



Allstate enhances and streamlines human resource management with SuccessFactors and IBM

The Allstate Corporation of Northbrook, IL, is the largest publicly held personal lines property and casualty insurer in the U.S. Allstate was founded in 1931 and became a publicly traded company in 1993, listed on the New York Stock Exchange. In 2013, Allstate achieved revenues of USD 34.5 billion and had USD 123.5 billion in total assets. In 2014, Allstate was number 92 on the Fortune 500 list of largest companies in America, with four operations centers, and 14 regional offices in the US, Canada, UK and India. The company encompasses more than 39,000 employees and 11,000 agencies totaling 70,000 professionals.

As a highly regulated industry, insurance providers must be certain that every element of their human resources and general business processes are fully compliant. To manage the workforce, the Allstate human resources team relies on SAP ERP Human Capital Management software,

fully integrated with core SAP ERP business management applications.

Brett Winchell, HR Director of Workforce Insights & Technology, Allstate, elaborates, “Over time, extensions and customizations to the software had produced very powerful functionality. The penalty was that we were relatively slow to introduce new services and processes. We found that there was too much duplication of effort, such as carrying over information from one place to another. We wanted to be able to complete HR tasks more quickly and reliably than before, have access to consistent global information, and raise productivity.

“We wanted to capitalize on the ability to have a single central system of record, integrated with the core SAP business management solutions, and introduce flexible, user-friendly new functionality such as compensation management, talent

Overview

Challenge

Allstate Insurance Company wanted to maximize personal and corporate performance. Feedback indicated that existing systems were not simple and intuitive, and Allstate could not enable new services in a timely, efficient way.

Solution

The company selected cloud-based SuccessFactors®, an SAP® company, offering comprehensive HR capabilities, that could be integrated with an on-premise SAP ERP Human Capital Management solution.

Key benefits

Intuitive and integrated HR applications; technical tasks cut by up to 60 percent; savings allow Allstate to re-invest 20-30 percent of the IT budget; about 20 percent cut in annual expenses after five years.

Business Challenge

HR staff, leaders and employees at Allstate Insurance Company found existing human resources applications hard to use. Extensive customization had resulted in very powerful software, but introducing new functionality took time, was often cost prohibitive, and enhancements to existing systems were slow in arriving.

How could the company enable the newest talent management solutions, at a more rapid pace, and keep operational costs low?

management, integrated analytics and more.” How could Allstate enable the newest HR solutions, introduce a faster enhancements cycle, and keep operational costs low?

Selecting cloud-based SuccessFactors

Allstate reviewed multiple on-premise and cloud-based systems, and was particularly attracted by SuccessFactors®, an SAP® company. The cloud model mitigated many of Allstate’s concerns about traditional software development costs, with quarterly scheduled updates and continual product evolution. Additionally, the minimal-footprint IT infrastructure eliminated capital expenditure on servers and systems, and reduced steady-state maintenance and administration workload for the internal technical team.

IBM had started working on various human resources projects with Allstate since 2006, including managing the core SAP HCM applications and providing support on day-to-day issues, system administration and more. During the discussions about SuccessFactors and cloud-based services, IBM provided useful external perspective and feedback, concluding that SuccessFactors would be a

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Brett Winchell

HR Director of Workforce Insights & Technology
Allstate

potentially successful option for Allstate. Coincidentally, while Allstate was evaluating the SuccessFactors HCM Suite, SAP acquired SuccessFactors Inc., joining it to the SAP global partner ecosystem and bringing the experience and commitment of SAP, an existing Allstate strategic partner, to the table.

Brett Winchell continues, “A key component of the project was integrating SuccessFactors with the SAP Human Capital Management solutions already in place. For that, we turned to our long-term partner IBM for advice and implementation support, to ensure that we enabled a seamless hybrid-cloud solution.”

“Compared with prior estimates of extending on-premise solutions to another country, we completed the India deployment at 10 percent of the cost, maybe less.”

Brett Winchell

HR Director of Workforce Insights & Technology
Allstate

Working with the best deployment partner

The challenge was to deploy SuccessFactors successfully and gain all the benefits of cloud-based solutions while ensuring that Allstate continued to retain a single integrated system of record. In turn, this led to questions concerning integration with the Allstate on-premise SAP ERP and SAP ERP Human Capital Management solutions, which are managed and maintained by IBM® Global Business Services®. To ensure that the two solutions would deliver the expected integrated operations,

IBM Global Business Services was tasked with designing the interfaces and business processes, working closely with the SuccessFactors implementation partner 3D Results.

In partnership with Allstate’s HR Workforce Technology team, IBM team was responsible for managing the SAP applications and the relationships with the Allstate IT team and with Allstate’s business users. IBM was responsible for integration between the existing SAP on-premise applications and the SuccessFactors solutions, both inbound and outbound, alongside project management and planning. IBM provided subject matter expertise for the SAP solutions, business process consultancy and technical expertise and integration.

“IBM Global Business Services and the partners established clear project roles in an open manner that led directly to the positive results we achieved,” says Brett Winchell.

