

HR Software Implementation Case Study

Banking and Financial Services Industry

Customers & Backgrounds



- » PT. Bank Muamalat Indonesia, Tbk.
- » Solution: SunFish Enterprise 5.4
- » 4000 Employees, 100 Users, SunFish application shared between 4 companies
- » Languages: English, Indonesian, Malay
- » Implementation Start: June 2011
- » Implementation Status: Initial Data Migration & System Configuration



- » Bank Indonesia
- » Solution: SunFish Enterprise 5.3
- » 6000 Employees, 100 Users, SunFish application shared between 50 locations
- » Languages: English, Indonesian
- » Implementation Start: April 2010
- » Implementation Status: 1st Maintenance



- » PT. Bank UOB Indonesia, Tbk.
- » Solution: SunFish Payroll + Training 5.1
- » 8000 Employees, 150 Users, SunFish application shared between 5 main regional offices
- » Languages: English, Indonesian
- » Implementation Start: December 2007
- » Implementation Status: 4th maintenance 2010: Upgrade Training module to 5.3 ; Add on Performance Appraisal 5.3; 2011: Add on Recruitment 5.4



Jakarta Branch

- » The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- » Solution: SunFish Enterprise 5.2
- » 750 Employees, 20 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: March 2010
- » Implementation Status: 1st Maintenance

I Background

Commercial bank investment in information technology (IT) equipment has grown continuously over the past decades, which allowed for complex financial innovations that were not feasible on a large scale without IT hardware. These changes, together with deregulation created new competitors, new financial markets and instruments, a new role for commercial banks as providers of financial services, and, ultimately, affected the structure and performance of the banking industry. (1)

These changes go hand in hand with a new, more dynamic, aggressive and challenging work culture to meet the demands of customer relationships, product differentiation, brand values, reputation, corporate governance and regulatory prescriptions. That in turn has significant implications on the human resources working in this industry, as well as on the set of competencies needed in the leaders to be in charge of its development. (2)

The core function of HR in banking industry today is to facilitate the performance improvement among its people. Factors such as skills, attitudes and knowledge of personnel, play a critical role in determining the competitiveness within the organization or the industry. The quality of human resources indicates the ability of banks to deliver the value to clients or customers. (3)

However, despite realizing that evolution and wanting to develop the strategic nature of their HR function, the reality at our customer's HR Departments was that they simply couldn't spare the time to drive related initiatives. The companies' sizes, their rapid growth, and allocation of branches over the archipelago with different infrastructure prerequisites, separate databases, individual systems, processes, data and policies across locations made basic HR administration and operation an extremely complex and time-consuming task.

Sources:

1) <http://www.esa.doc.gov/Reports/structural-change-us-banking-industry-role-information-technology>

2) www.idrft.ac.in/media/.../VK-JNIDB-Banking%20for%20Tomorrow.doc

3) http://ivvthesis.typepad.com/term_paper_topics/2009/11/hrm-in-indian-banking-industry-a-comparative-study-of-sbi-and-hdfc.html

II Typical Challenges Encountered

Such was the typical situation at the banks and financial services providers that were looking into implementing DataOn's fully integrated HR solution. Although the state, focus and base of HR operation have varied from one finance company to the next, their objective for what to achieve with the HR implementation was the same: to standardize and effectively support basic operations including a reduction of administration efforts, inefficiencies and costs in order to focus on improving talent, better aligning employees with the corporation's strategic goals, improving performance and increasing levels of employee engagement.

In more detail, the management and HRD generally wanted to achieve following main goals with their investment in an HR automation system:

1. Automate all their time-consuming HR administration tasks that leaves significant more time for strategic issues ;
2. Centralization, standardization of HR processes, policies and workflows for all locations in one platform in order to exercise greater control and regulatory compliance;
3. Adapt future growth without changing the system;
4. Employee knowledge development and training in order to allow them to keep up with frequent changes, new fields and knowledge;
5. Employee Performance based development and promotions, Pay for Performance.

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- » Bank Sumitomo Mitsui Indonesia
- » Solution: SunFish Enterprise 5.4
- » 250 Employees, 10 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: October 2011
- » Implementation Status: Kick Off



- » Bank Sumsel Babel
(Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung)
- » Solution: SunFish Enterprise 5.3
- » 2200 Employees, 30 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: August 2011
- » Implementation Status: Initial Data Migration & System Configuration



- » PT. BFI Finance Indonesia, Tbk.
- » Solution: SunFish Professional 5.1
- » 4000 Employees, 200 Users, SunFish application shared between 64 branches
- » Languages: English, Indonesian
- » Implementation Start: August 2008
- » Implementation Status: 3rd Maintenance
- » 2009/2010: Upgrade to SunFish Enterprise 5.3



- » PT. Bhakti Finance
- » Solution: SunFish Payroll 5.0
- » 700 Employees, 60 Users, SunFish application shared between 30 branches
- » Languages: English, Indonesian
- » Implementation Start: November 2007
- » Implementation Status: 4th Maintenance
- » 2008: Upgrade to SunFish Enterprise 5.1

III Implementation Focus and Solution

From a Chaotic to a Proactive HR environment with SunFish HR Professional
Depending on the stage of their HR evolution, some financial services providers were focused on moving their chaotic HR management environment characterized by difficulty in tracking head count, processing payroll and tracking employee data, and 'fire-fighting' to a proactive HR stage and efficiently contributing HRM practices.

