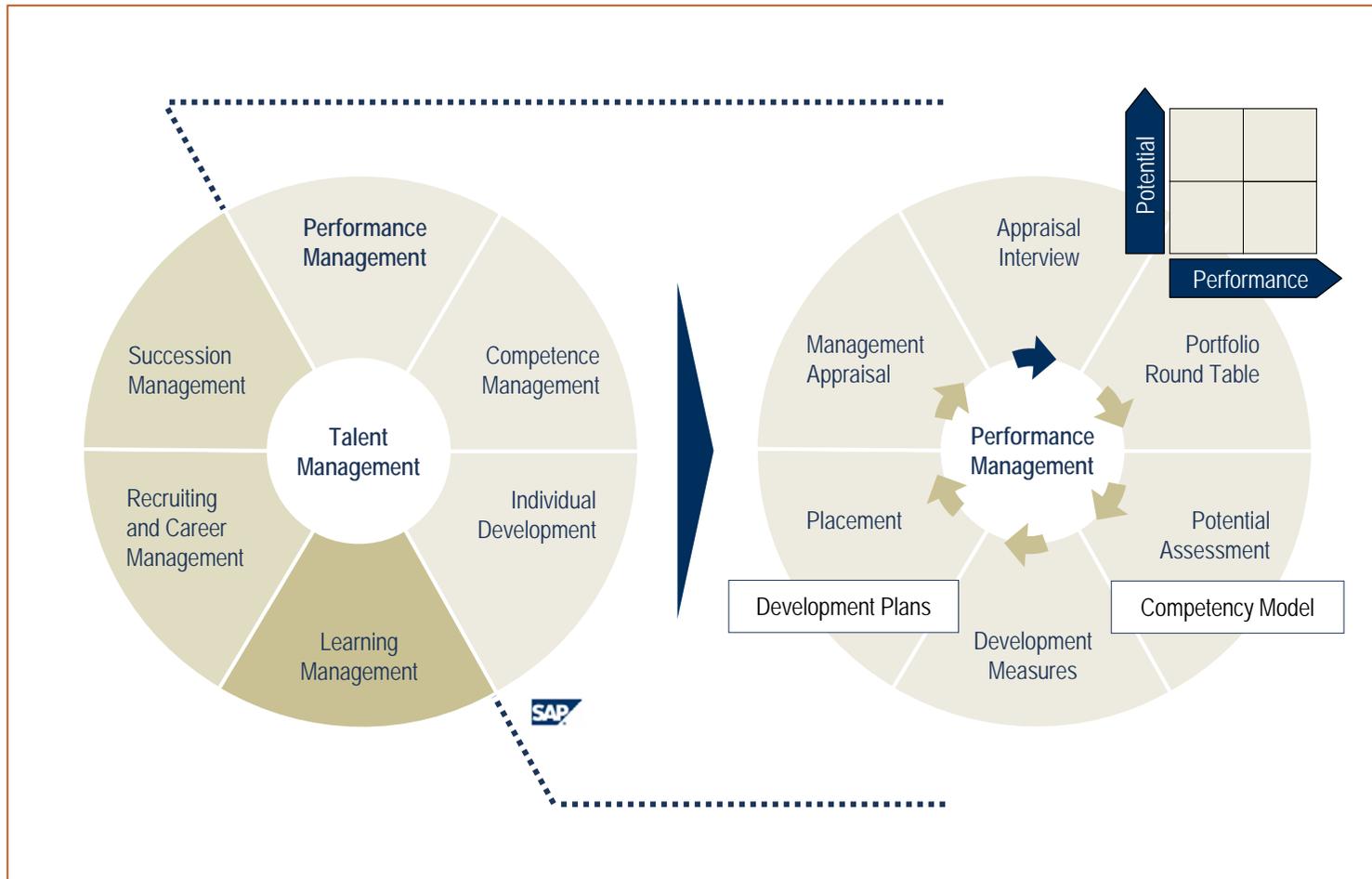
This model describes a possible systematic approach to human resources management. HR controlling and information systems would complete the comprehensive model.

HRM and the Talent Management Suite from SAP



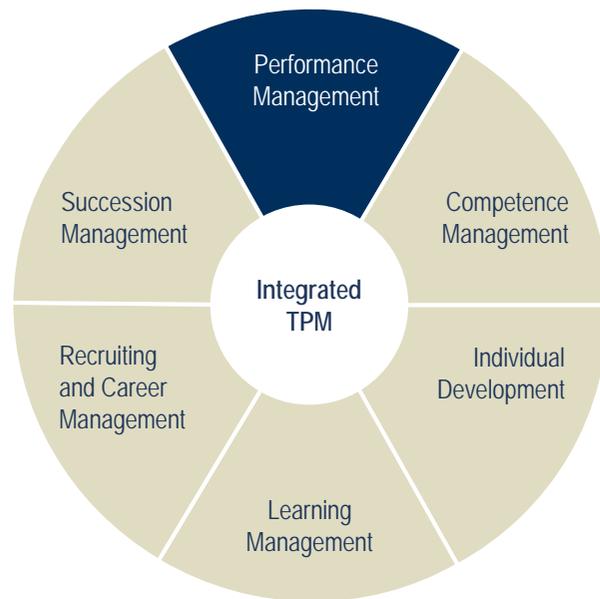
The SAP talent management suite recognizes the integrated talent & performance management process as a strategic focus of human resource management.

