

Address internal service levels and reduce costs with an outsourcing and consolidation assessment

Problem:

Customers receiving services from Human Resources (**HR**) in a large global company were not happy with the **quality, timeliness and allocated costs** of the services they were receiving. The function was a centralized function with at least one HR person at each business location. The current staffing levels in HR were considered high.

Approach:

Each key work process (for example, leave approval, compensation, expatriate, relocation, hiring) in HR were assessed using the following metrics: **Process Sigma**, costs, staffing ratios and satisfaction measures. Opportunities to **outsource** were developed using **cost benefit analysis** and **risk analysis** of alternatives. In particular, assessment was done for two types of service processes, namely **transactional processes** (benefits, payroll, leave, hiring) and **strategic partnering** processes (succession planning). Best alternatives and scenarios were identified and then an implementation plan was developed. The implementation plan included training on **influencing skills** and **coaching** support to leaders help manage this **large scale change**. The solutions were implemented and managed to timely completion.

Results:

1. Increased service level and mandatory service management.
2. 21% cost and risk reduction via outsourcing of some of the transactional processes.
3. Achieved optimal resourcing levels and standardized processes for those processes that were not outsourced.