

INTERVIEW



Visionary new HR services offer recasts strategic HR management

Julien Pascual - Outsourcing Product Line Director, HR Access

In 2008, Pascual assumed responsibility for the outsourcing product line within product management. He took some time recently to discuss the development story behind the innovative new HR Access Employee Services offer targeting mid-market companies.

What market drivers are fuelling mid-market outsourcing?

Mid-market is a relatively untapped market because these firms either have not been outsourcing HR processes very long, or because they're not using HR policy as a strategic management asset. Mid-market clearly needs an offer spanning core HR, payroll and talent management—especially the multinationals. Some of these companies have undergone significant growth or are spin-offs of larger companies. In a sense, mid-market presents the characteristics of both large and SME markets. So the objectives are highly variable—from direct cost reduction to standardisation and economies of scale, through to a global cost approach where HR is integrated into the company's global value chain.

Is cost control the main objective for these firms?

Cost control is one of many objectives. The most significant is a need for transformation. A firm undergoing expansion may seek a partner capable of growing with it. Other firms may seek to downscale or realign HR with the business. Some firms seek to apply best practices to maintain competitive advantage, while others seek a partner to ensure regulatory compliance at all times. So cost control is indeed an objective, but generally it's related to expected benefits. In the end, the most satisfied customers are not necessarily the ones that achieve direct cost reduction. They're the customers who can find a partner to help achieve their objectives.

Is this mere repackaging of platform-based BPO?

No—it's a visionary new approach. Mid-market merits a real customer-centric offer, which at the moment does not really exist. When we conceptualised the offer, we had the luxury of being able to start from the ground up. We looked at the dynamics of mid-market and tried to roll out an offer that really meets its specific needs.

What are the primary benefits of HR Access Employee Services?

Direct cost reduction through economies of scale, global cost reduction through best practices and the ability to adapt best practices to unique customer needs. Our offer delivers the performance of a standardised offer through high economies of scale, yet is flexible enough to meet unique customer needs. We call this controlled flexibility. There is also the added value of outsourcing—business process streamlining and the flexibility to meet changing needs during periods of growth.

How does controlled flexibility address firms' unique characteristics?

Controlled flexibility enables us to pinpoint and preserve unique characteristics while mutualising to achieve the best economies of scale. We don't aim to completely overhaul business processes. We recognise the reasoning behind unique characteristics, so we understand that it's pointless to alter them because ultimately you will detract from other areas. So we advocate preserving these unique characteristics and adopting best practices in all other areas. The key characteristic of our technology is that we can do so by virtue of the sheer configurability of the platform.

How does this new offer deliver predictable operating expenses?

HR Access Employee Services enable variabilisation of core HR, payroll and talent management costs. Controlling these costs whenever the organisation or headcount changes is crucial. Second, companies must balance CAPEX/OPEX ratios. Improving our technology increases our ability to deliver the services we sell, but it's an opportunity cost for the customer. Relying instead on our services enables customers to apply best practices at all times to control costs well into the future.

What's most unique about this all-new offer?

We help customers enhance the way their organisations work through business processes and our ability to manage change together with the customer. Delivered through a single platform built on HRA Suite 7, our customer-centric services offer enables a tremendous degree of flexibility and responsiveness. What's key is our ability to combine different service levels within the same platform. Business consulting capabilities embedded in our offer also integrate best practices that take into account the organisation's needs, maturity and past performance.

What if a customer no longer wishes to outsource?

The customer can decide at any time to end the outsourcing relationship without losing access to our solutions. Objectives change over time, so companies may wish to revert back to insourcing. When you work with a supplier that does not use proprietary technology, after five years you have your data and that's it. With HR Access, if customers decide not to outsource anymore, we return their data. But we also supply them with the applications so they can continue to work with the same interfaces and business content. We're flexible enough to say insourcing, outsourcing—it's as you wish. We can still help you because HR Access Suite 7 is also available in ISV mode.

Why turn to HR Access when competitors claim to offer similar services?

The advantage for HR Access outsourcing customers is that we continuously benchmark progress. We become part of the overall business process. But the overall business process is performed through our system. So we measure and track customer efficiency at every stage of the business process. We compare customer performance to best practices in order to alert customers of inefficiency. This continuous improvement methodology enables customers to get the most out of our technology.

What can companies really expect from HR Access Employee Services in the long term?

The HR field is continually changing due to regulatory compliance issues, and because HR is at the heart of business transformation. We're ready to address whatever situation may arise because we know we'll still be offering state-of-the-art solutions in 15 years. Outsourcing processes guarantees customers the ability to apply best practices at all times. Partnering with HR Access means working with a proven leader because we have a track record of 35 years of innovation as a technology provider. Now we intend to do the same with our outsourcing services.