“We established clear meeting cadences, with project managers assigned from each partner. IBM managed IT integration, enabling data to flow between SuccessFactors and SAP ERP Human Capital Management to ensure that the result



Solution

Allstate chose SuccessFactors, an SAP company. The cloud solution offers comprehensive, intuitive and integrated talent management capabilities, with regular quarterly upgrades, updates to support global compliance, and new features at very low per-user costs.

Working with IBM® Global Business Services®, Allstate has integrated SuccessFactors with on-premise SAP ERP systems, operating a hybrid cloud HCM environment.

Key Solution Components

Industry

Insurance

Applications

SuccessFactors HCM Suite, SuccessFactors Learning and SuccessFactors Workforce Analytics, SAP ERP including Financials, Controlling, and SAP Human Capital Management.

Services

IBM® Global Business Services®

was a single solution that provides the functionality we want combined with the system of record we need.”

Reducing costs per user

Allstate, partnered closely with IBM Global Business Services, deployed a new solution for its global human resources management based on SuccessFactors cloud-based software.

This includes SuccessFactors HCM Suite, Learning, and Workforce Analytics solutions, with additional Talent Solutions including Employee Profile, Performance & Goals, Succession & Development, Competency/Skills Management and Compensation.

The SuccessFactors solutions deliver a simple interface, supported by shared data from the core SAP solutions, greatly enhancing the user experience. IBM Global Business Services provided key assistance with project management, subject matter expertise, and business process management.

“As part of the transformation it is important not to simply lift and shift existing business processes to SuccessFactors,” comments Brett Winchell. “With IBM Global Business Services we designed

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HR Director of Workforce Insights & Technology
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new or enhanced existing talent management processes in a way that would allow us to take full advantage of SuccessFactors’ cloud technologies.”

Part of the changeover to the cloud-based solution was learning the difference between customizable and configurable software. In exchange for some limitations on customizability, Allstate gains agility, speed of deployment and greatly reduced costs per user.

“We expect to continue our build of global HCM using cloud, for example to our Canadian and Northern Ireland operations, and realize further cost-benefit objectives. Allstate’s strategic partners IBM Global Business Services and SuccessFactors will be central to our journey forwards.”

Brett Winchell

HR Director of Workforce Insights & Technology
Allstate

“In the past, we tended to customize the HR solutions at will, and we are coming to terms with configuration. We tended to think of ‘cloud’ as simply ‘off-premise,’ but it offers much more than that. The cost of software implementation is still a factor we need to consider for larger changes that require an implementation partner, but we are now able to make many

changes ourselves using system administration resources within HR. The effect is to cut the workload on our internal IT department, and reduce steady-state operational costs.

“While the IT team continues to provide technical support related to data security, network and single sign-on, for applications that have transitioned to cloud technology, IT support has become largely consultative. Technical support tasks that previously took more than 50 percent of time now occupy 20-30 percent, itself a saving of up to 60 percent. The savings generated have allowed us to re-invest between 20-30 percent of the IT budget into further expansion of the cloud side of the hybrid model.

“In total, the transition away from the on-premise model to the hybrid model, with SuccessFactors providing the talent management, learning and analytics solutions and SAP remaining as core human resources management including pay and time, is expected contribute to approximately 20 percent reduction in steady-state annual expenses after five years.”

Gaining speed and agility

Deploying SuccessFactors has brought speed of execution to Allstate’s HR

Business Benefits

- **Friendly, modern applications help HR staff and leaders easily manage the Allstate global workforce effectively**
 - **Information-sharing across functional areas reduces the time and effort to complete tasks**
 - **Establishing HR services in new locations is faster, and carries a lower per-user cost**
 - **Technical support tasks cut by up to 60 percent; the savings allow Allstate to re-invest 20-30 percent of the IT budget**
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department. Following implementation of SuccessFactors solutions in the US, Allstate has extended goal and performance management as well as learning to its operations in Northern Ireland, and implemented Employee Central and Recruiting Management in India, with IBM Global Business Services providing project planning, configuration and deployment assistance.

Brett Winchell explains, "The cloud delivery model allowed extension of capabilities internationally to be accomplished quickly, using more non-technical resources, at a significantly reduced cost when compared with an on-premise technology – which would have taken considerably longer and required many more technical resources.

"Using an existing SuccessFactors instance, we also implemented Employee Central and Recruiting Management in India as the HR system of record in just a few months. Compared with prior estimates of extending on-premise solutions to another country, we completed the India deployment at 10 percent of the cost, maybe less."

Brett Winchell concludes, "With assistance from IBM Global Business Services, SuccessFactors cloud-based software has enabled rapid creation of Allstate's first global HCM capability, aligned to our goal of reducing long-term operating costs. Though we still have more to do to achieve a full global HCM capability, we are now beginning to see the early benefits of integrated global talent management processes combined with an intuitive user experience.

"We expect to continue our build of global HCM using cloud, for example to our Canadian and Northern Ireland operations, and realize further cost-benefit objectives. Allstate's strategic partners IBM Global Business Services and SuccessFactors will be central to our journey forwards."



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