For these customers, among them GE Finance, BFI Finance and Bhakti Finance in their respective first projects, ANJ, etc. the foremost implementation focus was to reduce costs, increase efficiency and compliance through automation, consolidated data and centralized access; however, having the future in mind the solution needed to be flexible in supporting their growing complexity HR needs and requirements.

These finance companies implemented the SunFish HR Professional. The professional version of SunFish HR comprises of the following modules:

Employee Information	Time & Attendance	Payroll
Organizational Structure	Basic Career Administration	Reimbursement
Loan	Customizable Dashboard Summary	Budgeting

It takes care of automating and streamlining the following basic HR tasks, which lays the very foundation for the Human Resource Department to take on a more strategic role:

- Employee & Manager Self-Service (ESS/ MSS)
- Employee Record Centralization in one location
- Intertwined absence management with work schedule assignment, work hours recording and overtime calculation
- Electronic Scheduling and alternative management to labor allocation
- Electronic Overtime Tracking and automatic inclusion in payroll process
- Automated payroll calculation and salary processing workflows
- Electronic management of employee loans and third party deduction
- Automated government compliance reporting
- Digital organizational charts for effective management of org structures, identification of empty / unproductive positions
- Improved method to plan position fulfillment & succession for entire organization
- Interactive tools for HRD, supervisors, executives to collaborate in matching workforce supply to position needs at organizational and/or regional levels for optimal balance between growth and efficiency
- Automated budgeting tools for meaningful analysis of budget allocation as well as overruns and thus identify areas for better cost control.
- Online Reporting that provides a broad variety of methods to view and data detail drill-down for real-time reports and analysis for executives, auditors, consultations, etc.

From a Proactive to a Talent oriented /Strategic HR environment with SunFish HR Enterprise

Other customers had previously implemented different technology solutions to address efficiency problems in certain HR areas, which were then running smoothly. HRD at those customers had already developed strategic concepts but concentrating on 1 or 2 concepts that were most important to their business need, for example:

- Bank UOB: their main strategic focus was Training Management to ensure the quality and knowledge of their employees to keep up with frequent changes, and new products in new fields;

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PT GE Finance Indonesia



- » PT. GE Finance Indonesia
- » Solution: SunFish Payroll 5.4
- » 100 Employees, 10 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: July 2011
- » Implementation Status: Beta Delivery



PT AUSTINDO NUSANTARA JAYA

- » PT. Austindo Nusantara Jaya
- » Solution: SunFish Professional 5.2
- » 240 Employees, 10 Users, SunFish application shared between 9 companies
- » Languages: English, Indonesian
- » Implementation Start: September 2009
- » Implementation Status: 2nd Maintenance



- » PT. Olympindo Multi Finance
- » Solution: SunFish Enterprise 5.0
- » 1200 Employees, 50 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: November 2007
- » Implementation Status: 3rd Maintenance
- » 2009: Upgrade Recruitment Module to 5.3



- » Danareksa
- » Solution: SunFish Enterprise 5.1
- » 500 Employees, 50 Users, SunFish application shared between 31 offices
- » Languages: English, Indonesian
- » Implementation Start: July 2008
- » Implementation Status: 3rd Maintenance



- » PT. Commonwealth Life
- » Solution: SunFish Professional 5.4 + Recruitment
- » 380 Employees, 30 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: March 2011
- » Implementation Status: Nursing

- Bank Indonesia, Bank Sumitomo & Bank Muamalat: their main strategic focus is assessing individual performances/ achievement and link them to promotion, development, and pay;
- Commonwealth, BFI Finance and Olympindo Multi Finance: due the extensive growth of their company their strategic focus was on Recruitment and a good, efficient applicant filter structure to ensure they hire the competent ones that can contribute to the success of the company.

However, despite each HRD having a clear strategic vision for the company, they felt that they lacked tools to efficiently implement or enforce the same initiative with same guidelines to follow for all regional and branch levels.

These finance companies implemented the SunFish HR Enterprise. The enterprise version of SunFish HR comprises of the following modules:

- Employee Information incl. Employee Survey and On-boarding Process, ESS/MSS
- Organization Structure, Time Attendance
- Payroll
- Reimbursement, Loan
- Customizable Dashboard Summary
- Career Administration incl. Career Planning, Career Path, Succession
- Performance & Competency Management
- Human Asset Value, Individual Development Plan, Balanced Scorecard
- Training, eLearning
- Recruitment
- Budgeting

For these customers the foremost implementation focus was to integrate operational HR with strategic HR tools so they could implement their respective initiatives throughout the entire organization.

