ZALARIS

SAP® SOFTWARE POWERS PROFESSIONAL SERVICES FIRM IN DRIVE FOR MARKET LEADERSHIP

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Hans-Petter Mellerud, CEO, Zalaris

QUICK FACTS

Company
- Name: Zalaris
- Headquarters: Oslo, Norway
- Industry: Professional services
- Products and services: Outsourced HR and consulting services
- Revenue: €27.3 million
- Employees: 280
- Web site: www.zalaris.com
- Implementation partner: IP Call Center (Tallinn, Estonia)

Challenges and Opportunities
- Deliver standardized, cross-border services
- Track project costs and customer profitability
- Price competitively and increase revenue

Objectives
- Install a single, uniform platform with professional services functionality
- Harmonize processes company-wide

SAP® Solutions and Services
- SAP Business Suite software, including the SAP® ERP application, the SAP Customer Relationship Management application, SAP Business Communications Management software, and the SAP ERP Human Capital Management solution
- SAP NetWeaver® Portal component
- SAP NetWeaver Business Warehouse component
- SAP Ramp-Up program
- SAP enhancement package for SAP ERP
- SAP Shared Service Framework software

Implementation Highlights
- Rapid series of 2-month implementations per application
- Commitment to the standard processes supported by SAP software, minimizing customizations

Why SAP
- Single platform for multiple countries
- Integrated, harmonized functionality
- Tools for work-based costing and project management
- Zalaris's belief in using what you sell

Benefits
- Ability to view resource costs and engagement profitability via dashboards
- Transparent, easy monitoring of resource utilization
- Ability to set price points that win contracts and ensure margins

Existing Environment
Microsoft Outlook

Third-Party Integration
- Database: IBM DB2
- Hardware: Fujitsu
- Operating system: Linux

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CEO Hans-Petter Mellerud has a vision to make Zalaris the leading provider of outsourced HR services in northern Europe. The company offers a compelling value proposition: it will lower your costs by 15% to 35%, standardize your HR processes across borders, and free your HR staff to focus on strategic tasks like competency planning and compensation analysis. SAP® software powers the firm's market leadership thrust.

The business world is a believer in what Zalaris has to offer; the company has signed up 104 firms and supports more than 100,000 users at the customer sites. Clients enjoy the metrics Zalaris delivers, like 100% "pay on time" and 99.9% "correct pay slips." They also like the service – 90% of the time Zalaris responds to their inquiries in less than 20 seconds.

Zalaris smartHR, the firm's business process outsourcing solution, is based on SAP Business Suite software – including the SAP ERP Human Capital Management (SAP ERP HCM) solution. Internally, Zalaris uses the SAP NetWeaver® Portal and SAP NetWeaver Business Warehouse (SAP NetWeaver BW) components as well as other SAP Business Suite applications – including the SAP ERP application, the SAP Customer Relationship Management (SAP CRM) application, and SAP Business Communications Management software.

A Competitive Edge Through Operational Excellence

The SAP software helps distinguish the professional services firm from its competitors – smaller companies that can't deliver cross-border services and larger organizations that can't match its pricing and customer care. "SAP software provides the backbone of our customer services, letting us operate on one platform in all geographies," Mellerud says. "If you look at how we use SAP software to manage our own business, we reap the same benefits – one common solution we use everywhere we do business."

But the SAP software does more than provide a unified platform; it is perfectly suited to support service delivery and resource utilization, the twin competencies of professional services. For customers, Zalaris uses SAP Business Communications Management to handle incoming calls across its service infrastructure. It monitors thousands of daily service tickets in SAP CRM, resolving them within defined service-level agreements.

Internally, employees log work times and travel and expense data into cross-application time sheets to capture project details. This data is attached, along with associated costs, to customer orders. The information is then matched against work breakdown structures to assign the exact cost of each work element. This lets Zalaris track costs for billing, manage contracts, and measure client profitability through project management functionality. Zalaris uses SAP NetWeaver BW to extract intelligence from the engagement data, displaying it via dashboard reports on an online gateway powered by SAP NetWeaver Portal.

Says Mellerud, "I go in almost daily to check on internal resource utilization and customer engagement margins. I monitor consultants to control costs, and I keep a close watch on the profitability of our agreements to see if we are making our margins. This has been very instrumental in helping us negotiate effective pricing agreements – contracts where we price competitively to win the account yet still make money."

