

# SMP's HR – Moving towards Consolidated HRIS Subsidiaries

HARMONISING THE GLOBAL  
HCM DATA STRUCTURES

 KWP INSIDE HR

KWP Inside HR is a member  
of United VARs, which is an  
SAP Platinum Partner.



# OVERVIEW

In 2017, SMP took a step further towards implementing its HR strategic goal: Setting up a Global HR. SMP had the complex challenge of reconciling the corporate HR processes within the legal requirements of SMP's local subsidiaries across three different continents (America, Asia and Europe). However, they needed to bring all those differences together under one single roof of SAP ERP HCM. SMP were able to overcome this, as they could rely on the local expertise from the United VARs member companies KWP Inside HR, Seidor, HAND Enterprise, and BSC Consulting.

## CHALLENGE

Labour markets differ from one another because they are strongly shaped by their respective local laws, rules and regulations. Thus, every global SMP subsidiary is subject to different legal requirements and labour culture based on the country they are located in. The main challenge was to harmonise and consolidate HCM data structures in the countries that SMP have their subsidiaries in, while following the legally required local structures and processes.

## REASONS FOR HARMONISING DATA STRUCTURES

To secure accurate, easy, and transparent corporate reporting between SMP's global headquarters and its subsidiaries to increase the company's efficiency.

## KEY BENEFITS

Consistent time saving by automating routine tasks; harmonised processes and guaranteed structures; easy and correct corporate reporting; solid data structure for further SAP implementations.

## SMP: AMONG THE 26 BIGGEST SUPPLIERS IN THE GLOBAL AUTOMOTIVE INDUSTRY

If there were one word to describe SMP it would be "excellence". Top-notch companies from the calibre of Audi, Mercedes-Benz, and Porsche chose SMP to be a trustworthy provider of high-quality plastic car components. SMP is not only a world-class business operating in the automotive industry but also has been a member of the Samvardhana Mother-son Group since 2011.

Its history dates back to 1959 when it was founded in Bötzingen, Germany. Since then, SMP has continuously grown to reach an impressive revenue target of 3 billion in 2016/2017. As a big player in the competitive automotive sector, SMP's main focus has always been to ensure economic efficiency, quality, safety, and aesthetics with a high-quality standard across all subsidiaries, which is in accordance with the expectations of exigent customers.

Nowadays, SMP is based in the Freiburg area and has roughly 14,000 employees spread among 36 logistic and production centres. The automotive supplier has also been able to build a strong international presence in Germany, Slovakia, Hungary, Spain, Portugal, USA, Mexico, Brazil, and China.



# GLOBAL GROWTH DRIVES DEMAND FOR GLOBAL DATA HARMONISATION

In the past, SMP's subsidiaries managed HR processes on their own. They were done mostly manually and not aligned with headquarters. A modern global Information System was clearly advantageous: the company's overall efficiency increased drastically. The headquarters now remains well informed about labour changes and has insight into different local HR data processes, which ensure that local and legal requirements which differ significantly for payroll and wages in different countries are fulfilled.

SMP's rollout strategy featured the following main objectives, followed by a precise selection of an adequate IT consultant.

## OBJECTIVES

- Strict adherence to different local and legal requirements
- Harmonisation and consolidation of HCM data structures across all of SMP's countries
- Efficient organisation and management of the employees and their benefits
- Respect for project time and budget constraints

## FINDING THE BEST IT PARTNER

In order to achieve the defined objectives, SMP originally considered two options:

**1.** Individually select a single implementing partner in each SMP subsidiary country. This would have meant that SMP would need to sign contracts with each of the vendors, carrying out enormous coordination work as the single vendors have only a partial picture of the entire global HR.

or

**2.** Team up with a big company that already has subsidiaries in the countries that SMP has subsidiaries in (Mexico, Hungary, and China).

