



Eco-Friendly HR

Unlock the Hybrid Cloud

Hybrid HR - Eco Friendly HR

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Questions HR Professionals are asking?



How can HR strategy be more aligned with the business strategy?

How do we attract / retain key talent to our organisation?

How do I transform my organisation into providing more services for our employees – whilst lowering our overall costs?

What tools and solutions are available to help me become a better Business Partner

Should we migrate to the Cloud – what about our existing solutions?

What We will Cover....

1	HR Trends
2	On-Premise vs the Cloud
3	Hybrid – The Best of Both Worlds
4	Case Studies
5	Q&A

What are the challenges we see our clients facing?

Highly Customised (local & regional) systems where processes & data elements are **inconsistent**

Overlapping system of record for employee data

Difficulty identifying, acquiring, developing and retaining **talent**

Business is tough to please – every technical solution requires a robust **business case**

Limited global **reporting** capabilities and lack of automation

Services are not easily **accessible** to employees, managers and HR Administrators

Inability to capture and retain **knowledge** from retiring workforce

HR, Payroll and IT departments are resource constrained to support new projects – **Doing MORE with less**

What is happening in the HCM market?



SAP and Oracle lead the market with SAP at 18% and Oracle at 17%; However, market share is being eroded by aggressive SaaS vendors.

Both companies have acquired a Talent Management vendor to directly compete with the SaaS vendors.

-- Source: Gartner



HRMS application suites are the largest segment of the \$9.5 Billion market for HCM software and account for half of its total revenue. The growth rate is 8.2% compared to the faster growing talent management segment of 16.5%.

SaaS revenue is growing at a 15% rate; thereby unseating traditional ERP deployment models. -- Source: Forrester Research.

-- Source: Forrester Research

“SAP’s acquisition of SuccessFactors combines the powerful assets of each company – including world-class cloud expertise, software applications and go-to-market capabilities – to create a global cloud leader with an end-to-end offering of cloud and on-premise solutions for managing business processes. “

– Press Release, February 2012

The HCM Evolution



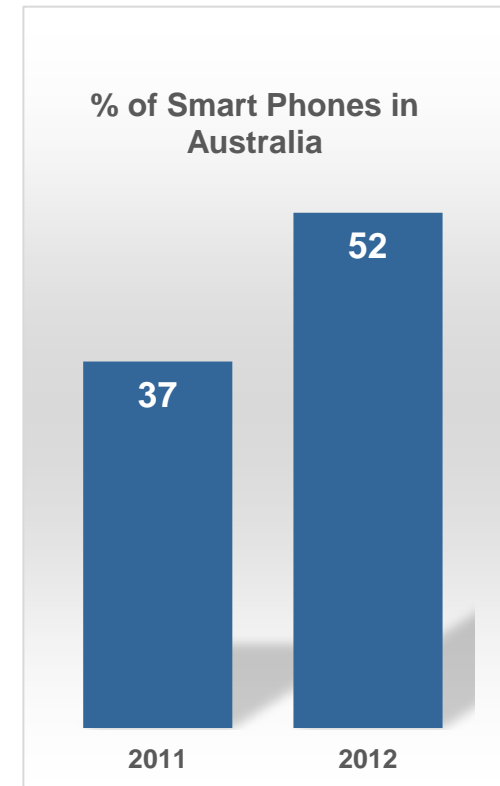
Social HR - the next wave

- 2012 was the year of companies using social media to brand and market their organization – 2013 will be the year of Social HR
- Companies will integrate social technologies in the way they recruit, develop and engage employees
- Currently – 29% of companies use social tools for strategic knowledge management and collaboration activities (LinkedIn, Facebook, and Twitter) – Source: Cedar Crestone HR Systems Survey (2011-2012)
- Provision of Internal Tools that embrace Social Technology such as SAP JAM will encourage collaboration and provide a path for informal learning
- Social Media will in essence result in the HR Department becoming an extension of the PR and Marketing department – a focus on Employer Branding



Mobility – 2013 the year of the Device

- It is estimated that in 2013 – a record 1 Billion Smartphones will have been shipped – forecasted to double in 2014 to 2 Billion - Source: Deloitte
- Smart Phone usage in Australia in 2012 was 52% of the total population – this was up from 37% in 2011 - Source: Our Mobile Planet
- Bring Your Own Device is becoming more and more popular – often personal technology is now better than that provided to employees by corporations
- Mobile Apps are reshaping employees expectations – employer's are being pushed to provide apps that provide access to payslips, book and monitor leave, plan travel, submit expenses



