

SWINTON GROUP

# Delivering Business Transformation and Cost Savings Through HR

*UK insurance broker, Swinton Group, has recently undergone a transformational HR project which is predicted to save over £1.7m in the next five years. This was part of a bigger programme designed to modernise IT systems and achieve cost efficiencies across the whole business.*

*HR Operations Manager, Swinton Group*

Swinton Group is a UK insurance broker with over 4,000 employees based in 350 UK locations.

A transformation project was launched to modernise not only the technology but also the culture of Swinton, with the business having identified a need to invest in improved IT systems and streamlined processes across all business areas. Transforming people processes via the introduction of a new talent management, HR and payroll system was recognised as vital to this company wide improvement plan.

## The Situation Before

With little to no automation, simple tasks, such as leaver processing or changes to contractual hours, took around 30 minutes to process per item. Also, whilst most managers were entering sickness data through a self-service portal, this information was then being extracted and imported to an Access database and deductions were handled manually.

While the Swinton Group had a relatively straightforward monthly payroll – dependence on multiple Excel spreadsheets made for laborious, inefficient, manual processing. Duplication of data entry was common, overcomplicating simple tasks – in short, payroll had become overly complex to administer, leaving significant room for error.

Due to this, queries from employees regarding basic payroll calculations and payments had become problematic. The combination of pay and benefits lead to further confusion for employees and the HR team alike, with employees unable to see a true reflection of their monthly package on their payslip.

## SUMMARY

### Organisational Objectives

- Modernise technology and Swinton culture
- Transform people processes

### HR Objectives

- Transform HR into a strategic business partner
- One singular solution
- Automate HR and payroll intensive processes
- Devolve empowerment to employees and managers
- Real-time visibility of sensitive information and policies

### The Solution

- MHR's cloud-based iTrent solution
- HR and payroll systems
  - Manager and employee self-service

### Key Results

- Time and risk of payslip delivery removed
- Over 132 working days gained in efficiencies including:
  - Employee self-service
  - Automated overtime approval
  - E-payslip introduction
  - Automated absence authorisation
- Savings of £1.7 million predicted over five years
- Capacity to ensure future service and legislative changes

The project saw Swinton's HR team restructured, moving away from a traditional personnel model to the Ulrich model. It was imperative that HR made a rapid transition from a highly administrative function to a high performing unit, with more time spent on people strategies. The newly appointed CEO also moved HR's reporting line directly to him to help deliver the ambitious people agenda.

The organisation's shared services team drew up and agreed four key target working principles at the project's outset that then drove the selection, implementation and design of a new HR and payroll system:

- **To be service centric** - Swinton's service offering, including its processes, should be designed around customers' needs and the majority of customers' queries should be resolvable at the first point of contact. HR and payroll's customers, especially managers, should be empowered and trusted - the HR team is not here to police the process.
- **To ensure simplicity** - Employees and managers should be self-sufficient. Information on company policies and processes should be accessible, relevant, personalised and constantly updated. Services should be quick, intuitive and continuously improved for customers.
- **To be singular** - Data should be entered once, and only once by any person, for the lifespan of that information.
- **To be systems based** - ensuring the company's processes were built around chosen best - practice tools.

Using these four principles, MHR's iTrent solution was identified as the most suitable talent management, HR and payroll platform to resolve the organisation's HR challenges and free up internal resource to focus on strategic issues.

The business case for iTrent initially identified a £1,200,000 saving which could be made over a five year period. However, a further £500,000 savings went on to be identified over the course of the project.

## The HR Project

Whilst the partnership between Swinton and MHR was being finalised, a project team was formed using internal resource, to ensure all knowledge was retained in the business.

The team began work on two key areas: Process Mapping and Data Mapping. New processes were designed using the four key principles and data

migration reports built and tested in the incumbent system. By the time the project kick off meeting was held, these two key areas were nearly completed.

Carrying out all the pre-work, ensuring legacy data was mapped, organisational structure agreed and preferred processes in place, enabled the project to get up and running quickly and efficiently. This allowed the MHR team to hit the ground running and begin by advising us on our preferences and recommending best practice alternatives where necessary, fully utilising their time and ours.

