



# Big Challenge, Big Solutions

Lessons from AstraZeneca's global outsourcing engagement.

By Debbie Bolla

One might question the business case rationale for AstraZeneca's recent outsourcing engagement with NorthgateArinso. The goal: Manage more than 60,000 employees in 106 different countries under one uniform global system. And roll it out in just two years. The solution included comprehensive HRO services, including payroll, workforce management, and reporting on NorthgateArinso's euHReka platform.

As daunting as that task sounds, it turned out to be achievable. And all the details—the good, the bad, and the ugly—were shared at the recent *HRO Today* Forum Europe in Dublin. Jenni Hardy, vice president of HR for AstraZeneca, and Elena Schackman, EMEA service delivery director for NorthgateArinso, took the stage to share their experience.

Business Case Rationale for AZengage

**Challenge**

- Manage 60,000+ employees in over 100 countries,
- No global HRIS in place - patchwork of 900 applications
- Significant HR cost improvement required
- Global Talent Management strategy needed urgently
- PeopleSoft platform (Partly rolled-out) outdated
- Innovation and best in class HR services needed
- Changing business context: cultural and behavioural change needed to cope with changing environment (drug pipeline)

**Solution: HRO powered by euHReka (EOD)**

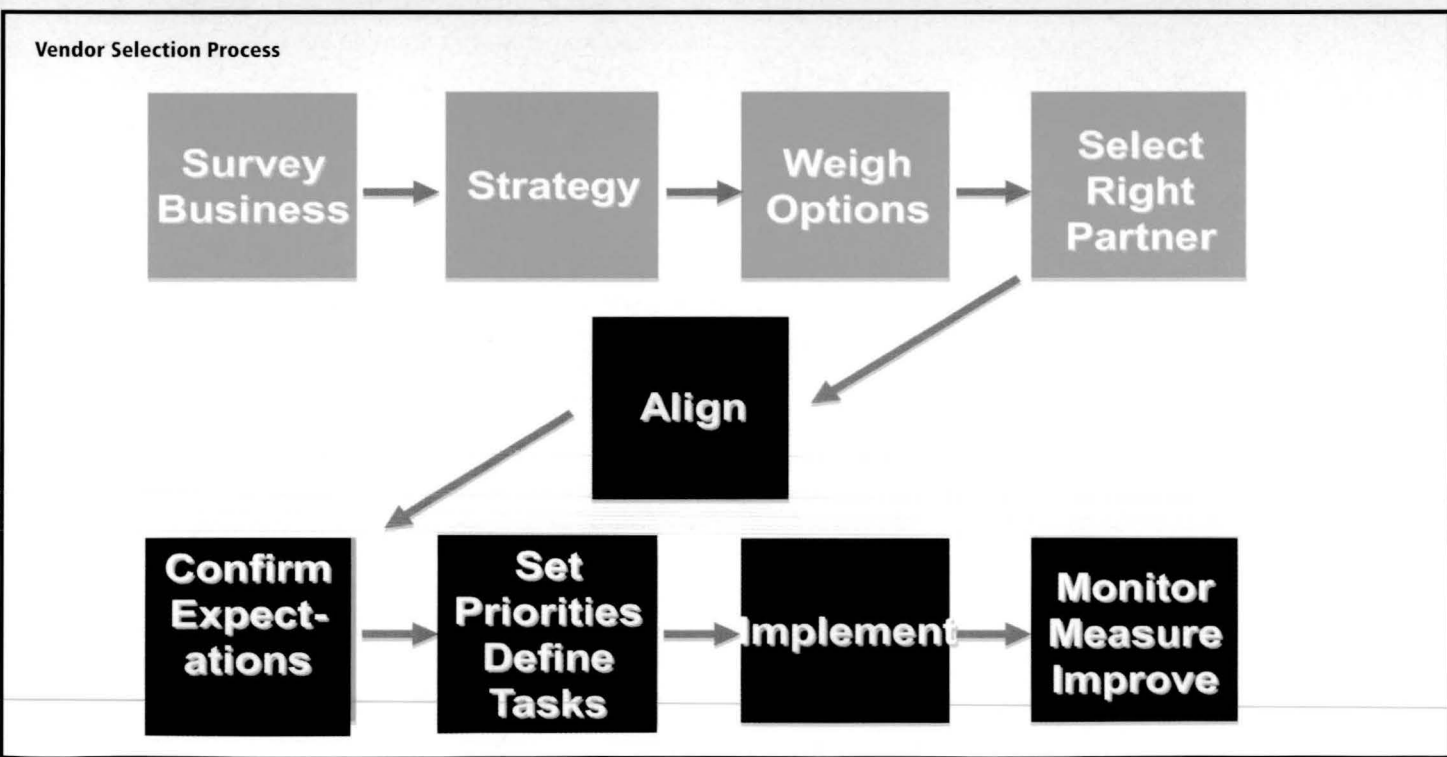
- Standard service and processes to fast track process to drive world class processes into AZ
- Easy to access (internet) and simple to use
- Available for all employees in all countries - in many languages
- All transactions available through self service
- Minimal effort to delay this out of the box software
- Change management services included to support the deal

