

TOP TO BOTTOM

we know

they know

END TO END

Transportadora de Gas del Sur optimizes HR processes with IBM and SAP

Overview

■ The Challenge

Transportadora de Gas del Sur (TGS) decided to implement the SAP ERP Human Capital Management (HCM) solution as part of a cultural change process, aiming at fostering a positive labor environment that offers growth opportunities, challenges and recognition to employees, thus constituting a distinctive attraction as employer. The HR management at TGS is supported by three pillars: long-term organizational vision, with clear objectives, shared with employees at all levels; leadership based on mutual trust that encourages participation and innovation; clear rules, arising from management policies and processes, aligned with the business strategy. As part of this effort, SAP ERP HCM was chosen as the required software to support and increase the effectiveness and efficiency of HR processes. In order to facilitate the cultural change, TGS needed a partner with technical capabilities and, moreover, with “managing change” experience.

■ The Solution

After winning a competitive bid, IBM Global Business Services implemented the SAP ERP HCM application, and integrated it with the main ERP system.

■ The Benefits

Employees and managers can access human resources information, such as payroll, compensation, company org charts and more via a Web portal, improving the HR team’s productivity and facilitating management decision-making. Integration between HR and financial systems improves consistency, reduces manual processing, and accelerates key processes such as payroll and compensation.

■ Key Solution Components

Industry: Chemicals and Petroleum Applications: SAP® R/3® 4.7, SAP ERP Human Capital Management with Employee Self-Service and Manager Self-Service applications Services: IBM® Global Business Services

Transportadora de Gas del Sur (TGS) is Argentina’s largest gas transportation company, operating an 8,000km network of pipelines that supplies gas to distributors, power plants and the industrial sector. Listed on the New York Stock Exchange (NYSE: TGS) and Buenos Aires Stock Exchange, the company employs 950 people, and achieved revenues of 1.42 billion Argentine Pesos (US\$452 million) in 2008.

Some years ago, TGS decided to rationalize its IT environment by implementing a centralized ERP solution from SAP to handle financial accounting, controlling and production planning processes, as well as business intelligence. The company worked with a systems integrator to design and implement this solution.

“We realized that by re-engineering our HR processes and integrating them into the SAP application environment, we would benefit from increased transparency and productivity – and reduced costs,” explains Juan Martín Encina, HR Director at TGS.



“The IBM Global Business Services team managed the project very efficiently, helping us meet our deadlines for the transformation of our HR department.”

Juan Martín Encina, HR Director
Transportadora de Gas del Sur

Choosing a partner

TGS decided to implement the SAP ERP Human Capital Management (HCM) solution, and asked several IT consultancy firms to send proposals for the project.

“We knew that achieving our goals would involve a considerable change to our working practices, so we viewed the project more as a consulting engagement than an IT implementation. IBM Global Business Services demonstrated that its team had the necessary HR experience and project management skills, as well as the technical capabilities – not only around the SAP solution itself, but also in terms of improving processes and fulfilling the project’s mission,” comments Juan Martín Encina.

“This would be the first time that the SAP ERP HCM solution has been implemented to deliver all the human resources processes for a mid-market enterprise end-to-end.”

Planning and managing the project

IBM Global Business Services worked with TGS to create a project team, which included nine IBM consultants and more than 50 employees from across the organization. A steering committee was formed, including senior managers from the HR and IT teams as well as the IBM Account Manager, all sponsored by the HR Director and Services Director. Next, a management team was appointed to drive the project and manage relationships with the users and consultants.

“We built a project team that strived every day to ‘live’ the values expressed by TGS and IBM: commitment, integrity, collaboration, flexibility, creativity and innovation,” comments Juan Martín Encina. “The distinguishing features were the high commitment of the whole project team, the excellent integration of TGS and IBM employees, the quick reaction to problems, and the strong knowledge of the consultancy team.”

Since the proposed solution would require comprehensive changes to both the IT landscape and to working practices, the team decided to plan the implementation in two phases.

In the first phase, IBM Global Business Services installed the SAP ERP HCM application, with modules for personnel administration, training, recruiting and organizational management. SAP NetWeaver Portal was deployed to provide access to Employee Self-Service (ESS) and Manager Self-Service (MSS) applications, which interact with the various modules of the SAP ERP HCM application.