Having this foresight alongside a great working partnership with key individuals from MHR, was vital in achieving a successful transformation and rapid realisation of ROI.

## Eight-Month Timeline

The project was given a timeline of eight months from contract signature to go live, including the provision of Self-Service for managers and employees. A phased approach was elected with basic Self-Service and payroll due to go live primarily.

As the project progressed rapidly, the first parallel run was processed much earlier than anticipated and a revised go live date two months ahead of schedule was signed off, with Manager Self-Service functionality rolled out over the three months that followed.

During the design and implementation phase of iTrent, two guiding principles were used to ensure that new processes, supported by Employee and Manager Self-Service, were designed to improve efficiency, not only for HR, but for employees across the business.

1 – The task takes equal or less time to complete through self-service and can be completed intuitively with either no or minimal instruction.

2 – The task takes slightly longer or requires more detailed instruction and provides another substantial benefit to the business.

## Employee Feedback

During the pre-parallel run, tests were undertaken to gain feedback. The first test - the nine minute challenge - asked 50 employees to log into Self-Service and carry out 10 core tasks, without any instruction. The purpose of this challenge was to test the system's intuitiveness and help set the level of any training required.

The overwhelming majority of feedback was good, with most people completing all tasks in the given time. However, feedback relating to language used within the software highlighted that it was not aligned to Swinton's corporate terminology. So the project team worked on customising this to align the system with internal language and culture.

Employees also highlighted that the system needed an internal 'Swinton' identity so we customised iTrent's user interface with our own branding and named it 'myHR' (Employee Self-Service) and 'myTeam' (Manager Self-Service).

Following this, a second pilot group carried out the same exercise and the feedback was overwhelmingly positive. Following a two-month communication campaign, iTrent went live two months ahead of schedule.

## Benefits Realisation

In the first two weeks, there were 7,130 logins to myHR and myTeam. In that time, 3,086 holiday requests were made, 886 sickness records logged by managers and 146 overtime submissions! In the same period, employees also used myHR to

update personal details - including 206 changes of address, 385 contact number updates, 10 name changes and 16 changes to disability status.

A very low number of calls from managers regarding how to use Manager Self-Service, combined with usage statistics, indicated the aims to deliver an intuitive and simple system had been achieved.

In addition, the Shared Service team are realising the impact of our new system and processes, which will also work in supporting the cost reduction and headcount rationalisation initiative across the business:

- 48 days per year saved by introducing e-payslips
- Time, cost and risk of posting payslips removed
- 24 days saved per year using automated overtime approvals
- 18 days per year saved manipulating absence data in Access and Excel for deductions, now automated
- Efficiencies in payroll processing has allowed for the pushing back of the payroll cut off from the 8th to the 20th of each month, allowing more time to process changes



*The process transformation is already freeing up HR to focus on more strategic issues, and improving the employee experience across the business. By streamlining flexible benefits, using iTrent to automate pensions auto enrolment assessments and reporting to our pension provider, Swinton's reward team have been freed up to concentrate on pay and grading structures aimed at resolving key issues around pay and reward.*

- Leaver processing time down from 30 to 5 minutes
- Contract hour change processing down from 30 minutes to near zero
- Further 1,000 hours efficiency savings on various tasks
- The re-design of employee payslips, enabling clarity of notional salary and benefits – significantly reducing queries to the HR department.

Throughout parallel running, it became clear that further efficiencies could be achieved by reviewing Flexible Benefits and automating other manual processes, such as 41 reports - now provided to the business via MHR's Business Objects report scheduling. By utilising iTrent to automate benefits calculations, along with updating the company intranet to help employees understand their benefit options, Swinton was able to remove its former benefits system and make an additional reduction in headcount.

## In Conclusion

By automating many HR and payroll processes and reports, we have been able to achieve the headcount savings required within HR, ensuring there is capacity to further develop the service and handle upcoming legislative changes. Self-Service has saved over 1,000 working hours and drastically reduced requests allowing the team to focus on value added work.

Many organisations moving to the Ulrich model use the opportunity to implement new technology and processes that underpin a shared service environment - designed to save money. However, our transformation project was born out of a need to improve systems and ways of working. Yet savings of £1.7million over five years are now predicted. ROI is set to be realised less than a year after the project began.