

TOP TO BOTTOM

we know

they know

END TO END

BASF gets smarter with pan-European HR processes from IBM and SAP

Photograph: BASF - The Chemical Company

Overview

■ The Challenge

Separate HR departments at each of its European production sites made it difficult for BASF to standardize HR processes, analyze operations or develop best practices, and the total cost of HR services was relatively high. The company wanted to help office workers and production-line staff connect with specialist HR services more easily.

■ The Solution

Working with IBM Global Business Services, BASF had a groundbreaking insight – by leveraging customer relationship management technologies and regarding employees as ‘customers’, the company would be able to fundamentally change the way it interacted with its staff. By leveraging its extensive CRM and HR expertise, IBM helped BASF implement and integrate SAP applications to create two shared HR service centers (one for the Ludwigshafen location and one for the European group companies), and introduced self-service kiosks in the production facilities enabling workers to access HR services online for the first time.

■ The Benefits

When an employee calls or sends a request via a kiosk, HR operatives can view the complete history of their interactions with the HR department – helping HR to resolve issues rapidly. Real-time reporting on HR activity helps BASF design new HR services based on user demand and feedback. SAP CRM manages HR processes from end to end, automatically routing enquiries to the appropriate HR specialist, so users have a single point of contact for all HR-related issues. Just 110 employees can deliver HR services to more than 36,000 employees at the Ludwigshafen site. For the other European group companies, there are just 90 HR specialists for 18,000 employees – dramatically reducing operational costs.

■ Key Solution Components

Industry: Chemicals
Applications: SAP® ERP Human Capital Management, including the Employee Self Service application; SAP Customer Relationship Management 5.0; SAP NetWeaver® Business Warehouse
Services: IBM® Global Business Services

BASF is the world's largest chemicals group, including more than 330 production sites around the globe. The group employs 97,000 people; 36,000 of these work for BASF in Ludwigshafen, Germany, at one of the largest industrial locations in the world – a 10 km² site with 2,000 buildings.

Each of the group's production units managed its own human resources (HR) processes, and had its own local HR department. There was no regional standardization of processes between sites, so it was difficult for the company to gain an overall view into the efficiency of these processes, or to develop and spread best practices across the group.

When considering how to improve the situation, BASF had the idea of instituting two shared service centers: one for the Ludwigshafen location, and one for the other European group companies. By bringing the principles of customer relationship management (CRM) into the HR sphere, the company would be able to transform its approach to HR services – seeing employees as if they were ‘customers’



“IBM helped us deploy self-service kiosks at our production sites. By introducing technology into an area of the business that previously had to rely on manual processes, the kiosks ensure that all employees enjoy equal access to valuable HR services.”

Peter Schimbeno
Global HR Governance
BASF

of the HR function, and delivering a much more responsive, personalized and holistic service.

The first step was to create an HR shared service center that would provide a standardized set of HR processes and a single point of contact for all 36,000 workers at the largest BASF site in Ludwigshafen.

Finding a partner

“Introducing the shared service concept required us to re-engineer our HR processes and build new IT systems to support the new ‘customer relationship management’ concept, so we started looking for a partner to help us with the project,” says Peter Schimbeno, Global HR Governance BASF. “We issued a tender and IBM Global Business Services made a proposal that demonstrated the business consultancy skills, project management experience and technical expertise that we required. Crucially, IBM was able to demonstrate its expertise not only in centralized HR solutions, but also in a number of large CRM projects. We wanted to make sure that the combined HR/CRM concept would work.”

IBM Global Business Services worked closely with the BASF project team to design processes, define roles and responsibilities, and create a detailed project plan. Leveraging experience gained on similar projects for other companies, IBM was able to introduce best practices and assist with staff training. Equally, IBM was responsible for the technical aspects of the implementation – including solution architecture, development, testing and deployment, as well as ongoing support.

Rapid delivery

“Within ten weeks, IBM Global Business Services was able to engineer and implement a solution based around the SAP Customer Relationship Management application, which we called ‘HRdirekt,’” says Peter Schimbeno.

“HRdirekt enables our HR specialists to treat other employees like customers, rather than co-workers. It is integrated with the phone system, so for example when someone calls the HR department, SAP CRM routes the call to an appropriate specialist and brings up a record showing their previous interactions with HR and any other relevant information about their case. As a result, we can offer a more responsive and personalized service – helping to ensure that all issues are resolved quickly and efficiently.”

Bringing IT to new areas of the business

IBM Global Business Services also integrated the HRdirekt system with the company’s SAP ERP Human Capital Management application, allowing easy access to core HR functionalities and processes.

To reduce workload for the HRdirekt staff, IBM Global Business Services helped BASF deploy the SAP Employee Self Service application, which allows workers to manage basic



HR processes without help from HR staff. These include seminar bookings, changes to personal data or holiday requests. “Many of our employees work in laboratories or on production lines, rather than in a traditional office environment,” says Peter Schimbeno. “We wanted to make sure that these employees could use the HR applications even if they didn’t have access to a PC, so IBM helped us deploy a number of self-service kiosks at production sites. Thus, all employees enjoy equal access to HR services.”

