BPOI: Building a Superior Framework to Maximize Customer Value with SAP® ERP

Business Process Outsourcing International Inc. (BPOI) is the largest private company for payroll, time, and attendance; finance and accounting; and talent outsourcing in the Philippines. BPOI maintains its leading market position by **keeping pace with technology advances** and practice standards. The company considers SAP as a key enabler of strategies for success.

Executive overview

Company
Business Process Outsourcing International Inc.

Headquarters
Makati City, Philippines

Industry
Professional services – business process outsourcing

Products and Services
Finance and accounting; payroll and time and attendance; and talent outsourcing services

Employees
560

Revenue
PHP 300 million (US$6 million)

Web Site
www.bposerve.com

BUSINESS TRANSFORMATION

The company's top objectives

- Enhance customer value and deliver high-value services
- Position for new, large-scale opportunities in the outsourcing market
- Enable company growth to maintain a competitive edge

The resolution

- Formed internal implementation team of experienced business process experts
- Upgraded the SAP® ERP application and deployed the SAP ERP Human Capital Management (SAP ERP HCM) solution for payroll functionality
- Used ASAP methodology to ensure a cost-effective and speedy implementation

The key benefits

- Made cost savings through greater report accuracy and manual process elimination
- Improved data analysis, forecasting, and decision making
- Gained new and prospective customers as a response to the system localization, upgrade, and enhancements

Read more

TOP BENEFITS ACHIEVED

250%
Increased employee processing by HR

99%
Less payroll service errors

40%
Shorter payroll close cycle

See more metrics

"SAP is an important part of BPOI's value proposition to our customers. Our use of SAP software strengthens our selling points of efficiency, accuracy, and on-time processing."

Pinky De Guzman-Alban, Head, Client Development and Management, Business Process Outsourcing International Inc.

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Delivering high-value services for partnerships that last

Business Process Outsourcing International Inc. (BPOI) is a high-growth global business based in the Philippines that provides business process outsourcing services. BPOI employs more than 500 finance, accounting, and payroll professionals and delivers innovative solutions to over 400 domestic and multinational clients. BPOI employees have a commitment to service excellence in providing payroll and time and attendance; finance and accounting; and talent outsource functions. The company has a clear focus on developing strategic customer partnerships that produce mutual benefits over the long term.

In the Philippines, business process outsourcing is a growing field as companies aim their resources at operations that directly generate income. Since 2002, BPOI has met this recognized market need with success, running key business processes using the SAP® ERP application. However, to help achieve business growth and improve internal efficiencies, the company required more data processing capacity, higher levels of user self-service, greater reporting functionality, and easier means of regulatory and audit compliance.

"Many BPOI customers also run SAP applications. So there was a clear advantage in aligning our processing methods," says Pinky De Guzman-Alban, head of client development and management at BPOI. "More than that, we knew existing customers and potential ones would take note of our commitment to leading-edge software." To help achieve the business growth the company was after – increasing market share while strengthening key business relationships that would stand the test of time – BPOI upgraded its SAP ERP application.

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A foundation for excellence in business process outsourcing

BPOI divided the SAP ERP software upgrade into two parts. Its first priority was to deploy the SAP ERP Human Capital Management (SAP ERP HCM) solution to service its human resources section and localize the payroll functionality for the Philippines. Employees familiar with payroll processing were involved in this project, supported by a consultant experienced in the SAP ERP HCM solution. The combination of user experience and specialist software knowledge produced an effective team throughout configuration, deployment, and training.

The second part was the overall upgrade of BPOI's SAP ERP software. This followed SAP best practices and utilized ASAP methodology for cost-effective and speedy implementation. "We truly believe in the disciplined approach that ASAP methodology imposes," says Sancho Aquino, head of quality, innovation, and compliance at BPOI. "It streamlined the process and lowered risks involved." The target for implementation was six months from inception, but this was extended to seven, at the direction of management, to synchronize with BPOI's balance date.

BPOI had high-performance implementation teams of experienced business process experts. They were supported by a small number of SAP consultants to guide them in configuration and data migration. This structure ensured cost-effectiveness and a high level of education in product use and maintenance. The software was first used for BPOI's own business processes so employees would be fully prepared when external deployment began.

"Senior management had total confidence in the credibility of the SAP ERP software in business analytics."

Sancho Aquino, Head, Quality, Innovation, and Compliance, Business Process Outsourcing International Inc.

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Realizing market potential with SAP ERP as the key enabler

Since implementing the payroll functionality in SAP ERP HCM for the company's payroll clients, the payroll staff at BPOI process more than three times the number of employees per run than before. This has created savings within the HR outsourcing department and also opened up a new market targeting larger companies.

SAP ERP enables BPOI to better deliver accounting and procurement services. Users now have more control over functions within their responsibilities, and this has significantly improved productivity and accuracy. Tasks that previously needed manual input are now highly automated. Staff retention levels also significantly improved, with users enjoying the tools at their disposal.

The upgrade has allowed financial and purchasing close cycles to reduce from five days to three, giving employees more time for analysis, planning, and forecasting. "Many Philippine enterprises use SAP software," says De Guzman-Alban, "and they are excited when realizing we can work closely with them."

KEY BENEFITS

250%
Increased employee processing by HR

40%
Shorter payroll close cycle

50%
Faster reporting and data analysis

99%
Less payroll service errors

50%
More efficient payroll outsourcing activities

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Exploring new partnerships for further business growth

BPOI has firm plans to add more SAP solutions on the foundation that its upgraded application provides. "SAP software is already a major contributor to our organizational development and financial management," says Aquino. "We anticipate expanding this relationship in the future."

As BPOI's use of SAP software grows, so will the strength of its customer partnerships. The company is planning to include SAP ERP Financials and other solutions as part of its "software as a service" offerings. The management is also seriously exploring the possibility of becoming an SAP implementation partner for solutions that support human resource and finance lines of business.

"We want to create a long-term road map for our use of technology by leveraging all the great features of our collaboration with SAP," Aquino concludes. "It's a key part of the process toward our future growth and success."

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