

TOP TO BOTTOM



END TO END

## Bayer Group measures and improves global human resources performance with SAP and IBM

### Overview

#### ■ The Challenge

Like many Bayer Group businesses, operating units in Brazil were following separate processes for personnel management, relying on local instances of SAP Human Capital Management and other in-house and third-party systems. To answer employment and financial questions, human resources staff would attempt to locate, consolidate and validate data, a costly and slow process. Compliance with local employment legislation was not recorded, and measuring human resources productivity, such as number of first-time resolution of calls, was not possible.

#### ■ The Solution

In 2005, Bayer AG launched the global Project "Transforming Human Resources" (THR). Objectives of this project were to deliver HR services better, faster and more cost effectively. One of the key levers is the consolidation to a single instance of SAP

Human Capital Management. Bayer Business Services, the global competence center of the Bayer group for IT and Business Services, is responsible for the implementation of the global IT platform. In Brazil the company was supported by IBM Global Business Services as local IT supplier to deploy payroll, time management, benefits administration, personnel administration and employee compensation management. The deployment conforms to the Bayer Group central technical architecture, while providing considerable local configuration to meet Brazilian employment terms and conditions.

#### ■ The Benefits

Bayer in Brazil is able to measure human resources efficiency, including first-time resolution percentages, time taken to resolve enquiries, and comparison with other departments within the group. Reports such as employment headcounts and payroll expenses

are available by operating unit, division, region and country, and the analyses at each level now match the global figures declared by Bayer Group. Accurate data and flexible analysis allow Bayer Group to improve its human resources efficiency, save costs and improve employee productivity.

#### ■ Key Solution Components

Industry: Healthcare, Pharmaceuticals, Agriculture, Manufacturing  
Applications: SAP Human Capital Management, including payroll, time management, benefits administration, personnel administration and employee compensation management  
Hardware: IBM Power Systems p5 595 server  
Services: IBM Global Business Services

*“The teamwork between IBM Global Business Services, SAP and Bayer Business Services showed that it is possible to think globally and act locally.”*

Christoph Abendroth  
Human Resources IT Manager  
Bayer Business Services

Bayer is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. The company's products and services are designed to benefit people and improve their quality of life. At the same time Bayer creates value through innovation, growth and high earning power. In fiscal 2009, Bayer employed 108,400 people and had sales of €1.2 billion. Capital expenditures amounted to €1.7 billion, R&D expenses to €2.7 billion. For more information, go to [www.bayer.com](http://www.bayer.com).

In the beginning of 2005, Bayer initiated its Transforming Human Resources (THR) project, a global initiative designed to improve and streamline the delivery of human resources function. To make this happen, human resources processes were harmonized and streamlined globally, a new HR operating model introduced, and a global system replaced the existing regional and country solutions, based on a single instance of SAP Human Capital Management software.

Bayer selected IBM Global Business Services as local IT provider to support Bayer Business Services in

the roll-out project for Brazil, one of Bayer's ten largest operations, from blueprinting right through to go-live.

Christoph Abendroth, Human Resources IT Manager at Bayer Business Services, comments, “In a global environment, successful completion of projects of this magnitude is not always easy. Working with IBM Global Business Services proved that it can be done.”

“By deploying SAP Human Capital Management applications centrally, while providing local management and control, Bayer Group is now able to answer critical human resources questions, such as headcount, employment regulations compliance, and finance, rapidly and accurately across the whole group.”

#### **Globally as possible, locally as necessary**

Three objectives form the heart of the THR project: to embed a new human resources operating model, to implement harmonized global processes, and to introduce a global IT platform.

The new operating model is designed to separate the operational administration of human resources, such as processing local payroll and hiring new staff, from the strategic support to the management, on all questions regarding HR, such as reviewing productivity and labor costs.

Christoph Abendroth comments, “For a very large company such as Bayer, answering simple questions globally such as ‘Whom to contact in the HR department?’ or ‘How many people are employed?’ can be complex, with different organizations and structures in each country operating on different IT platforms. The group-wide THR project aimed to introduce global processes, such as performance



management, on a single platform with one set of master data. The principle was to act as globally as possible, as local as necessary.”

### Single view of the truth

Bayer Group consolidated existing regional SAP Human Capital Management implementations to a global solution, replacing in-house developed and vendor-packaged applications. The global solution supports more than 60,000 employees, of which some 4,000 are in Brazil, accessing specific applications for payroll, time management, benefits administration, personnel administration and employee compensation management.

“The global solution meets our three objectives, with immediate positive impact on staff productivity, information flow and accuracy of reporting,” says Christoph Abendroth. “For example, because each division’s records were held separately, human resources staff was spending time consolidating data from different sources in order to answer financial or employment questions. The central SAP Human Capital Management solution provides a single place to find answers, and now they can focus on their proper tasks, such as solving personnel issues and contract questions.”

The establishment of a new global HR IT system means that all employee data is recorded and managed in SAP Human Capital Management, and (in this case) the Brazil human resources unit sees a subset of this master data. All the data generated by changes and updates are managed centrally, alongside new staff and leavers.

“For the first time, by consolidating to SAP Human Capital Management we can agree on headcount and payroll

reliably and quickly. With a single set of global data, the reports from operating division units match the global figures, with no need for a separate reconciliation process. This saves time and money, and ensures that corporate filings are accurate and validated.”

