BALSHARAF GROUP

SAP® ERP HCM HELPS POWER FIRM'S DRIVE TO GROW MULTIFOLD IN A FEW YEARS

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Mohammed Ali Balsharaf, CEO, Balsharaf Group

QUICK FACTS

Company
- Name: Balsharaf Group
- Headquarters: Riyadh, Saudi Arabia
- Industry: Consumer products
- Products and services: Quickly moving consumer goods
- Employees: 2,200
- Web site: www.balsharaf.com.sa
- Implementation partner: Al-Bilad Arabia Company Limited

Challenges and Opportunities
- Leverage human capital to support aggressive growth
- Give executives comprehensive access to HR information

Objectives
Install a single, centralized HR platform for multibranch operation

SAP® Solutions and Services
- SAP® ERP Human Capital Management solution, including functionality for self-service and employee performance management
- SAP ERP application

Implementation Highlights
- Fast deployment within 3 months
- Strong teamwork ethic
- Localization for Saudi Arabian laws

Why SAP
- Best fit for business requirements
- User-friendliness
- Scalable functionality
- Good integration with SAP and non-SAP software
- Strong manufacturing functionality, with support for future rollouts
- Affordable initial cost and lowest total cost of ownership
- Reliable support

Benefits
- All employee information in a single dashboard
- Ability to access data via self-service
- Alerts for document expirations
- Support for expansion

Existing Environment
Legacy payroll system

Third-Party Integration
- Database: Oracle
- Hardware: HP
- Operating system: Microsoft Windows

Balsharaf Group has a lofty goal. "We want to be the leading manufacturer and distributor of quickly moving consumer goods in the Middle East," says CEO Mohammed Ali Balsharaf. "We are working on infrastructure improvements and multidimensional expansions." The swift expansion requires rapid growth in the workforce, so Balsharaf turned to the SAP® ERP Human Capital Management (SAP ERP HCM) solution to manage its most important asset: its people.

Balsharaf implemented SAP ERP HCM quickly, in only three months. The company uses the software for payroll, organization, and employee management, manager and employee self-service, performance management, as an enterprise portal, and for reports. The reporting and information access is key – everything is available in real time.

The HR director views a dashboard with each employee's current position, promotion history, previous and present salary and compensation, transfer history between departments, location, and so on. Business managers can access reports on how many people have been recruited, how many are in the pipeline, and what the current HR needs are at each division and branch. Manager self-service functionality lets department heads review employee details like performance history and training needs; employee self-service allows staff members to see their pay slips and personal information. Automated alerts warn of impending expirations of work authorization documents – crucial in the Saudi economy, with its preponderance of foreign nationals in the workforce.

"If you want to expand a business, you need very strong support functions," says Sajid Riaz, head of IT at Balsharaf. "We needed tools to better manage the human side of rapid growth. With SAP ERP HCM, we are moving toward total automation in HR – no manual calculations, a fully paperless environment. We capture everything about an employee, like training details and job evaluations. SAP ERP HCM is easy to use, with simple, straightforward processes. All a user needs to do is enter correct data."

A Long History

"Balsharaf Group began operating in 1955 in Makkah, Saudi Arabia," Balsharaf says. Today it owns a chain of food stores in Riyadh, a distribution business serving 16,000 retail outlets across the country, and manufacturing operations in Saudi Arabia, Egypt, and India. The company has significant market share as an agent for international brands and private labels; it also sells and distributes its own brands. Balsharaf exports to the United Arab Emirates, Egypt, Jordan, Sudan, and Yemen. As part of its expansion strategy, it has also made business forays into Bahrain, Iraq, Kuwait, Qatar, Syria, Lebanon, and Libya.

The company's previous HR solution only covered payroll processes – insufficient for its growth ambitions. "We were looking for a robust, comprehensive HR solution," Riaz says. "We wanted support for activities like employee administration, workforce planning, and performance management, as well as localized support for Saudi Arabian laws."

SAP Software – A Better Match

The decision to use SAP ERP HCM was part of a larger strategy to adopt the SAP ERP application. Says Riaz, "We looked at applications from Microsoft, Oracle, and SAP. The SAP software was a better match for our business requirements. It is integrated – other solutions consist of multiple applications stitched together, while SAP software is integrated from the very beginning. Also, one of our core activities is manufacturing. SAP solutions are very strong on the production side."

Financial considerations and support also played a role in the decision. Says Riaz, "SAP ERP offered an affordable initial cost and better total cost of ownership. And SAP software is used throughout the region. We have both customers

Mohammed Ali Balsharaf

Sajid Riaz

"SAP ERP offered an affordable initial cost and better total cost of ownership. And SAP software is used throughout the region. We have both customers and suppliers that run their businesses with it."

Sajid Riaz, Head of IT, Balsharaf Group

and suppliers that run their businesses with it. They report that they receive excellent support."

Crucial Help from Partner

Balsharaf chose Al-Bilad Arabia Company Limited to assist in the rollout. Al-Bilad is a leading IT services provider with clients across Saudi Arabia and the Gulf Cooperation Council (GCC) countries. It offers a full range of SAP software–related services to small, medium, and large firms, including consulting, implementation, upgrades, and SAP Enterprise Support services. Al-Bilad also specializes in the SAP BusinessObjects™ portfolio of solutions, providing licensing, implementation, support, and training services.

"The Al-Bilad consultants knew exactly how SAP software worked; they understood all the features and functionality," Riaz says. "If we needed something outside the existing processes, they reconfigured the software. They were also very flexible – they delivered what the business needed. This was crucial, since we fine-tuned processes several times."

Riaz cites other success factors. "We did a lot of planning before the implementation, examining our existing processes and pain areas so we knew what needed to be addressed. We also made sure to assemble the right people to do the job. We didn't work by the clock; people worked when we needed them. And the 16-person team worked in unison. There were six consultants from Al-Bilad; on our side we had the HR director, compensation and benefits manager, IT program manager, project coordinators, HR techno-functional administrator, HR administration manager, and payroll administrator, among others."

"We are now working to maximize value, trying to improve the quality of information and processes. In these next rollouts, we will further exploit the SAP ERP HCM functionality to support our strategic expansion plans."

Sajid Riaz, Head of IT, Balsharaf Group

An Important Component

That business participation was crucial to define a series of specialized reports that are available in Arabic and English. The reports summarize and detail things like document expiry, headcount based on nationality, bank salary transfers, vacant positions, and so on.

Another crucial component concerns the General Organization for Social Insurance (GOSI), which administers Saudi Arabia's national insurance scheme. Balsharaf says, "GOSI collects contributions from employers and pays benefits to entitled insured persons and their family members." SAP ERP HCM makes the calculations automatically for Balsharaf based on employee earnings.

Maximize Value and Support Expansion

Balsharaf next plans to connect its non-SAP time-and-attendance solution to SAP ERP HCM to capture both regular hours and overtime. In phase two, it is going to implement the remaining SAP ERP functionality for finance, controlling, materials management, sales and distribution, production planning, and warehouse management. The initial rollout focused on the distribution side of the business; phase two will also cover Balsharaf's export business. In phase three, the company will bring the SAP software to its retail arm. Phase four will involve the extended global rollout and the introduction of functionality for employee performance management, with deployments to operations in other Middle East countries.

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