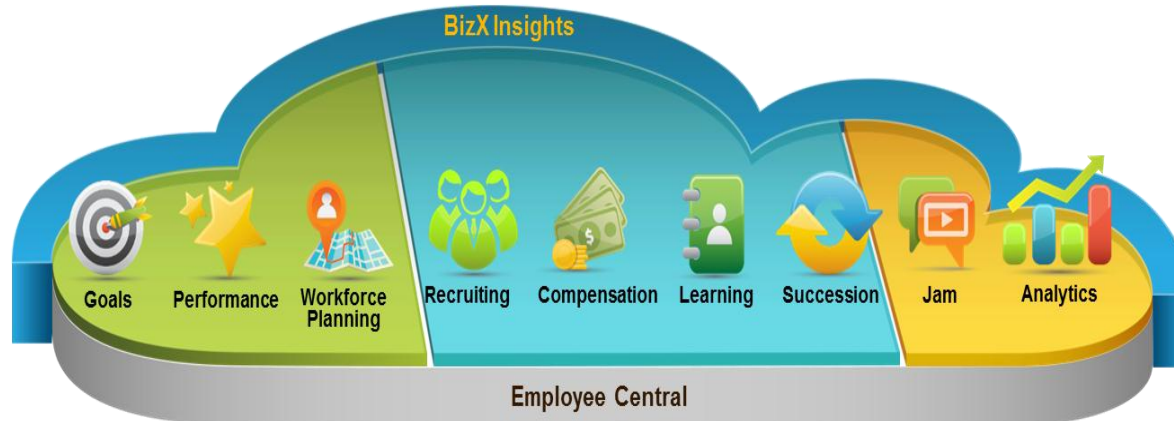
Analytics – providing true insight into your workforce



- Data of an average organisation is currently growing year on year at a rate of 50% - Source: Forrester
- Being able to analyse this data and identify key data points is fast becoming a popular trend – but what does it mean for HR?
- Adoption of Big Data and analytics has traditionally been low in the HR function – but focus is now shifting
- Common KPI often tracked is attrition – with most companies claiming <5% or <10% being acceptable – but more importantly – what if it's the wrong 5% or 10% leaving?
- Adopting and utilising meaningful analytics will allow managers to gain insight into their workforce – being able to identify problems within the workforce earlier on and mitigating them.

The Cloud – HR leading the way

- The HR Division typically has relied on manual tools such as excel spreadsheets to facilitate processes such as compensation reviews. Only 43% of firms have a Self Services solution, 54% a recruitment solution and only 57% a core HRMS. – Source: Aberdeen
- Given most companies tend to not place critical business systems in the Cloud – the HR division is seen as a prime candidate for taking advantage of the Cloud – as HR processes tend to be homogenous from company to company.
- HR Cloud Offerings are usually far superior to existing in-house/ on-premise solution – providing innovative solutions for much needed Talent Management processes such as Recruitment, Performance, Succession and Learning.



On Premise vs the Cloud



Cloud

- ▶ In addition to 'Core Processes' – provide innovative solutions to 'talent processes'
- ▶ Pay as you go/ subscription based – hardware and software owned reside at provider site
- ▶ Limited customisation – mainly configuration
- ▶ Accessed through the internet –some increase in risk – also usually mobile access
- ▶ Typically Limited Integration with existing infrastructure
- ▶ Provider controls systems and entrusted with data

- ▶ Most companies have some form of On-Premise HR Solution – focused on 'Core Processes' – typically mature and has existed for a long period of time (embedded)
- ▶ Requires up-front 'capex' – licences, hardware, premises – investment that clients are keen to realise a return on
- ▶ Highly customisable
- ▶ Perceived to be 'higher' security
- ▶ Usually integrated into existing infrastructure
- ▶ Provides Control of Systems and Data

On Premise



Hybrid – the evolution...



Is the world ready for this.....

Hybrid HR Defined



Combining various deployment options:

- ▶ On Premise: Technology & process in-house
- ▶ Cloud: Technology outsourced & process in-house

On a common technology backbone

- ▶ With a single, harmonised user interface
- ▶ With the option to flexibly chose deployment options per process

Allowing organisations to utilise existing investments in On-Premise solutions – whilst benefiting from innovation of new Cloud based technology – effectively increasing end user experience

Considerations when looking at a hybrid deployment



Integration

- ▶ How easily does the cloud solution chosen integrate with your on-premise solution
- ▶ Is the integration flexible/ can fields be added / where is the mapping done
- ▶ Is Real time necessary?
- ▶ What should be the Record of Reference?

