

success story



Project Management for an SAP Payroll Implementation

■ ■ ■ ■ INTRODUCTION

After several years of growth via acquisition, the Schaeffler Group strategically decided to integrate the various brands that had been acquired under the umbrella of the Schaeffler Group. As part of the integration, the company reorganized into geographic regions. The North American region initiated activities to streamline and harmonize the different systems, business processes and data by implementing SAP.

One of the first efforts undertaken was an SAP human resources, payroll and time management deployment to implement base applications to build a foundation for future SAP logistics implementations. The project was dubbed “Project Harmony” because it would harmonize 20 different outsourced payroll systems onto a single in-house SAP system and along the way would affect all 5,500 employees in the U.S. at nine different facilities.

■ ■ ■ ■ CHALLENGE

The project initiated with a small team of internal Schaeffler Group and external consulting resources. The team began by defining the new processes and developing an understanding of the data in the various systems. The data collection and harmonization task was significant. To implement to SAP payroll, the data of about 5,500 employees were affected. These employees were paid via more than 20 different “payroll companies” and nine different pay frequencies. This meant the project team must address all the differences to migrate to one system and have one standard data set that all locations could use. Due to the complexity of the migration and some resource changes, the project needed a new project manager.

“There are so many ways we will be able to utilize this program, especially with FI postings and record keeping.”

Dana Lavarello

Project Management for an SAP Payroll Implementation



■ ■ ■ ■ THE SOLUTION

NouvEON provided an experienced SAP project manager for the project team. The first step for the project manager was to finalize and communicate the migration approach and timing. Working with the project team and U.S., Canadian and German headquarters resources, the team developed a staged implementation approach by location.

The pay for hourly employees was based on the “clock-ins” and “clock-outs” fed to SAP payroll from the SAP time management module. The existing time clocks and badges at all the Schaeffler Group facilities would not work with SAP and would have to be exchanged. NouvEON’s project manager coordinated the logistics for the ordering, setup and install and cutover of the time clocks. Badges were ordered from Germany and the ordering and installation of badge printers at each facility was also coordinated. Employee photos were taken and badges printed for over 5,000 employees in time to use with the new time clocks. The first implementation phase was for all INA brand employees in South Carolina, Michigan and Missouri. The project team worked with ADP to test and migrate employee master and payroll history data. All supervisors were trained on the time management functions so that they could approve the time clock entries for the hourly employees. Hourly and salary payroll runs and pay distribution went smoothly.

After this successful migration, the project team focused on the Wooster, Ohio location and the LuK brand which encompassed about 1,100 employees. The project team updated business processes to support the location, tested the data migration and trained the appropriate resources. Three months after the first go-live, the second phase successfully went live.

The third and final phase implemented the Connecticut locations in Barden, Lacey, and Winsted - the FAG brands. Data migration, testing and training activities were quickly completed and two months later, the third phase was live. Post implementation support activities lasted through July to ensure everyone involved was comfortable with the new SAP system.

■ ■ ■ ■ THE RESULTS

Although SAP payroll was the main driver for this implementation, the human resources department also benefited due the consolidation of all employee data into the SAP personnel administration module. This manages information regarding new hires, transfers, pay increases, leaves of absence, retirement, savings plans, address changes and other personal data. This segment of SAP ties in with the Schaeffler Group’s global guidelines and eliminates the need to retrieve the information from multiple sources.

The SAP time management module will aid human resources mandating on top of absences, overtimes, holiday schedules, vacations, as well as other special leaves of absences. It allows management to view and adjust employees’ attendances or vacations. The time management module is fully integrated with the SAP personnel administration and payroll system. Additional benefits include the ability to enforce attendance policies across all brands and locations, as well as the establishment of attendance and absence evaluation reports to monitor compliance.

With the SAP human resources application in place at all Schaeffler Group USA locations, additional benefits offered by this system includes:

- Improved service to employees
- Streamlined processes and reduced waste
- More effective use of resources
- Elimination of duplicate entry

■ ■ ■ ■ CLIENT PROFILE

With its three strong brands - INA, LuK and FAG - the Schaeffler Group stands for a pronounced customer focus, innovative power and the highest possible quality. The group belongs to the leading suppliers of the rolling bearings industry worldwide and is a recognized partner of nearly all automobile manufacturers.

NouvEON Services provided:

- Project Management

NouvEON Technologies Used:

- SAP R/3 Payroll, HR, Time Management