

Internal service levels addressed and costs reduced by 21% through large-scale outsourcing and consolidation assessment

Problem

Customers receiving services from Human Resources in a large global company were unhappy with the quality, timeliness and allocated costs of the services they received. The HR function was centralized with at least one HR person at each business location. Current staffing levels in HR were considered high.

Approach

Each key work process (leave approval, compensation, expatriate, relocation, hiring) in HR was 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: **transactional processes** (benefits, payroll, leave, hiring) and **strategic partnering** processes (succession planning). Best alternatives and scenarios were identified and an implementation plan was developed. The implementation plan included training leaders on **influencing skills** and **coaching** support to help them manage this **large-scale change**. The solutions were implemented and managed in a timely manner.

Results

- Increased service level and mandatory service management
- Reduced costs and risk by 21% via outsourcing some transactional processes
- Achieved optimal resourcing levels and standardized processes for those processes that were not outsourced