



P-DIREKT

TAXPAYER PROFITS FROM EFFICIENCY AND SHARED GOVERNMENT PERSONNEL SYSTEMS

AT A GLANCE

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Sylvia Bronmans, Director, P-Direkt

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Summary

Saving about a hundred million Euros is just a start. The government organization P-Direkt just made a huge saving for the Dutch taxpayer. This Human Resources service provider to and for 12 Ministries has integrated and centralized automated systems, through an innovative approach using the help of SAP solutions. When all processes and systems are up and running, a total saving of about 250 million shall be achieved.

Company

- Name: P-Direkt
- Locations: The Hague and Zwolle, The Netherlands
- Branch: Government
- Products and services: Trustworthy, modern, standardised and efficient HR services to and for Ministries
- Employees: 440 (in 2011)
- Website: www.p-direkt.nl
- Implementation partner: Logica and Ordina (amongst others)

Challenges and opportunities

Improved quality and efficiency of personnel processes for 12 Ministries (excluding Defence)

Implementation high points

First 100 million Euro savings obtained through planning; the contact centre is complete and the first Ministries are connected.

SAP solutions

SAP HCM solutions, SAP Interactive Forms SAP Netweaver, SAP Flexible Benefits, SAP BW, SAP EIC; SAP CRM still to be implemented: SAP TAO

Why SAP?

- Connectivity to existing government-wide infrastructure
- Best cost/quality ratio
- Standard solutions which work together with partner's solutions
- Scalable, trustworthy and flexible

Greatest advantages

- Structural savings potential of about 250 million Euros
- Total required number of personnel and wages administration FTEs can be reduced by about 50%
- One-stop office for 27 HR services serving 12 Ministries
- Integrates and accelerates processes which also become more transparent and controllable
- Current and future needs are readily applicable

Competitive advantages

- Improved image of the Government as an employer
- Increased work diversification possibilities for many employees

Previous situation

Around 50 widely diverse systems

Third party integration

- Database: Oracle
- Hardware: HP
- Operating System: Unix
- Software: Genesys and Loadrunner

Number of users

300 at Ministries, 440 at P-Direkt, about 130,000 working relations who have direct access to the system

Implementation timeline

2007 - 2012

P Direkt

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At least twelve Ministries have been able to realize considerable savings and efficiency improvements thanks to the innovative HR service provider P-Direkt. To date P-Direkt has saved the taxpayer about 100 million Euros. Investments in integration and centralization of the automated systems, with the aid of SAP solutions, shall lead to even greater savings over time. From 2012, when the processes and systems are ready, a saving of about 250 million Euros shall be achieved.

Government-wide savings

In January 2007 P-Direkt laid out the basis of the shared service center. All government personnel files have been digitalized by the personnel files service. A government wages service for the 118,000 civil servants has been created. Furthermore P-Direkt has developed a self-service HR business portal and is supporting the Ministries

SAP Flexible Benefits to improve personnel processes through the use of automated administration.

From fifty to a single

Director Sylvia Bronmans and Programme Manager Peije Goudriaan from P-Direkt explains that it is a unusual and complex course of action: "It started in 2007 with an assembly

change in the regulations. A complex and inefficient situation. In keeping with the scarcity in labour market we needed, above all, to switch many of the existing manual labour-intensive processes to a one-stop digital self-service office. We were able to both lighten the HRM staff workload and permit diversification in their daily work practices."

Best quality/cost ratio

SAP came out top in the European tender process for the digitalisation and automation of the personnel processes. Bronmans: "SAP meets all of our functional demands and delivers an implementation partner with the best cost/quality ratio in a single package deal. Furthermore roughly sixty percent of the relevant Ministries already used an SAP solution. This simplified the connectivity of the new system to the existing solutions tremendously."

Genuine leaders

P-Direkt has, in conjunction with a large number of internal parties and implementation partner Logica, developed a system that takes advantage of the latest technologies, such as SAP HCM solutions in

in the running of their own organization. In this manner P-Direkt has, together with the Ministries, achieved a government-wide saving of 102 million Euros to date. Phase two, the phase in which P-Direkt is currently engaged, is the bundling of user support. Almost half of the users in the Ministries are coupled to the complete services of P-Direkt. Employees, managers and HRM professionals all use SAP HCM solutions, SAP Interactive Forms and

of projects, within which the Ministry of the Interior and Kingdom Relations wanted to improve the quality and efficiency of the processes inside 12 Ministries. All Ministries, excepting Defence, are involved. Previously each Ministry had autonomous choice over administrative systems. The resultant situation was 50 widely diverse architectural structures, each totally independent of the other, and all of which had to be changed with each



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Sylvia Bronmans, Director, P-Direkt

combination with Adobe Interactive Forms. Goudriaan: "We really are the front runners. We have, with the help of SAP, unified and simplified the management of as many processes as possible and gotten rid of technical limitations. Sometimes that meant waiting until the very latest version appeared on the market. We wanted to use, for example, Adobe Interactive Forms without the client installation, however that only became available after the new system was up and running. We have the advantage in that SAP made it possible. This is how we built up a very good relationship with our SAP contact person in the Netherlands. Moreover we had direct access to SAP's development department in Walldorf, Germany. Whenever there's a complication we can depend upon SAP." The strategic choice of opting for SAP has been justified in many diverse areas. Bronmans: "Such a strategic decision is important of course because the system has to function over years. The advances in new technology and the application of the system must be as easy as possible. Because SAP supports international standards and is modular in its build, we were able to apply it quickly. This was also one other reason for choosing SAP."

It is anticipated that in 2011 all 130,000 civil servants can fully access, complete and correct their personal information, declarations and absent-from-work time via the P-Direkt portal.

Implementation at your own pace

Bronmans: "Some parts of the

Ministries are already connected. The remainder have up to and including 2011 to implement the services we offer at their own pace. We stated with the high-volume processes, so that the investment showed as quick a return as possible, in the form of savings on costs and labour. We'll automate a total of 27 HR processes with SAP solutions."

A costs and expenditures analysis has shown that the planned goals can be attained. Bronmans: "We have, thanks partially to an excellent partnership with SAP, taken an enormous step forward in processing and offering services. Of course we've used the highest level of data security in keeping with the protection of personal information.

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Realistic savings

The goals are apparently attainable, so it seems from the first evaluation and approval of the Lower House of parliament in 2008. Bronmans summarizes: "We are accountable. We've already saved 102 million Euros

and that shall lead to a structural saving of 250 million Euros. We require, to date, only 740 FTE for wages and personnel administration instead of 1,500. And the Ministries need themselves to invest a lot less in hardware and software. We anticipate that the image of the government as a modern employer shall be improved through this development."

Work variation

There is still much to be done, is the sober reminder from Bronmans: "This means an enormous change in the substance of work. It'll become more varied and there shall be a lot less paperwork. This means that we need to continue intensively training the relevant personnel staff. There's a

contact centre for end-user questions and the staff has to remain customer oriented. Paperwork had been just about declared a taboo, with the exception of wage slips and Letters of Appointment. We're legally required to still deliver these on paper. Because we're of course so close to the source of legislation, we've already began courses of action to apply changes in the regulations."

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