Knowledge Management Consistency

- ▶ Different tools and methods of documentation – leading to potential gaps
- ▶ How is this kept consistent – looking at process based documentation rather than system based?



Implementation

- ▶ Does the implementation methodology blend well with the on-premise methodology?
- ▶ Agile/ ASAP?
- ▶ Concurrent or Consecutive Deployment?

Benefits

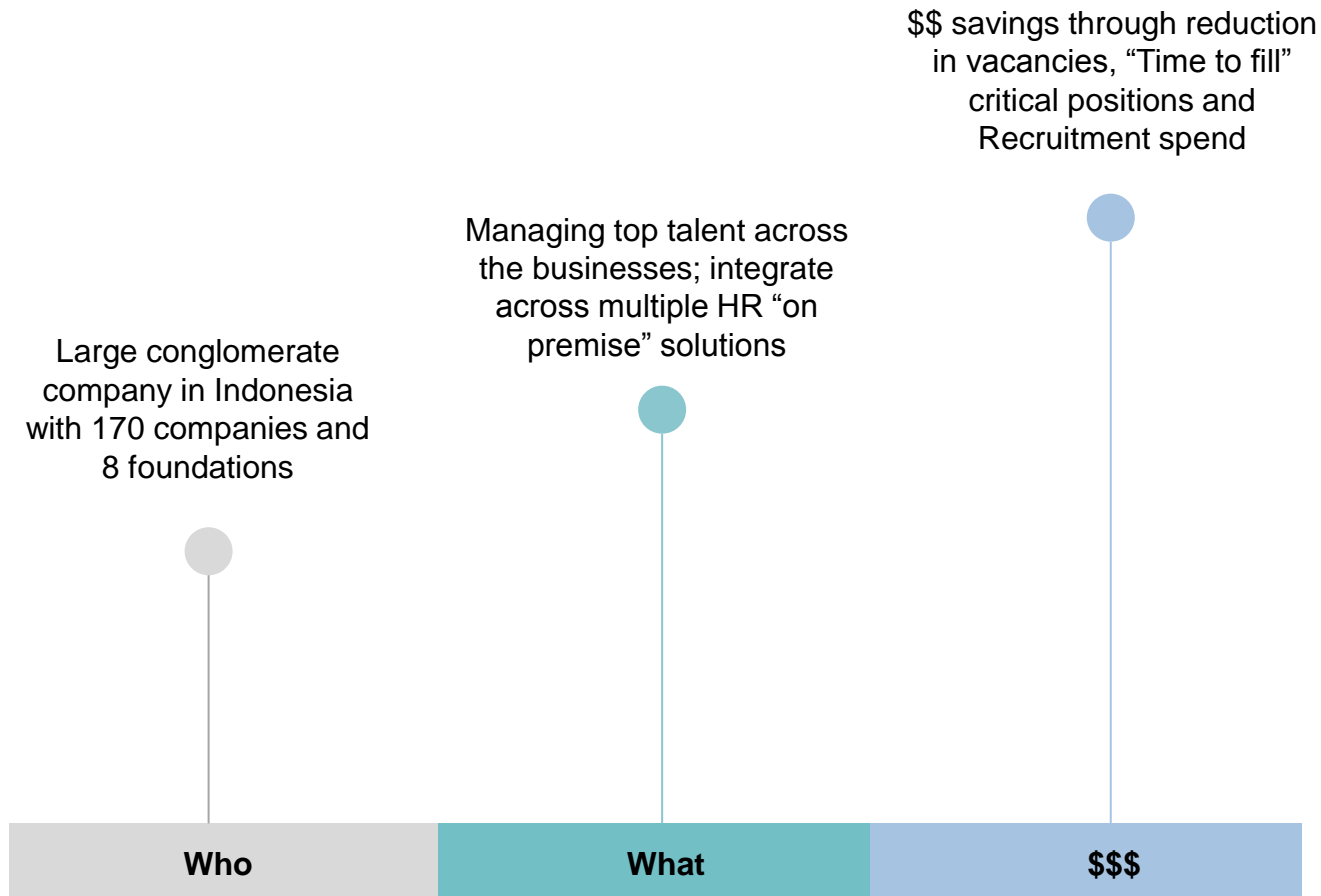
- ▶ Identifying the best way forward early on will ensure tangible benefits realisation
- ▶ Looking at the right mix of solution will ensure benefits from existing solution and new solutions are realised.

