

CASE STUDY: Process Optimization

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| Client: | Fortune 150 Defense Contractor – HR/Payroll Shared Service Center |
| Client Challenge: | To benchmark performance, identify improvement opportunities and better leverage the HR/Payroll system in Shared Services and 20+ business units |
| Results: | <ul style="list-style-type: none"> ⇒ Identified \$11.5M in annual cost savings through automation, streamlined processes and policy changes ⇒ Defined standard, best practice payroll processes and policies ⇒ Highlighted targeted areas that would benefit from outsourcing ⇒ Drafted future organization driven by process ownership and accountability |



Background

Our client had grown internally and through acquisition and wanted to understand if the shared service center provided competitive services, both from a cost and service level perspective. They were interested to find ways to better leverage their current system and to incorporate best practices that fit their culture and goals. In addition, the client wanted to identify ways to better work with their business unit partners. Major Oak was retained to lead the project.



Project Details

The project started with a review of the Shared Services business processes, which were documented using Major Oak's industry leading process maps. Then, two concurrent efforts began. One effort was to understand the processes at the business units (BU) which included detailed process mapping. The second effort was to gather detailed cost information at Shared Services and the BUs through a Time Study and an Activity Based Costing exercise. Our data gathering included all levels of management and those involved in the day to day work at Corporate, Shared Services and the business units. Costs were allocated to detailed process steps and benchmarked against industry standards, broken down by BU, and analyzed against our best practices knowledgebase and the client's goals.

The final product was a set of recommendations to improve shared services efficiency, raise service levels to the BUs, increase the use of automation and eliminate unnecessary tasks. Many of these recommendations were implemented increasing the use of self service, taking advantage of delivered system functionality, reducing off-cycle checks, simplifying paycheck distribution and outsourcing non-value added sub-processes.



The Major Oak Difference

Our experienced team led all project activities, working closely with those doing the work to ensure clear understanding, while advising Senior Management regularly of the opportunities being uncovered. Major Oak brought an external perspective with industry leading benchmark data and experience to apply the best practices that made the most sense for the client. The result was approximately 50 recommendations that provided an understanding of the organization's performance and significant opportunity to reduce costs and improve performance.