



SAP® ERP HUMAN CAPITAL MANAGEMENT

SOLUTION OVERVIEW

HUMAN CAPITAL ASSETS ARE VITAL



“With SAP E-Recruiting, we can improve personnel selection while maintaining a high level of efficiency in our back-office processes. Our initial experiences have shown that we’re on the right track.”

Christoph Griesshaber, Human Resources Manager, HUGO BOSS AG

SAP® ERP: SIMPLIFY, OPTIMIZE, INNOVATE

SAP is known for providing businesses like yours with the enterprise resource planning (ERP) software needed to gain strategic insight, increase productivity, and respond flexibly to changing markets to compete better. SAP® ERP software has been instrumental in increasing employee productivity and enabling informed decisions that set businesses apart from their competition. Yet the SAP ERP application demonstrates how the SAP vision has broadened. Increasing efficiency within an organization is still of critical importance. However, SAP's concept for ERP software has transcended the organization's walls to enable automation of end-to-end business processes that extend to the entire business value chain, including partners, suppliers, and customers.

Powered by SAP NetWeaver®

SAP ERP is powered by the SAP NetWeaver® platform. SAP NetWeaver unifies technology components into a single platform, allowing organizations to reduce IT complexity and obtain more business value from their IT investments. It provides the best way to integrate all systems running SAP or non-SAP software.

SAP NetWeaver also helps organizations align IT with their business. With SAP NetWeaver, organizations can compose and enhance business applications rapidly using enterprise services. As the foundation for enterprise service-oriented architecture (enterprise SOA), SAP NetWeaver allows organizations to evolve their current IT landscapes into a strategic environment that drives business change.

SAP® ERP HUMAN CAPITAL MANAGEMENT: TRANSFORMING THE ROLE AND VALUE OF HCM

People are the most important asset of any organization. As part of SAP ERP, the SAP ERP Human Capital Management (SAP ERP HCM) solution offers leading-edge HCM functions that empower organizations of all sizes to maximize workforce potential while supporting future innovation, growth, and flexibility. The solution enables you to manage your workforce with contemporary strategies and systems. It helps you attract the right people, develop and leverage their talents, align their efforts with corporate objectives, and retain top performers. The solution automates talent management, core HR processes such as time management and payroll and workforce deployment, enabling increased efficiency and better compliance with changing global and local regulations. Moreover, its workforce analytics functions provide you with reporting and analysis options to get comprehensive data on your workforce in real time.

After 35 years of experience in ERP, SAP supports a base of more than 10,000 HCM customers in 110 countries in managing their people. Organizations in all industries are benefiting from SAP's expertise in developing, implementing, and supporting HCM solutions.

MAXIMIZE YOUR WORKFORCE PRODUCTIVITY



MANAGING THE HUMAN CAPITAL OF YOUR BUSINESS

“Our people are our most important asset.” Hardly a company report doesn’t have a phrase like that in it. In a modern economy, the last great source of competitive advantage is the human capital, which too often goes undeveloped. Organizations that can’t match their workforce to the evolving demands of their business will lose out to nimbler competitors.

For human capital management to be effective, you must transform your traditional HR functions into a comprehensive HCM program.

This involves integrating employee processes and knowledge with business processes and strategies. To plan, monitor, and optimize HCM strategies, you must be equipped to perform the following activities:

- Find the best people and put their talents to best use
- Retain your top performers
- Assign the right people to the right projects at the right time
- Ensure seamless succession for key functions and positions
- Align team and individual goals with corporate strategies
- Streamline and seamlessly integrate HCM processes across global operations
- Make workforce-related decisions quickly using real-time information
- Reduce the cost and effort of complying with regulations
- Provide flexible processes that balance global demands with local needs
- Quickly adapt processes to changing business needs using a flexible, scalable solution

PROVIDING A FLEXIBLE FOUNDATION FOR GROWTH AND INNOVATION

Take a Comprehensive Approach to Talent Management

Manage the talent your business has effectively. Break down the organizational barriers between traditional HR practices – such as recruitment or performance management – by linking them through your software. Determine the common qualities of the critical competencies organizations need to thrive. Integrate the core processes required to manage a workforce. Attract, hire, and bring qualified candidates on board quickly. Educate and train employees, identify and nurture future leaders, and motivate and align your workforce with your corporate objectives.