DDG Customer Case Studies

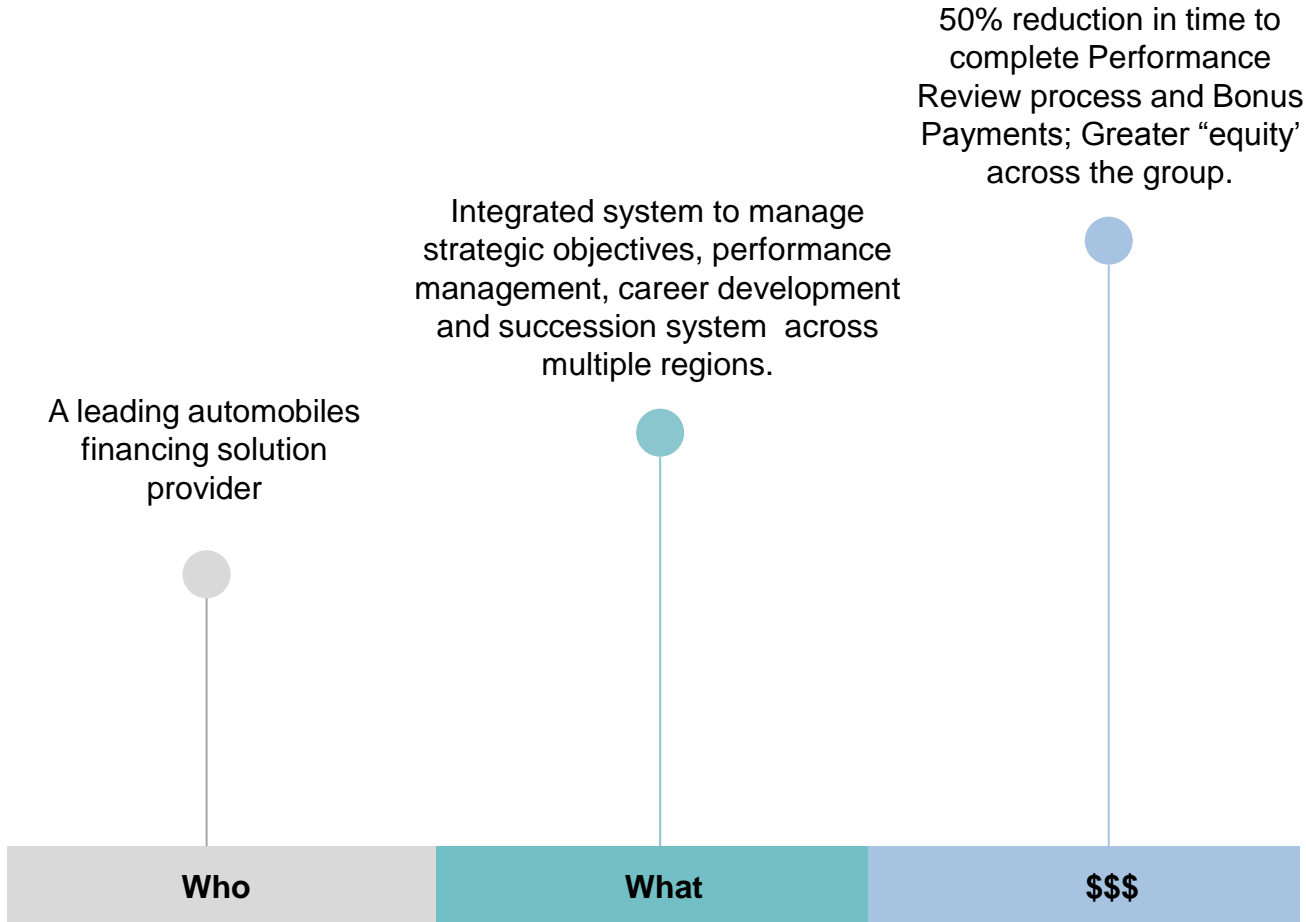
Case Studies



PT Astra International (AI)



PT Astra Sedaya Finance (ACC)



PT Bank Mandiri (Persero), Tbk



Bank Mandiri Profile



The infographic features a background image of a modern skyscraper with the Mandiri logo in the top right corner. On the left side, there is a green vertical panel containing various statistics and icons. The main content area is a light yellow-green gradient with the tagline 'Mandiri, Building Your Dream' at the bottom right. At the bottom left, there is a grid of logos for eight subsidiaries.