**Results**

- Uniform HR systems landscape
- 900 systems reduced to 1 global system
- PeopleSoft and others replaced by SAP HCM globally
- SAP global rollout less costly compared to complement and upgrade the partially installed PeopleSoft system
- Change management utilized in addition to other transition services
- Minimal resources required of AZ IT department

**Why NGA**

- HRO solution powered by SaaS technology
- User experience
- Low cost through multi-tenant and productized platform
- Multilingual capability, balance global/local expertise
- Integrated payroll expertise
- Strong references & proof of delivery
- Collaborative working relationship SAP-NGA-AZ
- Executive confidence



"If nothing else during our journey, we've invested a lot in making the partnership work," remarked Schackman.

The journey—which goes by the moniker AZengage—was a transformation of business process and human capital resources. The goals were lofty, and it was an extreme undertaking, but one deemed worthwhile in the end. With a sense of humor, Hardy and Schackman summarized the experience, highlighting the most valuable points for future buyers.

*Take a good look at yourself first.* A transformation of this caliber would see no success by leveraging the outdated HR outsourcing "lift and shift" model. Hardy said that the pharmaceutical company had to embrace an internal review before forming a partnership to execute its business plan.

**Assumptions That Were True and False**

AstraZeneca	NGA
<input checked="" type="checkbox"/> HR are the biggest resistor to the change	<input checked="" type="checkbox"/> Ability to jointly implement challenging roll-out schedule
<input checked="" type="checkbox"/> 'Open book' drives trust	<input checked="" type="checkbox"/> Ability to implement first rate joint people readiness
<input checked="" type="checkbox"/> Cultural fit	<input checked="" type="checkbox"/> Leverage the global footprint and expertise
<input checked="" type="checkbox"/> Partnership is crucial	
<input type="checkbox"/> More languages the better	<input type="checkbox"/> Ability to achieve self service targets within year 1
<input type="checkbox"/> NGA deliver 80% Global standard solution	<input type="checkbox"/> Under 25% system localization

**How to Go Live in Two Years**

AstraZeneca	NGA
<input checked="" type="checkbox"/> Visible ownership by the business	<input checked="" type="checkbox"/> Focused & determined project management
<input checked="" type="checkbox"/> Good project & commercial management	<input checked="" type="checkbox"/> Visible senior leadership global, regional & local
<input checked="" type="checkbox"/> Ambitious & pace setting CHRO	<input checked="" type="checkbox"/> Visionary CEO
<input checked="" type="checkbox"/> Start small; leave large countries till last	<input checked="" type="checkbox"/> Commitment to governance
<input checked="" type="checkbox"/> Resilience x 100 and more	<input checked="" type="checkbox"/> Strong process documentation & adherence
	<input checked="" type="checkbox"/> Solution expertise (brightest brains)

The criteria for the engagement that AstraZeneca brought to market included cost reduction, a strong cultural fit, and a technology solution that would enable them to execute on a global scale.