The SAP NetWeaver Business Intelligence component contains preconfigured queries that yield unique insight into the talent available to an organization to help you tie talent management initiatives to real business results. SAP ERP HCM enables a single worldwide view of available talent and provides a common language for all talent-related practices. Its organizational framework simplifies reporting relationships, hierarchies, and workflows that span talent management processes. By storing all employee data in one place, it allows for rapid identification and authentication of individuals in the workforce and greatly accelerates the implementation and rollout of talent management processes.

SAP ERP HCM also provides your organization with a portal role to support the development of your organization and your people: the talent development specialist.

Increase Efficiency Through HR Process Automation

Change your tactical, reactive HR methods to a strategic, proactive approach based on SAP ERP HCM. Automate routine administrative tasks and free your HR staff to work on tasks generating real business value. Automate and integrate core workforce processes for employee administration, organizational management, global employee management, time management, benefits management, payroll, and legal reporting. The cross-process framework provided by SAP ERP HCM supports any processes involving HR master data and allows you to build and execute your own processes, no matter what data, process flow, and roles are involved. Ensure adherence to local regulations and laws. Improve collaboration, increase user productivity, and reduce the time and costs associated with administrative HR processes.

Lower HR Costs and Improve HR Service Delivery

You want to transform your HR organization so that everyone benefits from HR services. But your users are sophisticated. They work with commercial software and spend time online daily. The business solutions you offer them must measure up to the usability and usefulness they now expect – and require. SAP ERP HCM gives them that: friendly software interfaces and innovative support for their business roles no matter where in the world or at what level of your organization they work. SAP ERP HCM tailors their view of information to their needs, expectations, and goals.

The employee interaction center available with SAP ERP delivers relevant information and resources to the desktops of your HR staff. Because they can respond quickly to employee queries and fulfill requests efficiently, HR employees have more time to focus on strategic, service-oriented tasks.

We gain a lot of synergy with SAP ERP HCM. It enables us to bundle high-quality HR services in a shared service center so that they can be delivered more cost-effectively. Thanks to this new center – and to the many other employee and manager self-services available through SAP ERP HCM – our HR staff is spending less time on administrative work and more time on value-adding tasks. HR has become a business partner, helping the company reach its corporate goals.”

Claus Heinrich, Member of the Executive Board, Labor Relations Director, SAP AG

LET SAP ERP HCM HELP YOU GENERATE BUSINESS VALUE



Using self-services, employees and managers maintain their own personal information and control many of the transactions and processes once handled by the HR staff. Self-services in SAP ERP incorporate a Web browser and voice and mobile devices that allow easy access to internal and external business content, applications, and services. Via the business-driven enterprise SOA enabled by SAP NetWeaver, SAP and Microsoft provide a jointly developed and designed product – Duet™ software – that delivers information, transactions, and functions from SAP ERP HCM through the familiar Microsoft Outlook interface.

This simplified access to relevant information boosts motivation, productivity, and efficiency for employees and

manager alike. It lowers cost and time required per process. And that translates into a smarter and more effective workforce – which is key to your organization's success.

The SAP ERP HCM solution also supports you in lowering your HR costs by establishing an HR shared service center. Through shared services, you can provide worldwide access to core HR services that are automated and standardized. This improves the quality and responsiveness of your HR department and lowers your costs. With the analytic tools provided, you can measure the performance and effectiveness of HR teams and prove the strategic and bottom-line value of HR to the organization.

Comprehensive Insights and Actionable Information Through Workforce Analytics

Gain complete insight into workforce processes by rooting your processes in an ERP solution. To plan and analyze HCM processes and associated investments, you need access to financial and operational data. By integrating the latest financial and business results into an HR analysis, you can understand opportunities fully and provide measurable results of your strategies.

Profit from the workforce analytical and reporting tools that SAP ERP provides as well as its strategic planning and alignment functions. Use them to develop workforce strategies, analyze results, and monitor typical ongoing key performance indicators to ensure optimum process performance. Analyze

employee turnover and retention, implement and monitor corporate strategy, evaluate how different scenarios affect business goals, and align employee goals with corporate strategy. Monitor progress of workforce performance toward organizational goals. Measure standard workforce processes and compare them with external benchmarks and internal operating thresholds.