28.183 employees

1537 branches in Indonesia

8996 ATM **92.874 EDC**

5 Overseas Offices

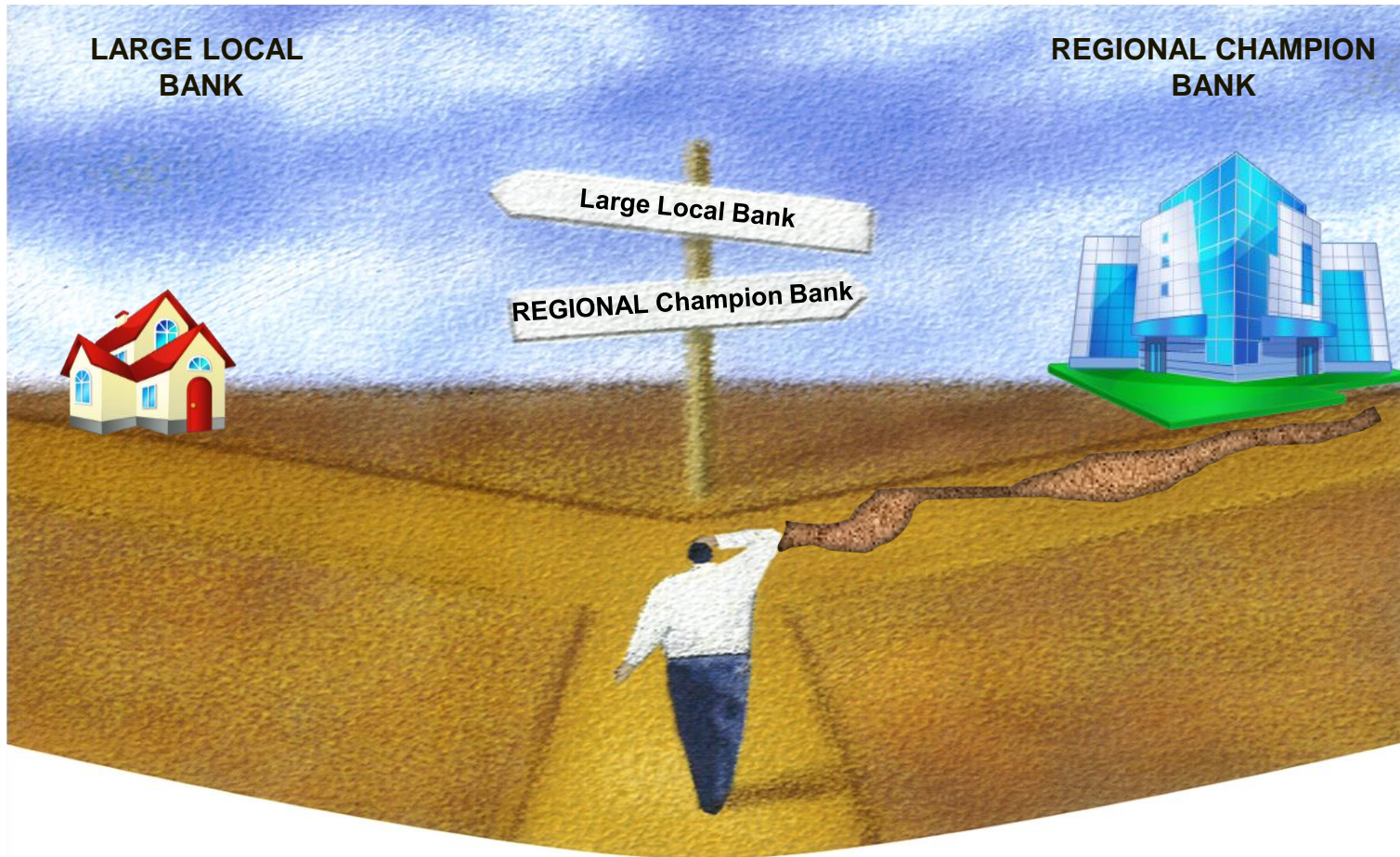
- Hong Kong
- Shanghai
- Singapore
- Timor Leste
- Cayman Island

8 Subsidiaries

- mandiri syariah
- mandiri remittance
- mandiri sekuritas
- mandiri tunas finance
- mandiri investasi
- mandiri europe
- Bank Sinar Harapan Bali
- mandiri