SAP's Talent Management Suite includes Performance Management



Concept and product names may be confusing: SAP's talent management suite includes certain aspects of performance management while most performance management concepts also include some other elements of talent management. Thus requires a more detailed analysis of conceptual needs and product features.

Integrated Talent & Performance Management (1/6)



- Communicate strategy and align workforce with strategy
- Review performance and identify top performers
- Derive strategic training and development needs
- Provide basis for performance based pay and succession management
- Provide transparency and flexibility required to reflect today's rapidly changing requirements
- ...

Matching of existing HR products with the integrated talent & performance management process.

Integrated Talent & Performance Management (2/6)



- Provide competency framework
- Analyse available and required competencies and skills
- Derive strategic training and development needs
- Skills Catalogue
- Competency Profiles
- ...

Matching of existing HR products with the integrated talent & performance management process.

Integrated Talent & Performance Management (3/6)



- Develop workforce according to business needs
- Differentiated development to foster individual strengths
- Training, mentoring and coaching, training on the Job
- General Development Plans
- Individual Development Plans
- ESS- und MSS-Scenarios
- ...

Matching of existing HR products with the integrated talent & performance management process.

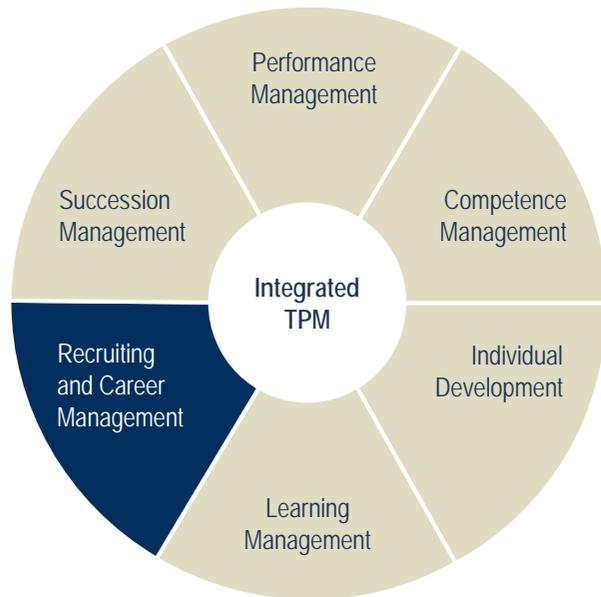
Integrated Talent & Performance Management (4/6)



- Support enterprise learning driven by development needs
- Personalised learning offer based on competencies, roles and responsibilities
- E-Learning
- Classroom Learning
- Training on the job
- ...

Matching of existing HR products with the integrated talent & performance management process.

Integrated Talent & Performance Management (5/6)



- Sourcing/recruiting strategy
- Transparency for the organisation on available talents
- Transparency for employees on available positions and career opportunities
- Individual career planning
- Career portal
- ...

Matching of existing HR products with the integrated talent & performance management process.

Integrated Talent & Performance Management (6/6)



- Safeguard key positions
- Identify talented successors before a position is vacant
- Enable cross-country and cross-functional moves
- Derive strategic training and development needs
- List of key positions
- Succession pool
- Succession plans
- ...

Matching of existing HR products with the integrated talent & performance management process.