Use talent management analytics and measurements to identify key attributes of a talent pool, measure recruiting processes, measure and analyze learning programs, analyze succession programs, monitor performance management processes, and measure employee compensation programs. Instead of hoping you have the information required to execute effective HCM strategies, you will know that you do – and that you can meet the challenges arising today as well as those of tomorrow.

Realize the strategic power of an integrated HCM solution by exploiting the advantages it offers:

- Real-time analytics for planning, monitoring, and measuring
- Integrated end-to-end business processes that speed decision making, drive effectiveness, and reduce costs
- Direct correlation of investments in recruiting, training, and compensation with business results
- Maximized reuse of HR data to drive HCM processes
- Direct visibility into workforce performance
- Agile workforce deployment for quick organizational response to change

SAP ERP SOLUTION MAP: UNDERSTANDING BUSINESS VALUE

SAP ERP supports your most important business processes and provides tools to help you to understand how these processes work. One of these tools is the SAP solution map.

SAP solution maps are multilevel blueprints of processes constructed from customer and industry analysts input, plus the technical expertise SAP has acquired through extensive business experience and research. By showing what processes SAP and SAP partner solutions support, the solution

maps help you visualize, plan, and implement a coherent, integrated, and comprehensive information technology solution that covers all your critical business processes. You can review the solution map for SAP ERP online at www.sap.com/businessmaps.

End-User Service Delivery							
Analytics	Strategic Enterprise Management		Financial Analytics		Operations Analytics		Workforce Analytics
Financials	Financial Supply Chain Management		Financial Accounting		Management Accounting		Corporate Governance
Human Capital Management	Talent Management		Workforce Process Management		Workforce Deployment		
Procurement and Logistics Execution	Procurement		Inventory and Warehouse Management		Inbound and Outbound Logistics		Transportation Management
Product Development and Manufacturing	Production Planning		Manufacturing Execution		Product Development		Life-Cycle Data Management
Sales and Service	Sales Order Management		Aftermarket Sales and Service			Professional-Service Delivery	
Corporate Services	Real Estate Management	Enterprise Asset Management	Project and Portfolio Management	Travel Management	Environment, Health, and Safety Compliance Mgmt.	Quality Management	Global Trade Services

SAP NetWeaver®

Figure: SAP® ERP Solution Map

CHOOSE A COHERENT TECHNOLOGY FOUNDATION



GLOBAL DESIGN LOWERS IT COSTS

The unique global design of SAP ERP HCM supports languages, currencies, best practices, and regulatory requirements for 47 countries. You can deploy solutions specific to your industry and your country quickly and efficiently. You can adapt your processes to changing business needs just as effectively for large global installations as for single-country installations. In combination with SAP support structures and expertise, SAP ERP HCM means a reduction in the cost and effort of complying with local regulations. Because it is fully integrated with the SAP Business Suite family of business applications, you can look forward to a reduced total cost of ownership as well. The bottom line is you deliver better service at lower IT support costs.

Supporting Flexible Deployment Options

For a growing number of organizations, outsourcing parts of their HR processes to external providers is becoming an attractive, cost-effective alternative to handling them internally. SAP isn't a business process outsourcing (BPO) provider, but SAP provides enabling solutions and services that are tightly aligned with BPO objectives. Providers whose BPO services are powered by SAP software can deliver industry-leading

services that meet our customers' strategic HR goals. Compared with traditional outsourcing services, these can dramatically reduce risk, lower costs, and improve quality. SAP has a number of BPO provider relationships in place.

Innovation Without Disruption

Users of earlier versions of SAP software or third-party ERP applications can transition easily to SAP ERP and bring a new dimension of efficiency and flexibility to their businesses. Integrating other systems with SAP solutions is now much easier with the SAP NetWeaver platform. SAP NetWeaver not only integrates IT systems, it also leverages existing IT investments by linking users, information, and business processes throughout the organization and across technology boundaries.

Moreover, SAP has revolutionized how upgrades are delivered, with SAP ERP now available as modular building blocks that combine software, best practices, and services. This means you can implement additional functionality and enhancements incrementally. This evolutionary approach protects your existing IT investments and results in considerable cost savings.