IV The Benefits

Due to their size, continuously growing number of employees, and service outlets as well as the allocation of their service centers, Financial Service providers derive a range of benefits from technology integration, process automation and shared services HRM that are not as applicable in other industries that provided an important contribution to the justification of long-term changes in their HRM operations. Among our customers in the finance sector we have found that they benefited most from the following specific opportunities in HR management:

Cost Reduction and Improved Agility through Centralization

Due to geographic distribution of branches, and service outlets, decentralized management of HR solutions is very common in the financial service industry. The creation of a single HRM software application on a single set of infrastructure, which is made available to and shared with all locations hold significant saving opportunities in administration and processing. Centralization of payroll processing, tax compliance management, government compliance, employee record keeping, training management and other HR tasks for example have provided all our customers with cost reduction through economies of scale and increased job specialization.

Moreover, in this industry where changes in business, market environments, and competition happen quickly, a substantial portion of these developments requires action from HR, which means the HRD must increase its involvement in business change. Centralized software and a strong centralized HR team allows faster reaction to trends at individual locations by experimenting with multiple approaches for performance, training and skill of employees at the same time, quickly reviewing results of individual initiatives, and rolling out the most effective solutions with both minimal time and cost.

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- » PT. Sarana Multigriya Finance
- » Solution: SunFish Enterprise 5.0
- » 40 Employees, 10 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: June 2007
- » Implementation Status: 4th Maintenance
- » 2011: Upgrade to SunFish Enterprise 5.3



- » PT. Asuransi Raksa Praktikara
- » Solution: SunFish Enterprise 3.6
- » 500 Employees, 50 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: July 2005
- » Implementation Status: 6th Maintenance
- » 2009: Customizable Dashboard Upgrade
- » 2010: KPI Integration Upgrade



- » PT. Asuransi Astra Buana
- » Solution: SunFish Enterprise 3.6
- » 1000 Employees, 40 Users, 1 company
- » Languages: English, Indonesian
- » Implementation Start: October 2005
- » Implementation Status: On-Demand Support



- » PT. Permodalan Nasional Madani
- » Solution: SunFish Enterprise 5.1
- » 2000 Employees, 50 Users, SunFish Application shared between 3 companies
- » Languages: English, Indonesian
- » Implementation Start: July 2008
- » Implementation Status: On-Demand Support

Improved Management of Standards

Standards are an important method of financial institutions to maintain professionalism and quality of services. The shared SunFish HR application grants equal distribution and enforcement of documented company standards and policies.

Business process rules and controls such as over type of data stored and required of employees, policies on scheduling and attendance management, policies on payroll, taxation, employee claims; or related to workflows and approval requirements; or in more specific areas such as qualifications for hiring, skill expectations, training requirements, performance targets, etc. are implemented once and then automatically applied in the same way to all branches and service centers that are using the system. Once all locations tap into the same knowledgebase policy changes, new policies and rules can be deployed almost instantaneously in each location; requiring significantly less communicative efforts by the headquarter and giving it increased control that enforcement is taking place.

Compliance

One of the major issues all our customers in the financial sector had faced was the length of their payroll processing cycle, problems with following local regulations leading to inaccurate tax calculations resulting in huge annual over or under payments. The benefit of deploying SunFish was that each company was able to significantly improve way of enforcing pay and other HR policies throughout all its locations, manage compliance to government regulation, labor agreements, thus, helping to avoid costly mistakes. Linking attendance data with payroll management helped to accurately record employee status, tax status updates, break periods, adherence to overtime calculation rules, minimum wage laws, severance payment policies, government reporting and tax filing, financial reporting, etc. The reduction of risk – exposure to liabilities for noncompliance, employee grievances, external audits, fines and so forth – has had financial benefits of reducing expenses related to these issues.

Leveraging staff investments

The ever increasing number of financial service locations within smaller geographic regions, has made movements of all hierarchies of staff more common. Integration of HR operations through SunFish has provided our customers with the ability to develop employees on a regional level rather than an office specific level. Employees can more easily understand opportunities for development in other branches and regions; and HR managers can use a more regional view of employees to determine the best options for employee job fit and development in accordance with different corporate objectives.

Increased focus on strategy

Deploying SunFish as multi-location HR Management software has automated traditional administrative jobs, made the enforcement of standards and application of changes in procedure easier, as well as data more readily available in the format needed. That accomplished exactly what each company felt that it needed to be done prior to taking on higher valued tasks, and specifically on being a strategic partner to management.

With that foundation being delivered, each company's HRD has started to utilize the strategic tools related to their business strategy and are executing their concepts of improving training effectiveness; developing employee skill levels; communication, tracking and analyzing performance targets in order to determine raises and promotions, competent new employee hiring; and others.