Mandiri, Building Your Dream

Bank Mandiri Vision



To achieve the vision the Bank transformed four areas

- ▶ Build a performance based organisation
- ▶ Redefine performance mgmt system
- ▶ Implement higher ethical standards
- ▶ Implement new corporate values
- ▶ Develop talent & leaders

- ▶ Focus on managing bad loans
- ▶ Strengthen risk management system at 3 levels: underwriting, monitoring and restructuring & collection

Culture

**Control
NPL**

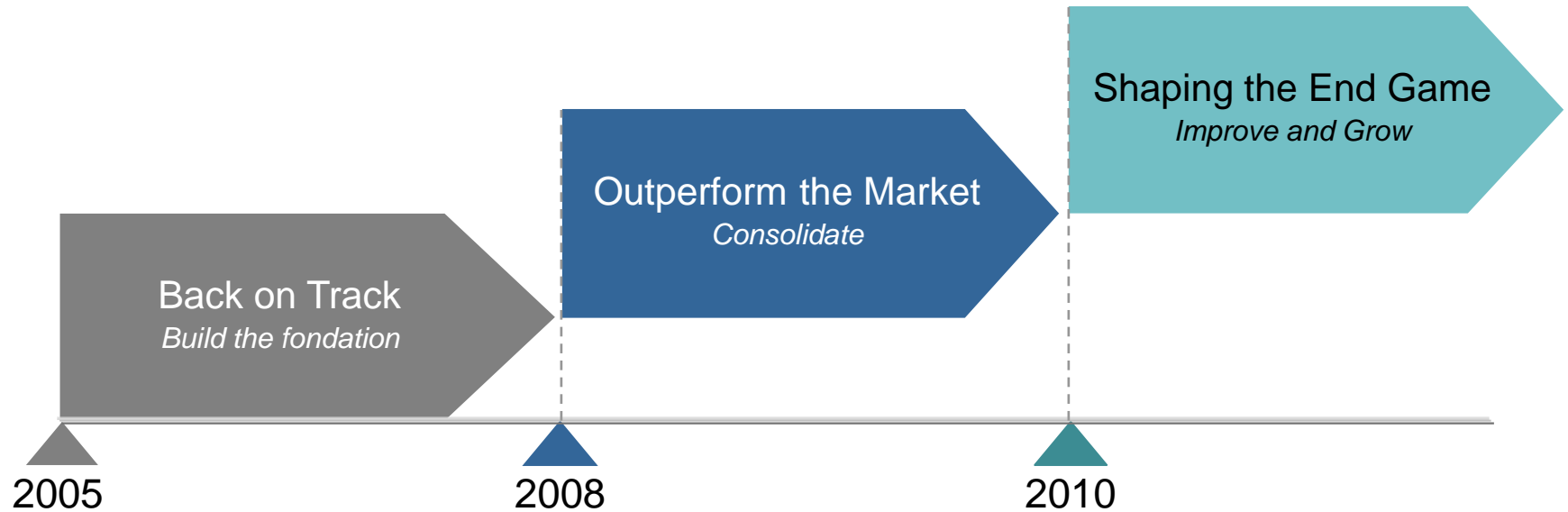
**Strategic
Alliances**

**Business
Growth**

- ▶ Develop and manage alliances across SBU

- ▶ A clear strategy and value proposition for each business segment
- ▶ An optimum distribution network
- ▶ Sales and Service culture
- ▶ Non – organic growth