"We did some transformation within our own organization in 2007 and 2008, and then went to the marketplace to see who was around to do business with moving forward. We had challenges around being an efficient and organized industry," she recalled. "We were clear about our business strategy—there is no point if you think of it as an HR piece only."

The criteria for the engagement that Hardy brought to market included cost reduction, a strong cultural fit, and a technology solution that would enable them to execute on a global scale. In order to roll out the programme in one fell swoop—also known as a "big bang"—she said AstraZeneca had to change its structure, roles, and processes. Change is never an easy thing—especially internally—but it turned out to be a critical success factor.

*Define your business case and get executive buy-in.* AZengage had quite the laundry list of goals. Hardy and her team thoroughly outlined the business case in order to have a clear definition of what the engagement was set to achieve.

NorthgateArinso's answer was standardisation: aligning solutions and process for all countries. The solution backed by SAP technology was intuitively designed to be easy to use with an employee self-service model available in many languages. Integration varied by country, but the look and feel of the portal was the same.

"An implementation in a country is only as good as the HR business partner. They can make or break an implementation," said Schackman. "We tried to tackle that with the support and buy-in."

One challenge AZengage faced was that each of the 106 countries undergoing the process was at a different stage in relation to outsourcing—some had experience, while others had



none. As part of the buy-in process, the team spent time with each country to understand their different needs. "It was worth the effort to define the requirements and worth the investment," says Hardy.

*Learn, learn, and learn.* "One thing through this journey that we've been conditioned to do is that 'lessons learned' piece," noted Schackman. "It has been absolutely critical in everything we do."

The learning process started even before AZengage went live. When deciding which pilot countries to launch the programme in first, Hardy met with other industry leaders, and their feedback helped in her decision. She recalled speaking with Unilever, IBM, Dupont, and Johnson & Johnson amongst others, learning what they would do differently.

Their advice helped guide her in her decision on how to go live. There were 106 countries to tackle, but Hardy had to pilot the programme in just a few to gain feedback on what worked—and what didn't. A traditional approach is to implement the solution in larger countries first, touching more employees and in theory, earning a greater return on investment. But from the feedback she received, she concluded it was more worthwhile to go live in four countries of different sizes. AZengage was launched in France, Spain, Portugal, and Belgium, and from that first wave of implementation, the lessons kept coming and coming.

"We kept asking ourselves, 'What do we need to do to achieve this ambition?' It showed us mistakes and the resistance," recalled Hardy. "Lessons learned is effectively a time-out to ask yourself the question, 'What can we do differently?'"

One lesson is certainly burned in both of the executives' memories. China was a country that made a lot of decisions at the local level, and that fact caused a snafu during one payroll cycle:

4,600 employees missed payroll. The oversight was corrected—and swiftly—but it encouraged Hardy and Schackman to reinforce the standardisation aspect of AZengage.

"We have our scars to prove it," quipped Hardy.

*Engage in a true partnership.* AstraZeneca was seeking a global emerging partner which they could grow and learn from, whilst enabling their core HR functions and talent management. "We had a shared ambition, and we have a scorecard that gives us key measures that are shared," said Hardy. "This product gives us the ability to predict what the future landscape will be from a people perspective and use that to drive some of the decisions."

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— Amanda Schackman,  
NorthgateArinso

NorthgateArinso was looking forward to being part of an unprecedented engagement, one which they could use to grow its global business footprint. "AstraZeneca is great about providing feedback about what functionalities do and don't work," noted Schackman. "We are developing our product, and AstraZeneca can influence it and then benefit from it."