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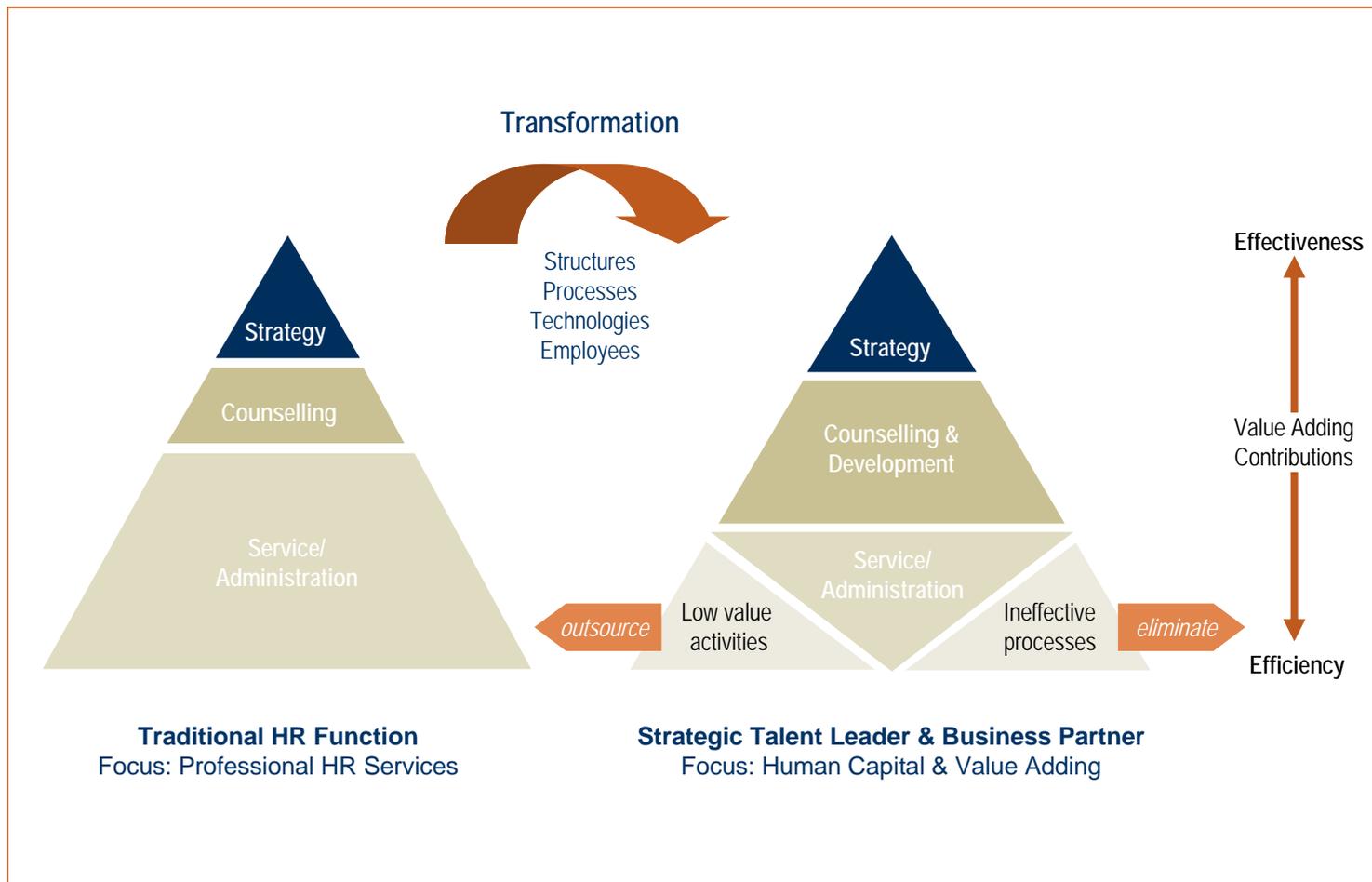
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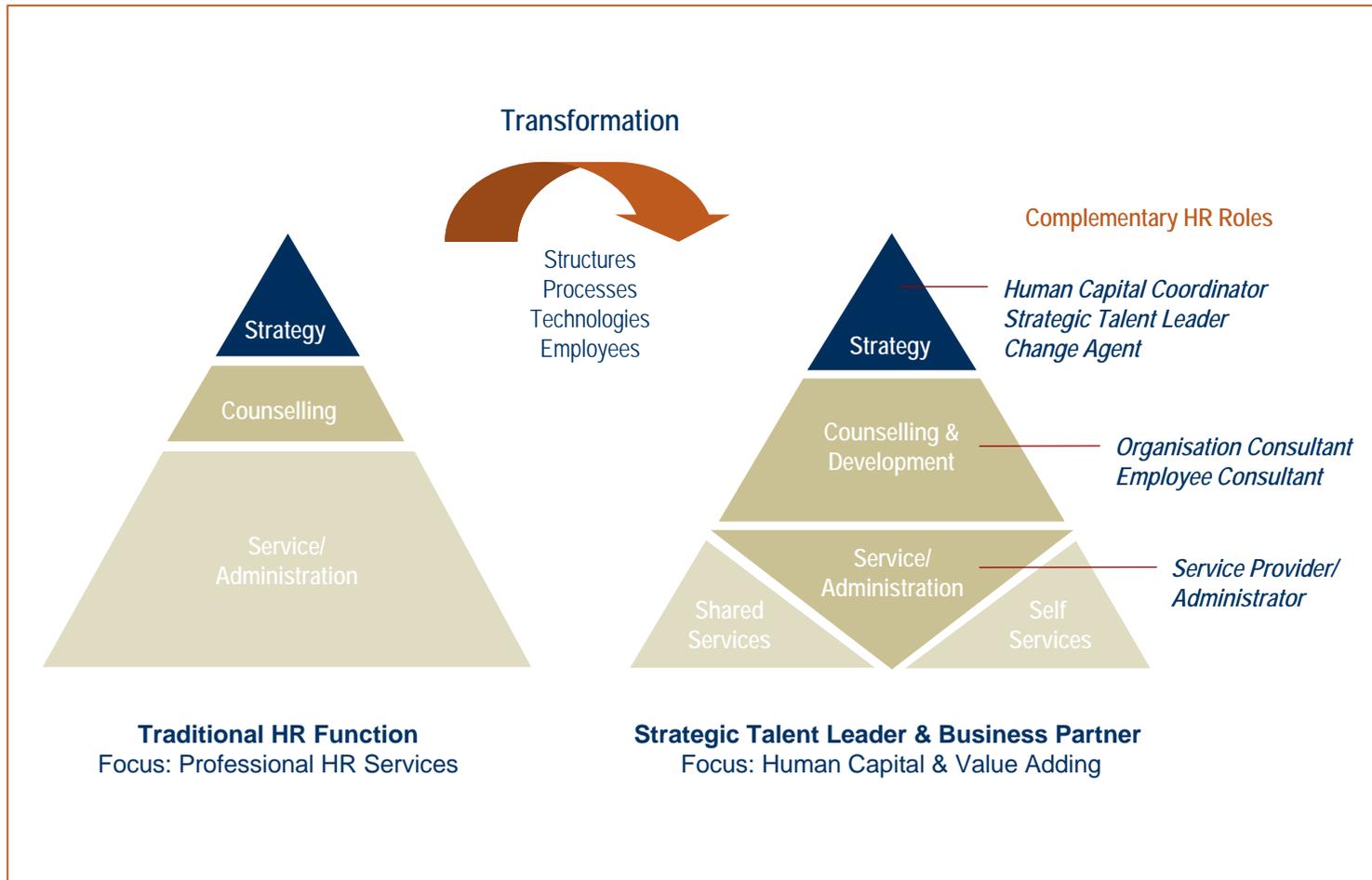
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From a Professional Service Provider to a Strategic Talent Leader



