



Program Support and Quality Assurance Smooth HR Outsourcing Consolidation

Case Study: CA Technologies



“

Chazey was engaged to provide a neutral perspective and to work without bias across the [services delivery transformation] project. They certainly did this and provided the team with significant support over and above my expectations, helping coach and develop CA colleagues in project, risk and vendor management throughout the transition project. This, combined with the on-time, to cost delivery of their work meant that my expectations were easily met and even exceeded.”

Julian Hardy
VP, Global HR Operations
CA Technologies



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The measure of success was always that my colleagues in both HR and the business would not notice the transition had occurred and that service levels would be maintained throughout.”



CA Technologies is a pure play software company that focuses on the development and deployment of its IT solutions, both on premise as well as via the cloud. Revenue for FY 2013 was \$4.6 billion, and the company has more than 12,000 employees around the world.

To support its growth strategy across its international operations, CA Technologies relies on a robust HR services delivery model that provides best-in-class talent, compensation, and operational support across four distinct geographic regions:

- Asia Pacific and Japan;
- India;
- Europe, Middle East and Africa; and
- North America and Latin America.

Each region is led by a local HR head of operations, and the regions are supported, globally, by three Centers of Excellence. These COEs deliver quality Talent Development and Inclusion; Total Rewards (Compensation and Benefits); and HR Operations, and are linked to regional HR heads through a matrix system.

HR Operations covers HR data (SAP) and staff queries concerning employment. Julian Hardy is responsible for the HR Operations COE, and oversees a services delivery portfolio mainly supported, for the past 6 years, through an outsourcing partnership that leveraged three HR services delivery centers: Poland for EMEA; the Philippines for Asia Pacific, Japan and India; and Buenos Aires for North and Latin America. Services and capabilities supplied by the outsourcing partner specifically included:

- management of SAP HR data
- data entry/reporting/manipulation
- frontline point of contact for HR queries for employees and managers
- escalate issues where necessary to HR business partners on the ground
- leverage economies of scale to drive high-level data reporting.



Outsourcing Model – Objectives & Challenges

The outsourcing contract was initially signed for a period of six years. When it came up for renewal, Hardy was keen to renegotiate the terms while driving additional benefits in two areas:

1. the HR outsourcing market had evolved considerably since the initial contract had been signed and CA Technologies wanted to take advantage of these changes;
2. service quality had been inconsistent across the three locations. CA Technologies wanted to be assured of a consistent, high level of service quality, irrespective of delivery location.

Subsequent negotiations between CA Technologies and their provider resulted in an agreement to shift all HR operational support services work from Buenos Aires and Poland to Manila, in other words: consolidate three delivery centers into one. This would meet CA Technologies criteria of cost-effective, quality service and allow the provider to consolidate the team providing HR Operational support.

To guide this transition, Hardy set up an inhouse transformation team based on the global HR Operations matrix team, involving the group in every discussion and review, culminating in the final agreement to move processes to Manila.

“It was challenging,” he conceded, “to get the team on board from the start, as geographic leads were concerned about the perceived loss of control

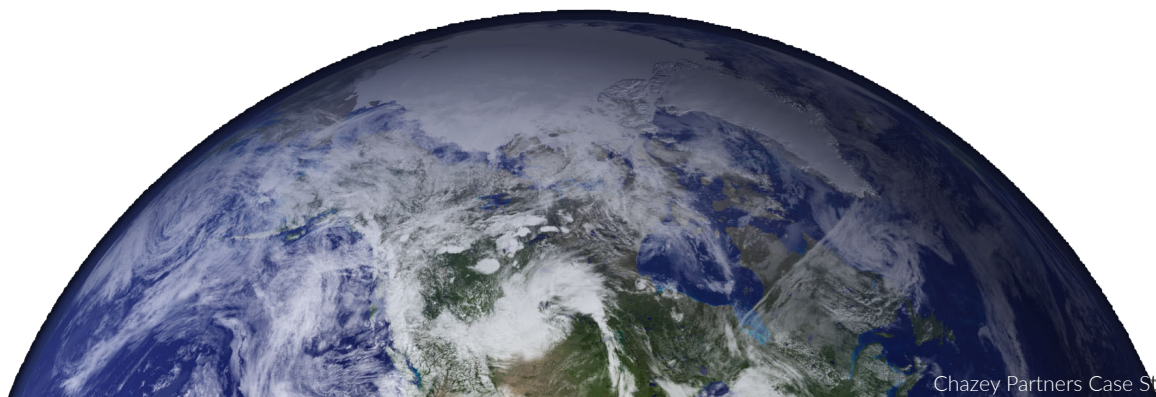
they would suffer as a result of the single-center consolidation. However, involving them in the up-front discussions and evaluations was a decisive factor, and the group’s members eventually became responsible for selling change management to their HR colleagues.”