Preconfigured, Comprehensive HR Template

Zalaris has more than 10 years of experience as a leading Nordic and Baltic provider of outsourced HR, HR technology, and SAP ERP HCM consulting services. Headquartered in Oslo, it has local-language service centers in Norway, Sweden, Denmark, Finland, Latvia, and Lithuania, and a service center in India.

Zalaris smartHR is the key to its fast and standardized customer implementations. The solution is a preconfigured, comprehensive HR template based on SAP ERP HCM. All services are Web based and include process support for HR activities covering the entire

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employee lifecycle – resource management, talent development, metric analyses, and trend assessments. The solution works smoothly across countries so regional businesses can operate with a common set of HR processes. A single database ensures that the same data is available at any time and in any place.

Use What You Sell

As an SAP partner for business process outsourcing, Zalaris chose SAP ERP from the outset, installing the software in two months. "We've been true to our SAP partnership," Mellerud says. "We've looked at other solutions, but only to understand what's in the marketplace. We believe we should use the solutions that we sell to customers. If a customer asks us if we use SAP software ourselves, it's a much stronger statement to tell them, 'Yes, we use all of it.' And even beyond that rationale, we have calculated ROI and we've seen a very positive return on our investment in SAP software."

Initially, Zalaris managed incoming customer e-mails with Microsoft Outlook; it also had different phone systems at its call centers in each country. It picked SAP CRM to remedy the situation – also rolling it out in two months. "SAP Customer Relationship Management gave us the capability to deliver higher-quality customer service," Mellerud says.

Superior Customer Care via Intelligent Routing, Harmonized Services, Better Use of Resources

Zalaris then added the SAP Business Communications Management software – another fast, two-month installation. The software provides an advanced communication solution for multichannel contact centers and contact-intensive, multisite organizations. It replaces traditional communications hardware with a software-based IP telephony solution that can help make interactions with customers and partners more effective.

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Intelligent routing helps ensure that customers reach the right people within an organization – people with the skills to best address client needs. Unified queuing, prioritizing, and routing of contacts, no matter what their format – telephone, e-mail, fax, voice mail, text messaging, and the Web – helps ensure a smooth, consistent experience.

Says Mellerud, "We had been very local in the way we provided service; now we route calls to the appropriate service center. SAP Business Communications Management software helped us harmonize our service processes and better utilize our resources. For example, if it's a public holiday in Norway, an incoming issue can be handled by a Norwegian-speaking agent in Sweden. Or we can send calls to an agent in Riga, Latvia, who speaks Norwegian, Swedish, or Danish."

SAP Business Communications Management was installed with the help of IP Call Center in Tallinn, Estonia, which hosts the solution. "The company's consultants did a great job; they were very knowledgeable and very dedicated," Mellerud says. "Another success factor was our commitment to standard processes supported by the SAP software. We had minimal customizations. That was key to meeting our tight time goals."

Version Upgrade, Enhancement Packages

Zalaris is now looking at the SAP BusinessObjects™ portfolio of solutions to support an aggressive strategy to transform its business using SAP software. The portfolio will help the company streamline dashboard production and deployment to customers, who already log on to the SAP NetWeaver Portal to view reports on time and attendance, compliance with local labor laws, and so forth. Zalaris is also upgrading to the newest version of SAP CRM via the SAP Ramp-Up program. The program lets customers implement the newest versions of SAP software prior to general release. Customers benefit from prioritized support channels and dedicated coaches with direct access to SAP product development.

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In addition, Zalaris is installing the SAP enhancement package for SAP ERP. SAP enhancement packages simplify the way customers deploy functionality. Instead of a large-scale release upgrade, customers can install and activate only the functionality they need, without affecting the core landscape. Zalaris will look to activate professional services functionality to support project creation as well as lean staffing, forecasting, resource utilization reporting, and more.

Zalaris is also rolling out SAP Shared Service Framework software. "This will further automate our smartHR offering, helping us scale the business without adding a lot of new resources," says Mellerud, who then adds, "SAP integrates all the functionality we need into one complete solution. That's the big advantage its competitors cannot deliver, because they integrate lots of different software with middleware."

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