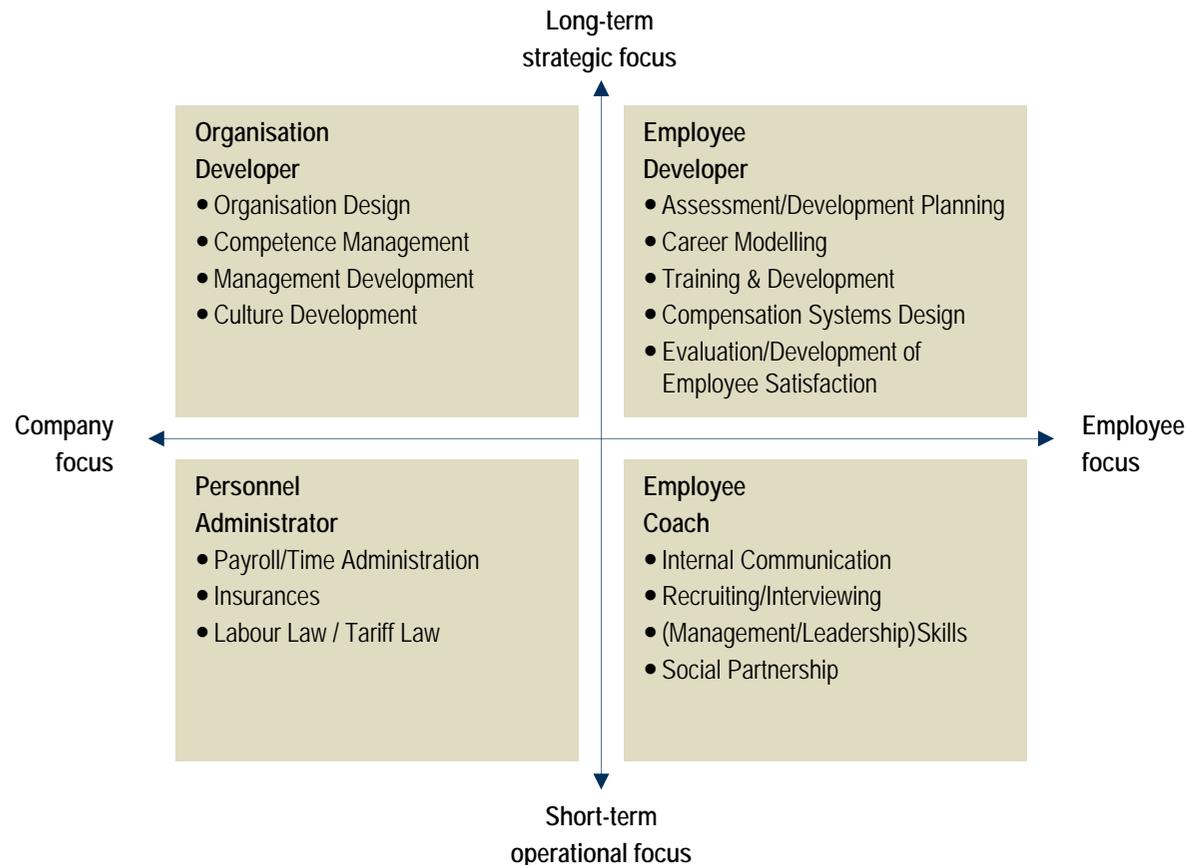
The transformation of the HR Function aims at the increase of value adding contributions through effective service delivery models.

Complementary HR Roles (Example A)