By bringing online HR services within reach of all employees for the first time, the IBM solution is helping BASF to work minimize administrative effort and smooth the flow of information across the organization.

A pan-European solution

With the success of the HRdirekt solution, BASF decided to create a second HRdirekt center in Berlin – “HRdirect Europe” – to provide the same services for other German and some European group companies. IBM Global Business Services was again chosen as partner for the project, and helped with design, implementation and training. Subsequently, in a third phase of the project, the SAP CRM and SAP ERP HCM applications that were used separately by HRdirekt and HRdirect Europe, were merged.

“Across all three phases of the project, the IBM Global Business Services team delivered its services on time, and was always approachable and helpful. The project was completed within the proposed budget, and we are on-target to achieve the cost reductions that were identified at the start. By leveraging the SAP CRM and Employee Self Service applications, we now only need 110 HR specialists to serve more than 36,000 employees

in Ludwigshafen, and Europe-wide we serve 18,000 employees with 90 HR specialists – so it is a very cost-effective solution.”

Connecting with key resources

With HRdirekt and HRdirect Europe, all European BASF employees can connect with a network of top HR specialists and benefit from their expertise. HR skills are no longer only available in individual business units; they are accessible to everyone, so the overall level of service has improved.

By enabling greater interaction between different parts of BASF’s business, the IBM solution is helping the company to improve efficiency and more rapidly identify opportunities for future enhancements. The SAP CRM solution has standardized communication channels, and enquiries and requests are now automatically allocated to the most appropriate members of the HR team – for example, a call from an employee working in France will be routed to an HR specialist who not only speaks French, but is also expert in all the relevant French employment legislation. All communications are answered according to specified service levels. Employees’ feedback shows that acceptance of and satisfaction with the service is very high.

Optimization and knowledge management

As part of the latter phases of the project, IBM Global Business Services also helped BASF integrate the SAP CRM and SAP ERP HCM solutions with SAP NetWeaver Business Warehouse, which provides advanced analysis and reporting capabilities. BASF can now generate and review key performance indicators for HRdirekt and HRdirect Europe, checking that service levels are reaching acceptable standards, and identifying areas where optimization is necessary.

“By leveraging the SAP CRM and Employee Self Service applications, we now only need 110 HR specialists to serve more than 36,000 employees in Ludwigshafen, and Europe-wide we serve 18,000 employees with 90 HR specialists – so it is a very cost-effective solution.”

Peter Schimbeno
Global HR Governance
BASF

SOLUTION LANDSCAPE

Software: SAP® ERP Human Capital Management, including the Employee Self Service application; SAP Customer Relationship Management 5.0; SAP NetWeaver® Business Warehouse

Users: 54,000 total users

The enhanced insight delivered by the IBM and SAP solution is giving BASF a clearer view of its own working practices, which will help to identify opportunities to design new HR services and offer a wider range of options to employees.

“We can now generate monthly reports on both HR direct service centers, so we can see which services are requested, whether the request came by telephone or via the kiosk system, how long each request takes to process, how many requests are answered directly on the telephone, and so on,” comments Songül Uzan, Global HR Governance, BASF. “To take a specific example, we used these reports to discover that one of the steps in the workflow of our ‘employee performance appraisal’ process was problematic and causing delays. As a result, we are now redefining the workflow, so we will be able to shorten the process and deliver a faster, more efficient service.

“In the near future we are hoping to extend this use of the business intelligence function to help us do more than just optimize processes. Through monitoring the usage of the existing services and gaining feedback from our end users, we will be able to identify where new services should be developed – responding to the user ecosystem in a much more proactive fashion than was ever possible before.”

Driving continuous improvement

“This is one of the most advanced and game-changing HR projects that IBM has ever undertaken,” comments Alexander Broj, Partner at IBM Global

“IBM Global Business Services has helped us build a centralized solution that delivers an excellent service to tens of thousands of BASF employees across Europe, while significantly reducing operational costs for the group.”

Peter Schimbeno
Global HR Governance
BASF

Business Services. “Employees in Europe are extremely demanding in terms of HR service provision, and the way we showed we could handle complexities such as the differences in legislation between different countries has made BASF a very important reference for IBM across Europe and the world.”

Peter Schimbeno and Songül Uzan conclude: “By leveraging SAP technologies, IBM Global Business Services has helped us build a centralized solution that delivers an excellent service to tens of thousands of BASF employees across Europe, while significantly reducing operational costs for the group. HRdirekt and HRdirect Europe give everyone equal access to BASF’s network of top HR specialists, and help us drive continuous improvement in the HR function by helping us develop new services to meet employees’ needs.”



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