. . . THAT SUPPORTS INTEGRATED HCM PROCESSES



SAP® ERP HCM Supports Key Business Activities

Workforce Analytics – gives your executives, HR professionals, and line managers reporting and analysis options that provide real-time insight into your workforce. The solution supports:

- Strategic alignment
- Workforce planning
- Workforce analysis
- Workforce cost planning and simulation
- Workforce benchmarking
- Workforce process analytics and measurement
- Talent management analytics and measurement

Talent Management – helps you support your people during every phase of their employment:

- Recruitment
- Career management
- Succession management

- Enterprise learning management
- Employee performance management
- Compensation management

Workforce Deployment – deploy the right people with the right skills to the right positions at the right time:

- Project resource planning
- Resource and program management
- Retail scheduling

Workforce Process Management – automates and integrates all essential workforce processes, enabling the HR organization to handle the following:

- Employee administration
- Organizational management
- Global employee management
- Benefits management
- Time and attendance
- Payroll and legal reporting
- HCM processes and forms

HCM Service Delivery – gives employees the tools to inform and serve themselves anywhere, anytime:

- Employee interaction center
- Manager self-services
- Employee self-services
- Business roles such as HR administrator and talent development specialist
- Microsoft® Office integration (Duet™ software)

THE BENEFITS OF SAP ERP HCM

Increase top-line performance and support growth, innovation, and flexibility – while improving your operating margin.

Activity	Benefit
Workforce Analytics	<ul style="list-style-type: none">▪ Empower executives, HR professionals, and line managers to identify trends at an early stage and make well-informed decisions▪ Enable them to manage your human capital more effectively, predict human-capital investment demands, and track workforce costs and the ROI associated with HR projects
Talent Management	<ul style="list-style-type: none">▪ Consistently achieve corporate objectives by aligning your workforce with your organizational objectives and finding the best people for the job when you need them▪ Retain your talented people by clearly defining their career and development plans and linking compensation to performance▪ Identify and fill talent gaps proactively, identify and track high-potential employees to ensure that future leaders can be promoted from within, and identify successors for key positions▪ Evaluate the readiness of employees to support the organization's strategic priorities with real-time, personalized measurements and metrics
Recruiting	<ul style="list-style-type: none">▪ Provide an end-to-end solution for the entire recruiting process▪ Reduce time to hire and cost to hire▪ Cement long-term relationships with both current and potential employees▪ Establish contact with external job boards and recruiting service providers as well as with internal resources
Enterprise Learning	<ul style="list-style-type: none">▪ Provide your employees with the skills they need to handle corporate growth and innovation▪ Improve the learning process through educational offerings based on employee job, task, preferences, and qualifications
Performance Management	<ul style="list-style-type: none">▪ Enable consistent achievement of corporate objectives by aligning the workforce to support management objectives▪ Motivate employees through clearly defined career and development plans
Succession Management	<ul style="list-style-type: none">▪ Proactively identify and fill talent gaps▪ Ensure that future leaders can be effectively promoted from within – and that successors are identified for key positions
Payroll and Legal Reporting	<ul style="list-style-type: none">▪ Reduce costs by using standardized and automated HR processes▪ Reduce risk of noncompliance by supporting current legal regulations▪ Reduce risk of legislative infringement with in-depth reporting and analytic tools
Manager Self-Services	<ul style="list-style-type: none">▪ Ensure faster and more informed decision making by providing real-time access to needed information such as key performance indicators, warnings, and analytical information▪ Reduce cycle times for budget and staffing tasks through process automation
Employee Self-Services	<ul style="list-style-type: none">▪ Improve productivity and job satisfaction by enabling employees to manage life and work events▪ Reduce cycle time and error rate by giving employees fast and easy access to the data they need▪ Improve HR productivity by automating paper-based processes
Employee Interaction Center	<ul style="list-style-type: none">▪ Increase employee satisfaction by providing every employee with prompt, personalized, and courteous service – and ensure that employees receive accurate answers and efficient follow-through on all commitments▪ Decrease costs by providing the first-line HR support staff with the tools needed to resolve issues on the first contact, freeing up expensive HR specialists to focus on more strategic tasks

To learn more about how SAP ERP HCM can help your organization reach its business goals, call your local SAP representative or visit our Web site at www.sap.com/hcm.



“ . . . best practices for human capital management enabled us to use much of the delivered solution ‘as is,’ fulfilling our IT goal of minimizing changes to off-the-shelf solutions.”

Marilyn Becker, SAP Project Manager, Adobe Systems Inc.



THE BEST-RUN BUSINESSES RUN SAP™