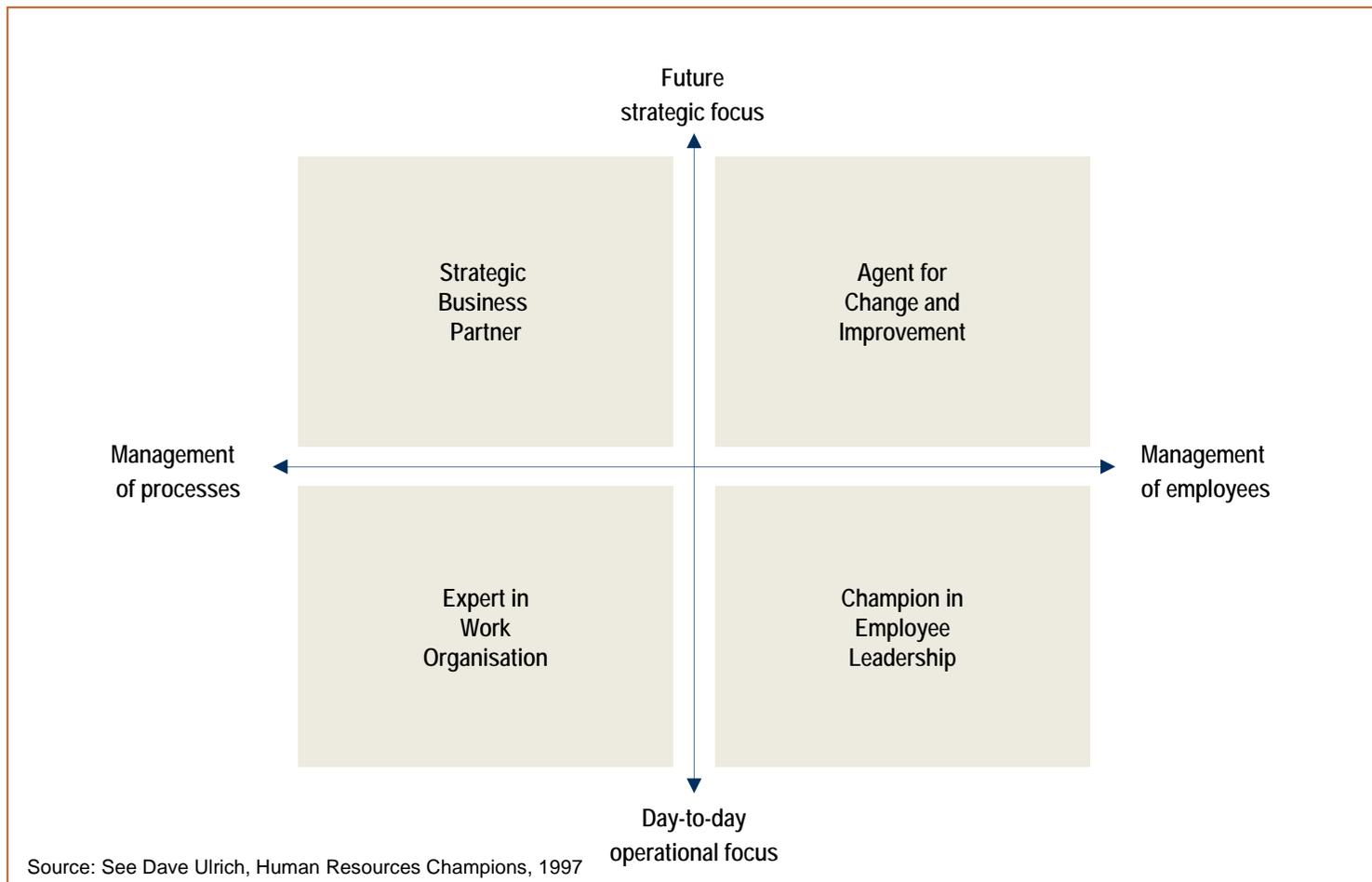
Effective service delivery models require a paradigm shift resulting in the renewal of roles, structures, processes, technologies and skills.

Complementary HR Roles (Example B)



This HR role model emphasizes the organisation and employee development roles.

Complementary HR Roles (Example C)