Two custom applications were also developed: a medical reimbursements system, built in the SAP environment using ABAP code; and a labor medicine system built in J2EE that interfaces with the SAP application environment.

The second phase was completed six months after the phase one go-live. This involved an upgrade of SAP ERP HCM from version 4.7 to version 6.0, and completed the suite of HR applications by adding time management, payroll and compensation modules. The SAP ESS and MSS applications were also extended to take advantage of these new modules.

IBM Global Business Services and TGS worked together to manage the project, holding weekly meetings to provide constant feedback, creating meticulous documentation, and ensuring full knowledge transfer.

Following a rigorous methodology for change management and testing helped to reduce risks and ensure each system would be ready before the go-live.

“The IBM Global Business Services team managed the project very efficiently, helping us meet our deadlines for the transformation of our HR department,” comments Juan Martín Encina.

“Their expertise and dedication not only enabled us to get the technical implementation completed on schedule, but also ensured that our key users were fully trained and ready to work with the new solution from day one.”

An integrated solution

SAP ERP HCM is fully integrated with the existing SAP application environment at TGS, enabling information to flow between HR and financial systems without the need for manual processing.

Since all the systems use the same data, data quality is increased and staff need to spend less time on low-level tasks such as data-entry and error-checking. Increased automation of key processes such as payroll and compensation management is already leading to significant improvements in productivity – and ultimately to cost-savings.

Equally important, the integration of all HR functions into a single system means that all relevant data for decision-making is held in the same place. The improved consistency of the data – and the sophisticated reporting functionalities provided by SAP ERP HCM – mean that HR managers can be confident that their decisions are based on the right information.

Furthermore, since the SAP solution has been developed to embody best practices, the TGS HR department is now aligned with the latest, most efficient processes used by leading companies throughout the industry. This has enabled the HR department to present itself as a model for high-quality service management within the company.

The launch and communication process was meticulously structured and executed to ensure that the users were fully acquainted with the new tool. An internal communication plan was

developed using different channels; digital and self-managed manuals were designed for the MSS and ESS users; special training courses were given to those users in charge of a high level of technical development transactions, and finally, a helpdesk was established for all users, in order to provide online help at any time.

ESS and MSS

One of the other main goals of the project was to improve transparency for employees and help them find information and services more effectively. Using SAP NetWeaver Portal, employees can now browse a corporate intranet and gain access to the SAP ESS application, which provides a range of useful functionalities.

“Employees can access a chart of the whole organization and a search function that helps them find the right colleague to speak to about any subject,” says Fabiana Grosman, HR Strategic Planning Manager at TGS. “They can edit their personal information, upload their CV, find out what skills they need to advance their professional development, and even request training. With SAP ESS, our employees have an easy way to get hold of the information they need – and since our HR team doesn’t have to deal with so many inquiries, their productivity has increased.”

The MSS application provides a range of additional functionalities for managers – including access to the full employment record of each of their subordinates, and a number of workflows to help them manage approvals for training, create new job vacancies and so on.

“Our key objective is to ensure leadership based on trust,” comments Juan Martín Encina. “Therefore, the mission of the SAP implementation project was to contribute to the transformation of the management within the company, providing the managers with the required resources and tools to help the team members reach their potential, towards value generation.

“In that sense, if our managers have a good understanding of the skills and abilities of their staff, and the staff have an easy way to communicate with their managers, we can make better decisions and improve leadership – so the SAP ESS and MSS applications make a real contribution to increasing trust.”

Conclusion

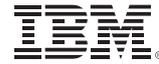
Fabiana Grosman comments:

“Working closely with our in-house team, IBM Global Business Services has created a solution that is revolutionizing our HR department – not only in terms of the technical infrastructure, but also by re-engineering our business processes and aligning them with industry best practices.”

Juan Martín Encina concludes: “SAP ERP HCM is one of the few products on the market that delivers a truly comprehensive solution for HR. Thanks to IBM and SAP, our HR department is now leading the way in terms of productivity, efficiency, and quality of service.”

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