

Thales UK engages in HR transformation improving efficiency and strategic focus



THALES

At a glance:

- Thales UK
- Location: Crawley, UK
- Industry: Defence and Security; Aerospace and Transport

Challenge:

- Increase the efficiency of HR agents to better meet the needs of Thales UK employees

Solution:

- Neocase Power for HR

Results:

- ROI within 6-12 months
- 65% increase in productivity
- Tier 0 resolution rate over 75%
- Tier 1 resolution rate at 40%
- Huge cost savings

Many companies are turning to HR shared service centres (SSCs) to transform their HR operations from purely transactional entities to more strategic, high-value parts of the business. Over the last few years, Thales UK has transformed its HR organisation into a world-class HR Shared Services organisation to increase efficiency, improve employee satisfaction and provide a more strategic focus.

Thales UK is the UK's second largest defence electronics supplier and is a part of the Thales Group, a global technology leader for the defence, security, aerospace and transport markets. In recent years, Thales UK has turned to an HR Shared Services model to support its 8,000 or so people in more than 40 locations across the country.

Challenge

Dramatically increase the efficiency of Thales UK HR agents and Employee Satisfaction

The idea of moving Thales UK to a Shared Services organisation emerged in 2007 to enhance on the already established payroll shared services operation for the UK.

Joe Ales, director of HR Shared Services at Thales UK, explained: *"We built a business case for the SSC, to bring together in one location, HR administration and HR processes. This process began early in 2009 and, by the end of that year we were servicing the whole of Thales UK from one SSC."*

"During that year, it became clear that we needed to use technology to automate and streamline our HR Shared Services operations and processes," he continued. "The function, which relied on traditional administrative tools, that were creating unmanageable workload volumes and more importantly having a detrimental impact on our customer experience."

So Joe compiled a technology-driven business case from a Shared Services perspective to optimise HR operations and processes within the organisation. To support the business case for change, Thales undertook a benchmarking test — via PwC Saratoga — against other organisations of similar size and complexity and found that the efficiency of Thales' HR agents was below average in terms of number of transactions handled by each agent.

Joe commented: *“This drove the business case for investment because it showed us not only other companies' activity in terms of the typical number of transactions compared with the number of employees but also predicted likely demand levels in the future. Interestingly, we've found these predictions to be quite accurate.”*

Requirements

It soon became clear to Thales UK that, as demand increased for more services from the SSC, it not only needed to apply more technology from a Shared Services perspective but also needed to bring together all those processes to enable both a Self-Service facility and a tiered approach to Shared Services.

Joe commented: *“We needed to apply technology in order to increase the efficiency and effectiveness of the SSC. We also needed a solution that supported our tiered approach to shared services as well as being able to provide a better customer experience when using our services.”*

Thales needed:

- A solution to increase agents' efficiency
- Integration with existing systems: HR and payroll
- The ability to incorporate third-party HR providers
- Deliver key functionality such as Case Management, BPM, BI, Email Management, Knowledge Base and Self Service Portal
- A short implementation and customisation cycle

Solution

Cost effective and efficient whilst delivering measurable ROI

To meet these requirements, Thales UK chose Neocase HR Power solution as its platform.

Joe said: *“We found Neocase to be not just competitive in terms of cost but also technically able to deal with the various demanding HR processes we have.”*

Implementation happened in two phases, the first stage was back office tool and structure implementation and the second phase was Enterprise Portal implementation.

They adopted a multi Tier approach:

- Tier 0 - Self-Service portal
- Tier 1 - HR Agents
- Tier 2 - Subject Matter Experts
- Tier 3 - Retained HR Organisation

Their implementation timelines were first stage go live in Aug 2010 followed by the second stage completion with employee and manager self service by July 2011.

Results

Measurable ROI in record time

Thales UK was able to demonstrate results quickly. Joe said: *“In all, we recouped the cost of our investment in Neocase within six to twelve months.”*

He continued: *“With its built-in service level agreements (SLA) and data analysis functionality, Neocase continually monitors team effectiveness and identifies where there are bottlenecks in the pipeline. This allows you to restructure teams to increase efficiency.”*

“This means that we can now forecast work activity on the basis of SLA activity,” Joe added. *“We know the number of open cases and the deadline for these cases to be resolved. This allows us to forecast and prioritise our workload. Not only is this extremely helpful but it means that we are less reactive and more proactive.”*

By the end of its first year of operation (2009-10), the SSC had handled some 30,000 transactions which were not concerned with payroll. Joe commented: *“At that stage, we were 'maxed out' at 30,000. We couldn't have coped with any more. Now, we are at some 50,000 transactions — a 65% increase in productivity — without any increase in headcount. Eventually, we expect to be able to cope with 60,000.”*

This increase in productivity — and the resulting cost avoidance because Joe's team is answering queries and not allowing them to affect the business' productivity — also means that 40% of all calls are resolved at the Tier 1 level. This is in addition to the 'Tier 0' — self-service — enquiries that Thales UK employees make. According to Joe, Neocase was used initially to enable the back office teams to work more efficiently and effectively. Then, in May 2011, Neocase Enterprise Portal was deployed for Thales UK's employees to use.

“We started our journey to transform HR by building the business case for change” he added *“Neocase HR has been instrumental in helping Thales UK achieve these goals. We've been able to demonstrate cost savings through streamlining processes and avoiding increasing costs to deliver the services that we really needed.”*

Thales UK has begun a new phase of developing and refining its SSC offerings via Neocase. This phase includes increasing the system's functionality for managers — especially relating to absence management, on boarding and off boarding. Globally, Thales is considering its HRSS strategy and believes that Neocase can play a role in helping to shape that strategy.