Bank Mandiri Transformation Strategy



Key Indicators

- ▶ Net NPL < 5%
- ▶ Increase Provision for Loan Coverage

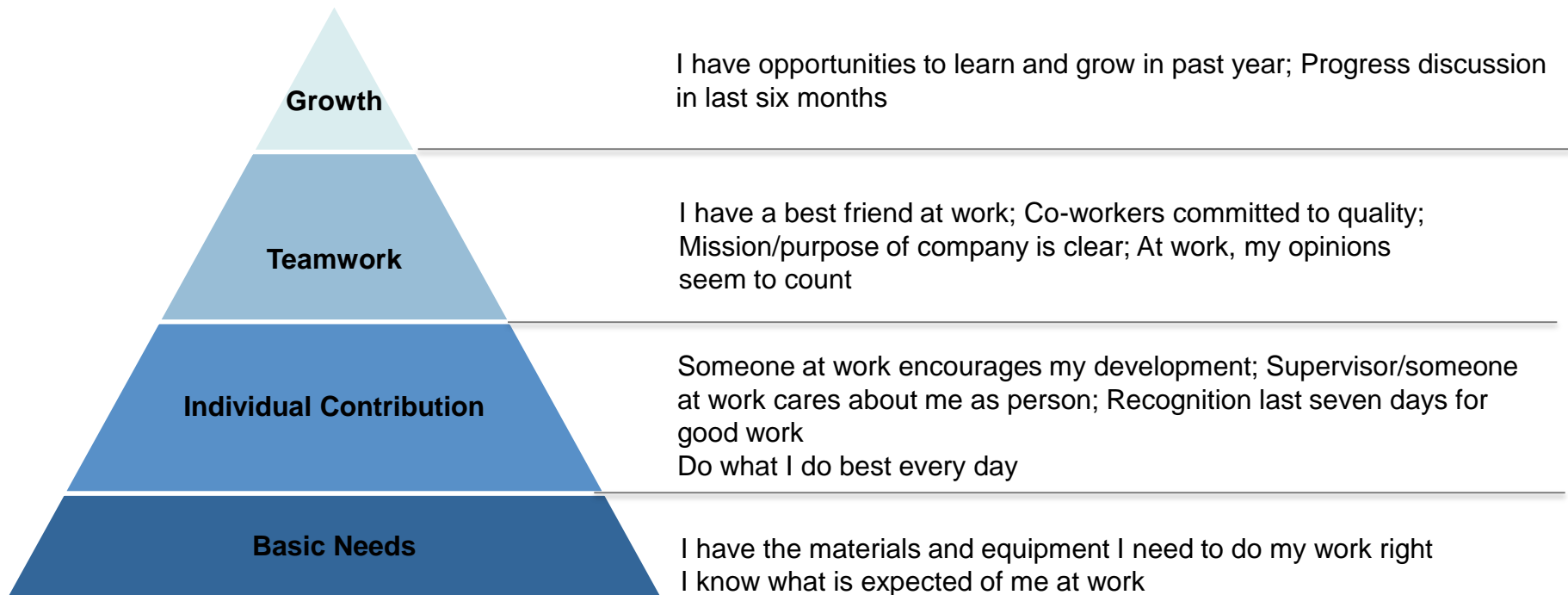
- ▶ Business and profitability growth above market
- ▶ Competitive ROE
- ▶ Optimum PBV