### Technical experience, world-wide resources

Bayer Business Services provides IT and Business Services within Bayer Group, responsible for delivery and performance based on service level agreements. To ensure a smooth deployment, Bayer Business Services wanted to engage with a partner who could provide global resources, with extensive experience of SAP Human Capital Management deployments, and which could assist with the business transformation project itself, from initial design through to go-live.

“IBM Global Business Services was engaged to assist with the project management, technical blueprinting, deployment and commissioning of SAP Human Capital Management. IBM Global Business Services brought technical expertise and business consulting services, giving us access to shared best practice as well as the global in-depth resources of IBM,” says Christoph Abendroth.

IBM was able to bring strong support, mainly in terms of experience, clarifying local Brazilian legal requirements and best practices, as well as interacting with global teams and helping to balance the different local and global requirements.

While the project was managed and steered by the global THR project and the Brazilian project management team, the IBM and Bayer Business Services team in Brazil worked together with the global process owners and the global implementation

*“IBM Global Business Services brought technical expertise and business consulting services, giving us access to shared best practice as well as the global in-depth resources of IBM.”*

Christoph Abendroth  
Human Resources IT Manager  
Bayer Business Services

### TECHNICAL LANDSCAPE

**Servers:** IBM Power Systems p5 595, 16 4.2MHz POWER5 processors, a total of 24,000 SAPS, 120GB main memory

**Software:** IBM AIX, SAP Human Capital Management

**Users:** Globally 100,000 master data sets, providing 60,000 employees with payroll services, of which 4,000 are in Brazil

managers to discuss the possible technical solutions while conforming to the global standards for Bayer Group. In this set-up, the IBM Global Business Services team was focusing on the implementation and system design.

### Measuring human resources performance

Combined with the technical solution, IBM Global Business Services has ensured that the technical solution supports the THR business program itself. IBM delivered best practices from the market to have the most efficient solution for HR processes in place.

Elisabete Rello, Country Human Resources Head, comments, "In the past, an employee would have struggled to identify the correct person within the human resources to deal with an enquiry. There was no obvious way to direct calls and emails to the appropriate place, and there was no way to track resolution of complaints or enquiries.

Based on SAP Human Capital Management we now have one source of information which allows us deliver better services to the customer and solve issues faster and in higher quality. Our target is to reach 80 percent first-time resolution, and complete 80 percent of all enquiries within ten days. The ticketing system allows us to measure the productivity in the human resources department, such as the number of enquiries handled, compared with the total number of staff served and with other human resources units within Bayer Group."

### Tailored, standard solution

The entire project went into full production in September 2009, meeting the agreed scope with no pending major system issues. Bayer Brazil as a customer of Bayer Business Services is already planning, with

*"The single, central SAP Human Capital Management solution provides a single place to find answers, and now human resources staff can focus on their proper tasks, such as solving personnel issues and contract questions."*

Christoph Abendroth  
Human Resources IT Manager  
Bayer Business Services

support from IBM Global Business Services, to introduce additional employee self-service features, training and e-recruitment.

"As it stands, the solution deals with every aspect of employment. It contains suitable contracts localized with suitable terms for each region or country, and allows us to initiate and terminate salary and compensation payments. The natural extension is to include e-recruitment, to allow candidates to respond to vacancies, complete application forms and accept interview dates. In this way, for new hires we would already have their details, validated by the employee," explains Christoph Abendroth.

"IBM Global Business Services helped Bayer Business Services create an SAP Human Capital Management tailored solution for Bayer in Brazil, which at the same time relies on and supports the consistent master data model required by Bayer Group. The teamwork between IBM Global Business Services, SAP and Bayer Business Services showed that it is possible to think globally and act locally."



IBM Deutschland GmbH  
D-70548 Stuttgart  
[ibm.com/solutions/sap](http://ibm.com/solutions/sap)

IBM, the IBM logo, and [ibm.com](http://ibm.com) are trademarks of International Business Machines Corporation, registered in many jurisdictions worldwide. A current list of other IBM trademarks is available on the Web at "Copyright and trademark information" at <http://www.ibm.com/legal/copytrade.shtml>

Intel, the Intel logo, Intel Xeon and the Intel Xeon logo are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries. UNIX is a registered trademark of The Open Group in the United States and other countries. Linux is a trademark of Linus Torvalds in the United States, other countries, or both. Microsoft, Windows, Windows NT, and the Windows logo are trademarks of Microsoft Corporation in the United States, other countries, or both.

Other company, product or service names may be trademarks, or service marks of others.

This case study illustrates how one IBM customer uses IBM and/or IBM Business Partner technologies/services. Many factors have contributed to the results and benefits described. IBM does not guarantee comparable results. All information contained herein was provided by the featured customer and/or IBM Business Partner. IBM does not attest to its accuracy. All customer examples cited represent how some customers have used IBM products and the results they may have achieved. Actual environmental costs and performance characteristics will vary depending on individual customer configurations and conditions.

This publication is for general guidance only. Photographs may show design models.

© Copyright IBM Corp. 2010. All rights reserved.



© Copyright 2010 SAP AG  
SAP AG  
Dietmar-Hopp-Allee 16  
D-69190 Walldorf

SAP, the SAP logo, SAP and all other SAP products and services mentioned herein are trademarks or registered trademarks of SAP AG in Germany and several other countries.