Managing Transition: Implementing Program Support and Quality Assurance

Hardy was only too aware of the potential for time-wasting conflict and debate that a large-scale transition like the one he’d committed to could entail. Although the provider had offered to lead the transformation (at no cost), Hardy was concerned that a neutral party should be coordinating and managing the transformation, to ensure both parties’ concerns were heard and addressed. In the past, he had witnessed firsthand how valuable such a resource could be when pushing change through the recruitment process. He was determined to provide the HR Operations transformation with the same support, and contracted with Chazey Partners to act as both Program Manager and Quality Assessor for the duration of the transition of all processes to the Manila center.

Having Chazey on board assured Hardy that quality delivery, as well as timescales, would be tracked meticulously. The significant factor was that it worked both ways: a neutral third party was able to represent the provider’s pain points and concerns to CA Technologies HR Operations transformation team; as well as reflect CA Technologies priorities and preferences back to the provider, and thereby provide a better outcome for the whole project.

“The advantage of a third party,” Hardy explained, “is that it is unbiased and is able to bring up difficult issues without causing upset.”





By way of example, Hardy was able to leverage Chazey when dealing with some sensitive renegotiations around eliminating certain services in the contract that were no longer required, and replacing these with new services, without going through the complexity of whole-scale renegotiation. Another example concerned the provider's preference for achieving "steady state" pre-transition, while CA Technologies was anxious to press ahead on the basis of "change is a constant", as Hardy explained. Disaster Recovery Planning is important to CA Technologies. Since this was the responsibility of the provider, having a third party as a go-between proved useful. The team was able to take into account the perspectives of both the project and Business Continuity teams to help prepare an interim plan that was valid for up to 12 months, and plan which met their objectives. During these discussions, the insights and experience of external practitioners helped Hardy and his group understand and also accept requests, even where these were outside their comfort zone.

"Chazey's role in mediating these potentially sensitive negotiations was an enormous advantage," says Hardy, "Especially as their associates had plenty of real life, hands-on experience with similar outsourcing contract negotiations."

Leveraging External Skill Sets

While many internal operations build up a significant level of process and functional expertise, change management and transformation skills are not often in strong supply. Hardy's decision to contract for Quality Assurance and Program Management meant he was able to access, for the duration for which it was needed, significant, proven experience in global service delivery transformation. The specific skill set and capabilities Hardy was looking

for, to manage this transformation, included:

- tried and tested shared services expertise, especially in HR
- proven track record with global and multinational projects
- experience with a number of different clients and a number of different service providers
- confidence to "stick their neck out" on behalf of the project
- ability to have difficult conversations and broker peace where needed
- constantly challenge CA Technologies to make the best decision, not the easiest decision.

Tracking Progress

While CA Technologies and its provider had agreed certain milestones and delivery objectives as part of the program's plan for transition, Hardy's expectations of Program Management required regular reporting back to the transformation team with updates that supported the overall project roadmap. His concern was that the project both stayed on time as well as within expected costs. The measures that were tracked, and on which Chazey's team reported weekly, included:

- managing against cost targets (to meet internal contract renewal business case)
- managing against timescale
- tracking risk exposure at any given stage
- monitoring recruitment on the part of the provider (the impact of this shift to Manila was a 60% increase in FTEs. One notable result: within the first six months the center experienced zero voluntary turnover – practically unheard of in this industry.)



Lessons Learned: Capturing Best Practices

To make sure that his team would be able to leverage the knowledge base that the external experts had brought to the project, Hardy requested a “summary learnings report” at the project’s conclusion, which identified problems that had arisen along the way, and made recommendations as to how these might be prevented, or better dealt with, in future transformations.

“The idea was to learn from Chazey’s recommendations,” Hardy explained. “Otherwise we’ll always be bringing in third parties to help us. I wanted to make sure that as much of Chazey’s knowledge and experience was transferred to my team as possible. These reports form a valuable knowledge base, and best practice repository, for us.”

Results

The transition is now concluded to everyone’s satisfaction. Hardy’s measure of success, he says, was always that his colleagues in both HR and the business would not notice the transition had occurred and that service levels would be maintained throughout. This was no mean feat, as every indicator suggested a dip could be expected in the first weeks. In reality, however, the project team exceeded all measures, and a number of HR colleagues reported improved interactions and quality of work delivered.

A win-win for all parties involved.

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