- ▶ Dominate market share in all segments
- ▶ Market Cap above USD 10Bn

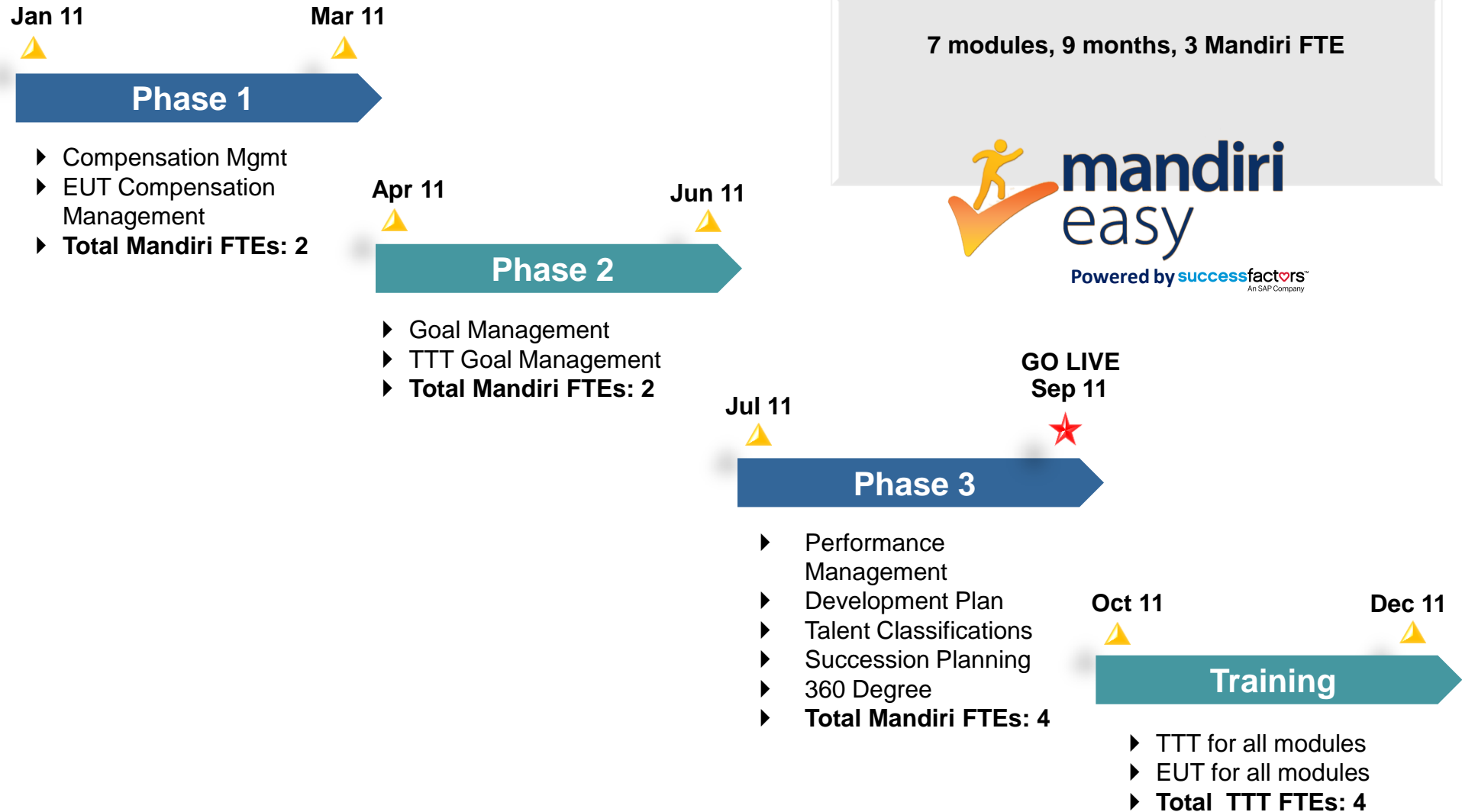
Bank Mandiri Business Case

To achieve its 2014 vision and maintain its leadership position Bank Mandiri needs to get the highest levels of productivity from all its employees.

How satisfied are you with Mandiri as a place to work?



DDG Implementation Timeline



MandiriEASy

Mandiri EASy is Mandiri Employee Appreciation System. Powered by Success Factors, the online system integrates all Mandiri HC processes in the cloud.

BEFORE e-Mandiri EASy	AFTER e-Mandiri EASy
<ul style="list-style-type: none">• Decentralised HC processes	<ul style="list-style-type: none">▶ Centralised and integrated HC processes
<ul style="list-style-type: none">• Executing the process is not easy and more risky	<ul style="list-style-type: none">▶ Accessible via internet 24x7, hence easy to manage
<ul style="list-style-type: none">• Limitation on Time and venue	<ul style="list-style-type: none">▶ Flexible. All processes can be accessed anywhere and every time.
<ul style="list-style-type: none">• Problem managing hardcopy	<ul style="list-style-type: none">▶ All files are in softcopy/e-file



Successfactors vs. ERP

	SuccessFactors	Large Scale ERP
Cost Multiplier	1 x (over 5 years)	3.5 x (over 5 years)
Budget Source	Development & Training	Capital & Operational Expense
FTE Needed	3	~ 15
Implementation Timeline	9 months for all HC modules	Minimum 2 years for administrative HC processes
Scope	All Employees	HR Teams
Infrastructure	Not Required	Significant needs
Rollout frequency	Multiple within short periods	Multiple within long periods
Training	<ul style="list-style-type: none"> ▶ Number of Trainers: 4 ▶ 1 month TTT for ~ 800 employees ▶ 1.5 months EUT for 25.000 employees 	<ul style="list-style-type: none"> ▶ Number of Trainers: 20 ▶ 1 month TTT for ~ 20 ▶ 2 months EUT for ~ 200 HR Team
User Friendly	Yes	No

SUMMARY

▶ Business case has been achieved through Success Factors	☑
▶ Fast Implementation Time	☑
▶ Cost Effective	☑
▶ Efficient <ul style="list-style-type: none">▪ HC Team can manage system severally▪ Increase HC efficiency by accelerating all HC processes▪ Reduce HC FTE to manage HC processes	☑
▶ Engage every individual in Mandiri	☑
▶ Significantly increase employee participation in personal development	☑
▶ Develop coaching culture	☑
▶ Enable line managers to value and retain top performing talent	☑
▶ Empower line managers to make people decisions	☑



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Thank you