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## THE RIPPLE EFFECT

Stories of purpose and lasting impact

# Putting the people part in play

A thorough transformation shifts one company's HR function from redundancy to strategic partnership—with room to grow.



# ORGANIZATIONALLY **FRAGMENTED.** OPERATIONALLY **SILOED.** READY TO **STEP UP.**

## THE SITUATION

Often enough, people buy a home knowing the place could use an update to bring it up to modern standards. The update could be limited (a new coat of paint) or transformational (replacing the foundation). Either way, there's value to be unlocked by investing in an upgrade.

Which is something like what the leaders at a private equity firm were thinking as they considered the state of a recent purchase—a global life sciences company. The company's fundamentals were solid, but there was work to do to bring it up to modern standards, particularly in one crucial area: human resources (HR).

The company wasn't unique in this regard. As technology reshapes how business is done, plenty of industries grapple with the need to integrate, harmonize, and optimize their HR investments while streamlining service delivery. In this case, the HR function was organizationally fragmented—each business line had its own independent HR department—and technologically siloed—these departments were running two different, and redundant, human resources information systems (HRIS).

Consolidating these systems—the people, the processes, the technology—would bring the company's HR up to date by increasing efficiency and reducing costs. The goal: an [HR transformation](#) that would align the HR function with the company's growth and operational goals. Its target metrics: delivering an outstanding HR experience to employees and leaders, while logging \$5 million in annual savings.

The transformation hadn't been underway for long before the company brought on a new chief human resources officer (CHRO). At a board meeting soon after, the CHRO was asked for their assessment of the nascent project. The answer was succinct: "We don't have the expertise we need. I've identified gaping holes, and I'd like your support to bring on a tier one firm that's known as number one in the market for this kind of work. I'd like to bring Deloitte on to help support me with this transformation."

"Absolutely," was the response. "We'll leave it to you." The CHRO called on [Deloitte's Human Capital Consulting](#) team for assistance.



# THE SOLVE

An HR transformation is defined as the process of reorganizing an HR function to support a business in the most cost-effective way while delivering a great experience to business leaders and employees. This often includes changes to processes, technology, and organization design—all of which were on the table for the life sciences company, and all of which were reflected in the Deloitte team's implementation roadmap.

Working with the CHRO, the team proposed a plan with four parallel—and nested—workstreams: HR transformation (i.e., reengineering the company's HR operating model), supported by shifts in technology and job architecture, with change management initiatives to knit it all together.

A close analysis of the company's current HR operating model showed that fragmentation and silos meant HR professionals were often bogged down with transactional tasks (like repeatedly answering questions about vacations days), leaving little bandwidth for higher-value strategic work. The business case for a proposed future-state model outlined a shift to a more centralized—thus balanced—distribution of HR functions.

To wit: an HR Shared Service Center (HRSCC)—aka the People Services hub—a centralized group that consolidates and delivers HR services across businesses and geographies. This group would take on the transactional work previously spread across the organization; it would also tailor such support to business units, replacing legacy independent HR departments. A separate, agile HR team would back cross-business special projects.

Next were HR Centers of Expertise (CoEs)—specialized units focused on developing and delivering advanced guidance in areas like HR strategy, innovation, and performance measurement. Finally, there'd be a new HR leadership team, with oversight for the function overall, which could take a seat at the business strategy table.

The technology workstream focused on consolidating the company's two HRIS programs to [Workday](#), then optimizing Workday to support the shared systems outlined by the new operating model. Achieving this unified platform meant migrating 4,000 employees from SAP SuccessFactors to Workday; it also meant configuring Workday to enhance user setups, security, and processes, and activating new functionalities like talent and performance management.

Choosing to delay a *full* Workday integration for its newly formed People Services hub, the company instead opted to bridge the gap by configuring its existing IT service management (ITSM) [ServiceNow](#) solution for HR. The company opted to configure its existing ServiceNow IT solution for HR and integrate it to Workday. This required creation of an extensive, harmonized knowledge base for the People Services team leveraging the ITSM solution to enable efficient responses to employee inquiries.

Like efforts underway with technology, the job architecture workstream centered on helping the company run more efficiently through consolidation and consistency. Job roles, titles, and levels were streamlined and standardized, making it easier for employees to understand career opportunities across the organization and simplifying downstream, systemic impacts on finance, workflows, and HR processes.

Meanwhile, combined teams of company and Deloitte change management professionals provided support throughout the transformation by developing and delivering a change assessment and communication strategy, creating and delivering training for the new processes activated by the new operating model, and executing a comprehensive change campaign. This campaign included stakeholder engagement and communication materials.

**SIMPLIFIED. STANDARDIZED. STREAMLINED. AND  
ABOUT TO GET REAL EFFECTIVE, REAL FAST.**



# THE IMPACT

The transformation continues, with more work to be done on job architecture, and other things to elevate the talent experience and further modernize the company's HR functions for long-term success and strategic alignment. Already, though, the streamlined job architecture has facilitated easier workflows and better infrastructure for future operations.

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Gone are the silos and redundancies; the new HR operating model has integrated business units under a single, cohesive HR function, bringing consistency across the organization, improving employee and applicant experiences, and enhancing efficiency overall.

The transformation to date has also positioned the HR function in a less transactional, more strategic role, able to advise on and support continued growth in the business, and invest in new HR capabilities without increasing headcount.

But for some sense of closure, for now, target metric: achieved. The CHRO reported a \$5 million cost savings to the board, along with an improved HR full-time equivalent (FTE) ratio—meaning the company's HR function, supported by a new shared services center, consolidated HRIS, and ongoing job architecture work, was delivering services more efficiently with fewer HR business partners.

"You've come late to the party," the CEO told the CHRO, "but you've already delivered."

"HR," he continued, "is the only one [of the transformations underway at the company] that not only met but exceeded targets, cut costs, improved productivity, and saw a step change in terms of the skills and capability it's now able to deliver to the business."

"We've taken HR to a whole new level," the CHRO reflects today. "People now see us as a much more strategic function. And I thank Deloitte for helping us get there."



IT'S OFFICIAL: THE COMPANY'S HR FUNCTION IS  
NOW 'AT A WHOLE NEW LEVEL.'

# LET'S CONNECT.

Do these challenges sound familiar?



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