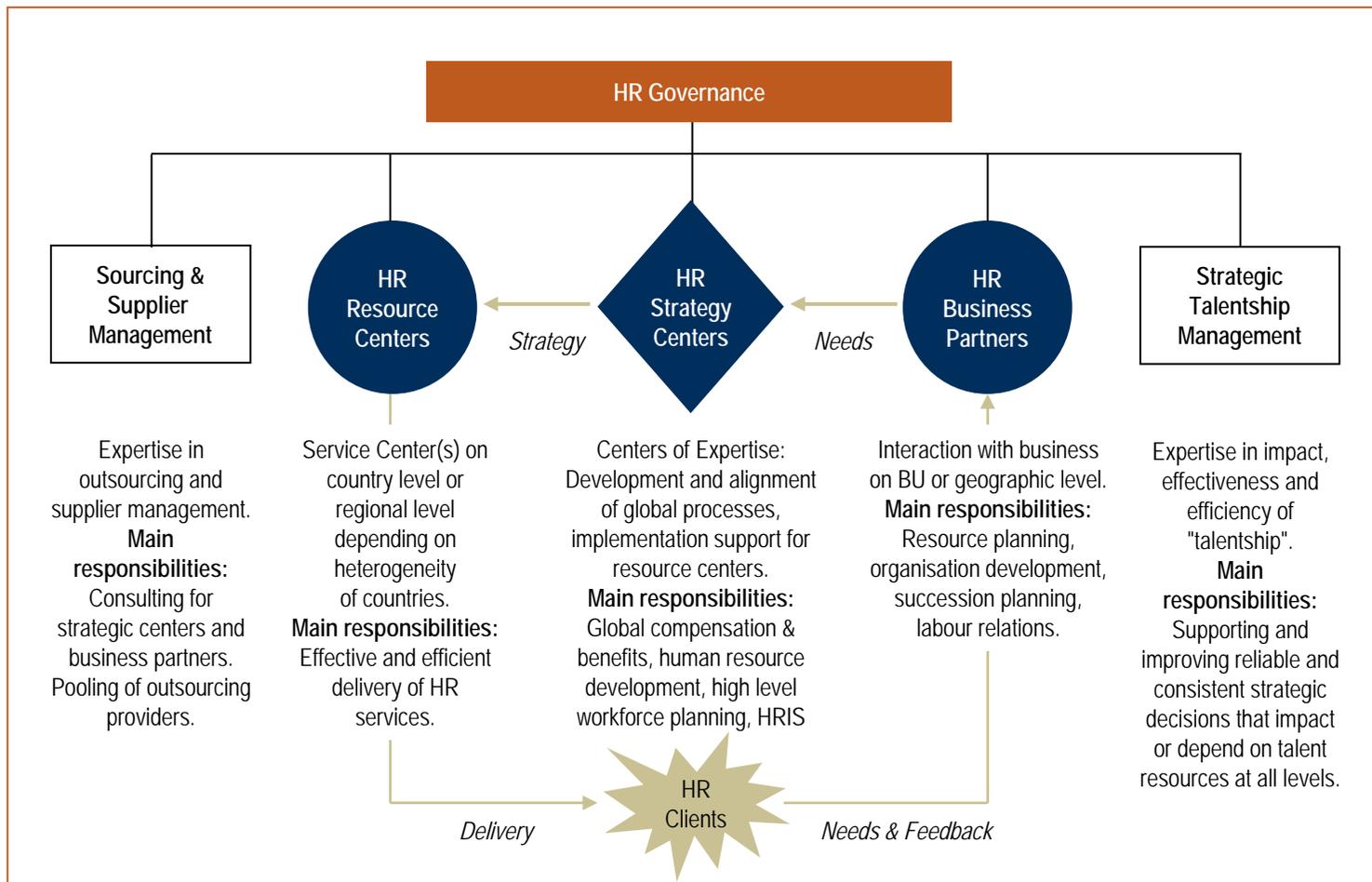
This multiple-role model emphasizes the business partner role of HR.

Activities and Deliverables of the HR Business Partner

Faster and more effective execution of business strategies and accomplishment of business objectives.	Design and implementation of efficient work processes and infrastructure inside and outside HR.	Continuously high commitment, competence and performance contribution of employees.	Effective cultural transformation and continuous improvement of the design, implementation, and cycle time of work processes.
Deliverables/Outcome (what)	Deliverables/Outcome (what)	Deliverables/Outcome (what)	Deliverables/Outcome (what)
Strategic Business Partner	Expert in Work Organisation	Champion in Employee Leadership	Agent for Change and Improvement
Key Activities (how)	Key Activities (how)	Key Activities (how)	Key Activities (how)
HR ensures that HR issues are considered in business strategies and translates business strategies into HR priorities and practices.	HR identifies and implements best practices in work design and staffing of business and administrative processes.	HR ensures high quality of leadership and performance management processes and mediates different interests.	HR identifies problems, designs and builds commitment to the critical processes for change, and fulfills action plans.

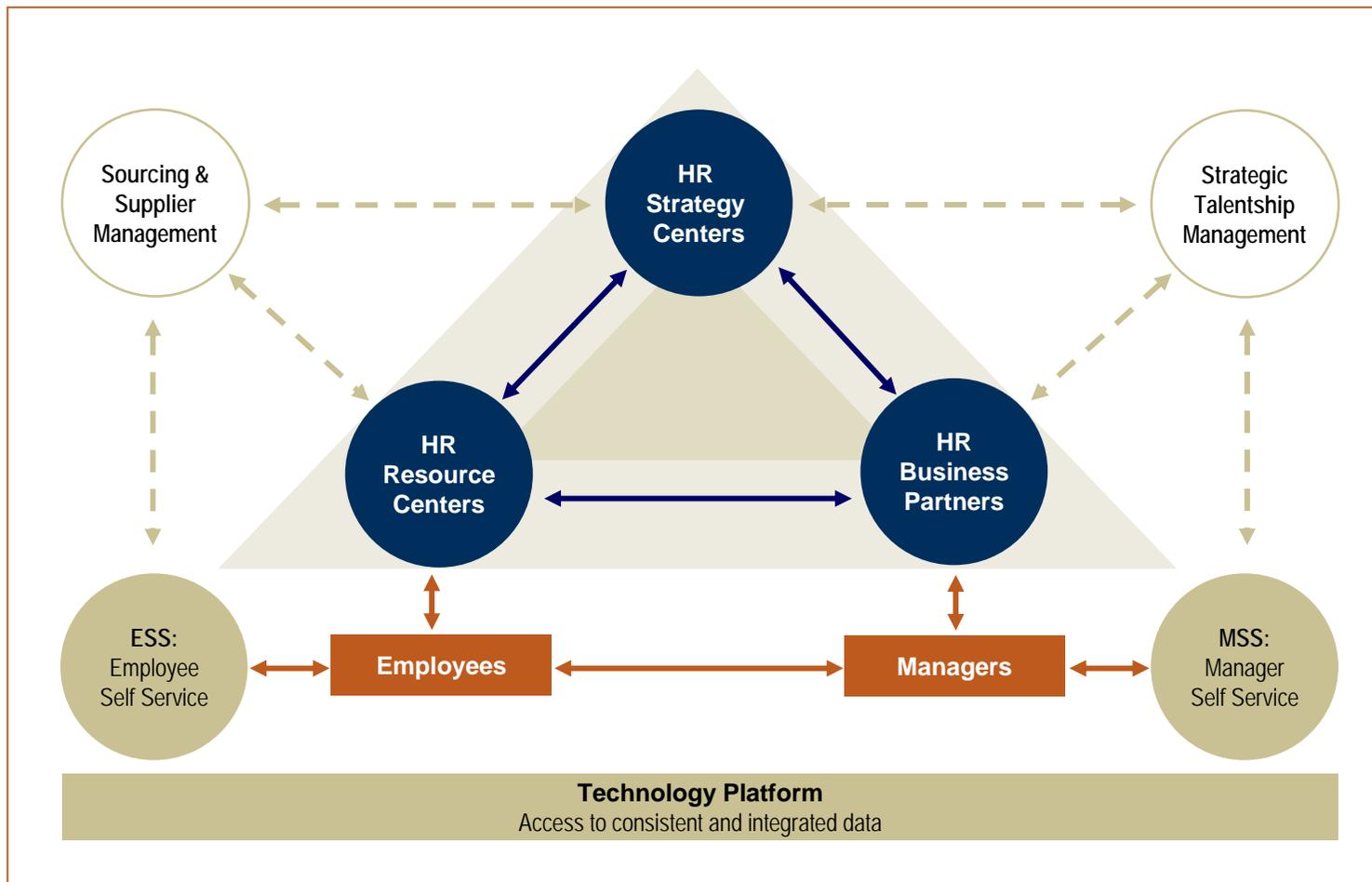
Key activities and deliverables of the HR business partner ought to add value to the business.

