



## CASE STUDY

### OCS extends SAP Business All-in-One with HR/Payroll



OCS (New Zealand) Limited is an operating division of the UK-headquartered OCS Group and provides a wide range of commercial cleaning, hygiene, security and facilities management services to New Zealand organisations. With more than 3000 employees working across a number of divisions, people management is a vital part of the business.

#### SAP Business All-in-One

OCS began an implementation project to replace their core legacy system with SAP Business All-in-One in 2005, selecting Soltius New Zealand as their SAP implementation partner.

The SAP Business All-in-One decision was based on a number of factors, including a desire to tighten the controls on their business processes; the requirement for a system that could scale with the company's expected growth; and the management's need for better reporting and greater transparency.

OCS New Zealand's Chief Financial Officer, Andrew Lum, says that the pre-configured Best Practices at the heart of SAP Business All-in-One were also seen as an advantage. "We recognised there were weaknesses in some of our business processes and SAP's Best Practices saved us from having to reinvent new processes."

OCS went live with the SAP ERP solution in January 2006 and Andrew says that after an initial bedding-in period, the organisation had begun to reap the benefits of the new integrated solution. But OCS was not utilising the standard HR module within SAP Business All-in-One, preferring to continue with their incumbent payroll system.

#### Taking a second look at HR/Payroll

Andrew says that to gain the full value from their SAP Business All-in-One system, OCS had spent a lot of time understanding the Finance, Sales and Distribution and Materials Management modules they had initially implemented. As result, the SAP module that would integrate and extend their HR and Payroll processes was put on the backburner.

"The initial project was driven by our Finance requirements and we needed to get our heads around these new business processes first.

"Our core business is managing people. It's two-thirds of our costs and we have to be able to pay our staff correctly and on time. A review of our HR and Payroll system and processes was always going to be looked at down the track."

By 2009, replacement of the HR/Payroll system had become a priority with concerns that the legacy payroll system would not be adequately supported by the vendor.

"We also recognised that our master data wasn't as clean as it could be," says Andrew. "A project to cleanse the data was needed so it was logical to look at our HR/Payroll system at the same time."

Data quality problems were related to their business processes, he says, and these issues were having flow-on effects for the business. "Historically, it was easy for staff to make changes – each payroll clerk could create their

own rules in the payroll system and as a result we were getting unexpected outcomes and a lot of time wasted in administration.”

After considerable consultation with Soltius, the decision was made to implement an SAP Best Practice HR and Payroll solution, which has been localised by Soltius for New Zealand tax and legislative requirements.

The OCS global head office already ran SAP, which was a factor in the decision, as was OCS New Zealand’s ability to integrate SAP HR and Payroll with their core SAP ERP, providing tighter controls and standardised processes.

In addition, OCS knew Soltius had implemented the solution elsewhere and could provide ongoing support with their SAP-certified Support Centre once the project was completed.

## The solution

Some of the processes OCS required weren’t available in the SAP Best Practices, but by working with Soltius a number of innovative solutions were found using OCS in-house developments and interfaces and Adobe Interactive forms.

One of the key issues that OCS wanted to address was the approval process. The process flow they required included an additional approval step to be added to the standard solution.

Andrew explains: “Working overtime, going on leave and working on public holidays have implications for payroll because the majority of our staff are waged. Working on a public holiday, for example, means paying time and a half and the implications for payroll were not evident to the approver until after the fact.”

The new Payroll system went live in January 2010. While, with the benefit of hindsight, Andrew says there were things that could have been done better – a change from weekly to fortnightly pay, for example, could have been deferred until after the project go-live, and putting additional resources into the implementation could have reduced the pressure on the go-live date – it didn’t take long for the benefits become apparent.

“Payroll is being processed more quickly, with less time being wasted validating data, and the cockpit visualisation allows key staff to track where timesheets are in the process.

“The implementation meant we rethought processes that we knew were a problem, and we also identified improvements in some areas we thought we had been doing well.”

With the information being loaded automatically into the core ERP, there is now more certainty around the numbers and less opportunity for errors in the keying in of information. Planned extensions to the reporting tools and the addition of time and evaluation functions should realise further business improvements.