A Workflow Based Corporate HR Model (1/3)



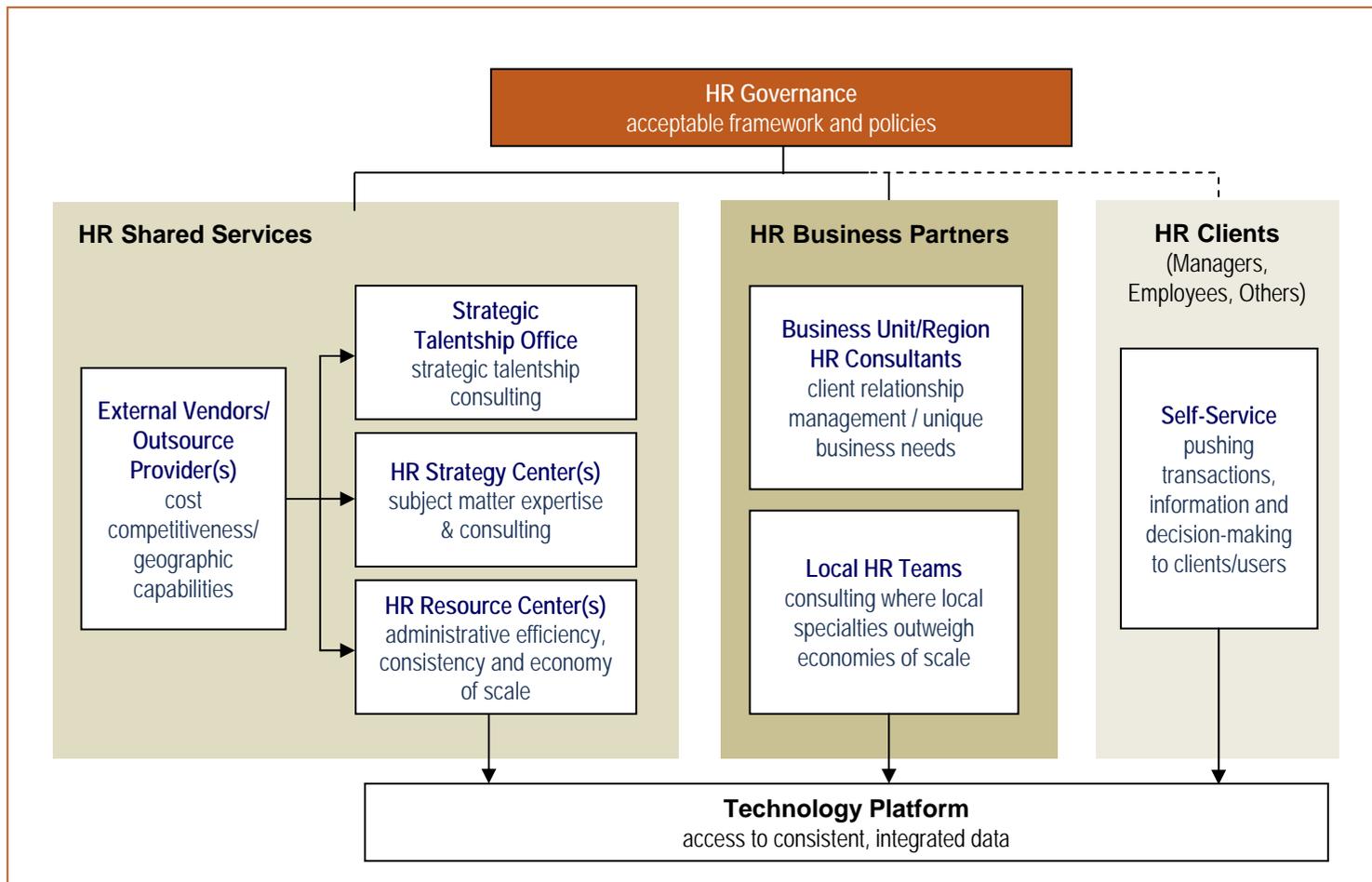
Most models include business partner and expert roles as well as service centers, self-services and external suppliers.

A Workflow Based Corporate HR Model (2/3)



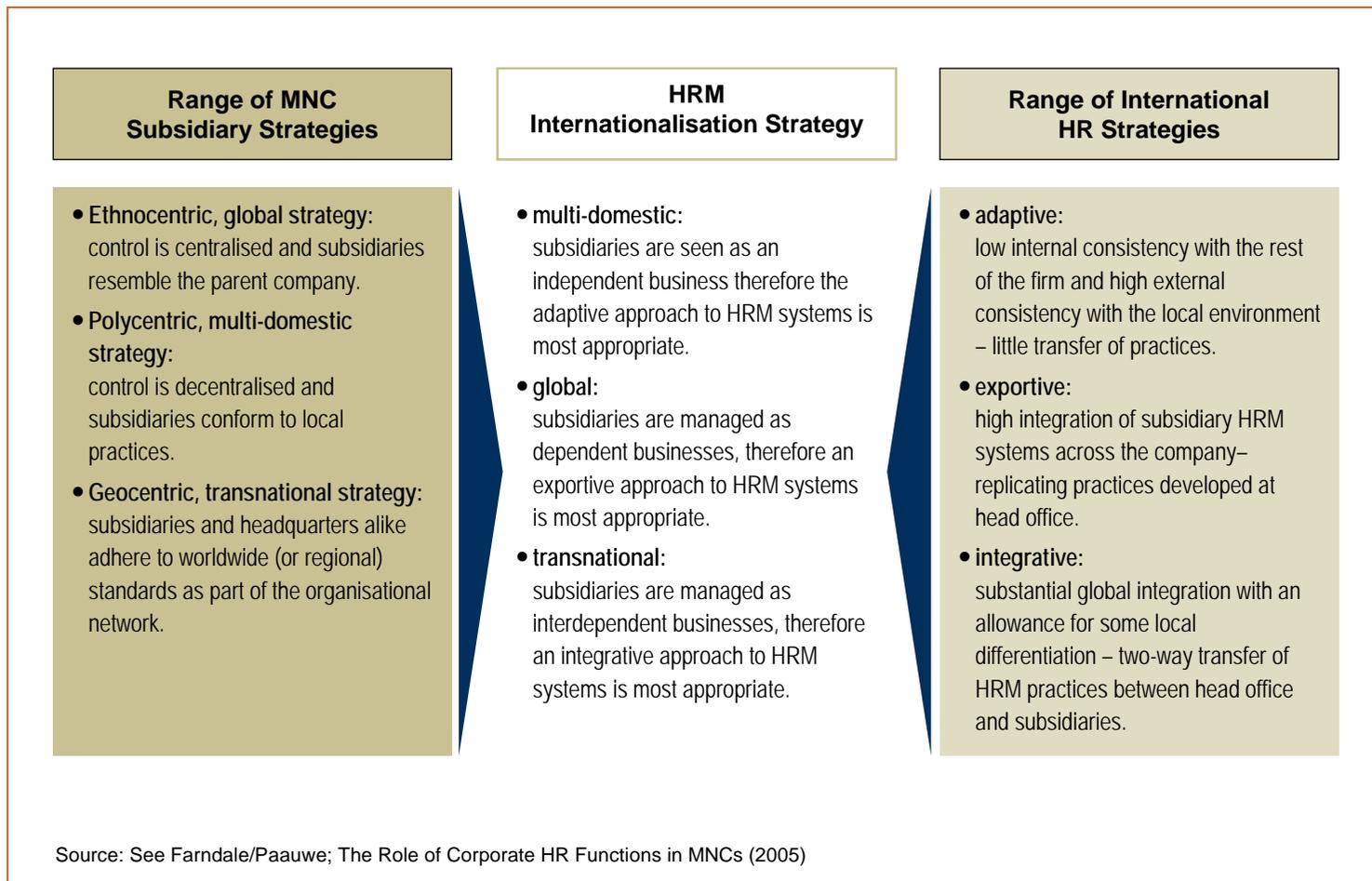
The HR Service Delivery Model defines roles, accountabilities, and competences of all parties involved, and it provides a framework for an effective and standardized workflow.

A Workflow Based Corporate HR Model (3/3)



The complementary roles in a workflow based HR model distinguish by their particular emphasis on different functions, and client interactions.

Interplay Between Corporate, Regional and National HR Functions



There is a fundamental goal for HR to achieve a balance between centralised control of international HRM strategy and responsiveness to local business needs.

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