However, when SMP spoke to their main consultants from KWP Inside HR, they became aware of the option to maintain the relationship with their primer solution provider by relying on KWP's network of SAP solution providers, United VARs, which led to a third option:

**3.** Work with a global alliance of comprised SAP Value Added Resellers, whose main principle is "Thinking Global and Acting Local", with KWP Inside HR as the German member of United VARs for HR services.

The decision to move forward with United VARs and its global partner network allowed SMP to benefit substantially in the following ways:

**1.** Global market coverage in over 90 countries, including SMP's rollout target countries: China, Hungary and Mexico.

**2.** Elite local members who are considered top 3 within those markets, in terms of experience and the number of customers served.

**3.** Global project led by SMP's primer solution provider, KWP Inside HR, which coordinates the other member companies and is responsible for the project's results.

# SUCCESS FACTORS

“Global outreach and local excellence” is what United VARs stands for. KWP Inside HR took the lead as the global project coordinator, and the local United VARs member companies, which are based in the target countries, ensured the successful execution of the SAP HCM implementation within the local subsidiaries.

## GLOBAL COORDINATION

The general contractor KWP Inside HR oversaw the project and took on the responsibility of delivering the project on time and within budget. Additionally, they shared the project management tasks between SMP, and as both are based in Germany, this helped to facilitate the monitoring and the coordination of project. SMP gained the following advantages from KWP Inside HR's coordination work:

- No effort and risk to search for competent and reliable vendors in the single countries
- A single contracting partner instead of 4 different ones
- Global template guidelines provided and controlled by a leading solution provider
- Harmonised working standards and values applied by consultants that are involved in the rollouts in the respective SMP countries (China, Hungary, and Mexico)
- Reduction in work needed to coordinate for each subsidiary, as this is carried out by KWP Inside HR GmbH, which is SMP's general implementation partner
- Project contingency costs

## LOCAL IMPLEMENTATION

The members of United VARs are fully committed to cooperating specifically on global SAP rollouts and ERP optimisation projects. The involvement of local consultants from leading IT partners based on site in each rollout project provides SMP with several major advantages:

- The SAP implementation is compliant with the local legal requirements
- A greater understanding of the problems that local customers endure, as these are often culturally related and require knowledge of the local language
- Access to full range of local resources, country specific add-ons and solutions, as well as the best on-site knowhow

The requirements for SMP's global HIRS project varied significantly depending on the roll-out country:

### CHINA

For the SMP roll-out based in Beijing, KWP joined forces with HAND Enterprise Solutions, a United VARs member and IT solution provider headquartered in Shanghai. The project started in March 2017 and the roll-out was conducted two months later. All of the necessary local services and trainings were taken care of. In the Chinese market, it is essential to have soft skills and HAND is not only an expert in terms of the local requirements but also has knowledge of the local language and the peculiar business practices.

### HUNGARY

The Hungarian market has some of the world's most fluctuating labour and legislation requirements. They change so fast that it would be almost impossible and

certainly expensive, in terms of time and resources, to keep track of all the developments without a local consultant. A main issue in the Hungarian HRIS roll-out were the social contributions that are at the centre of many variations. With BCS Business Consulting Services as an implementation partner with SMP Kecskemét, Hungary, SMP heavily benefited from their experience and up-to-date knowledge.

### MEXICO

In Mexico, the main differences in legal requirements include social security contributions and the timing of wage payments. For instance, in Europe and Asia wage payments are made monthly, while in Mexico they are done semi-monthly or weekly. The Mexican United VARs member, Seidor HCC Mexico, focuses mainly on Human Resources and successfully implemented HRIS at SMP's locations in Puebla and Tlaxcala.

Federico Alvarez, HCM project Leader of Seidor HCC Mexico, stated that “when working with SMP Zitlaltepec, we first reviewed the implementation together with the users, and made multiple corrections related to the time processing and payroll calculations. We made sure that these implemented processes in SAP were in compliance with the Mexican law. Furthermore, we supported the payroll users with their daily activities in SAP and, in particular, supported the application of SAP notes and Support Packages.” Today SMP Zitlaltepec has the SAP HCM Payroll system updated and stable. It has a simple payroll processing process, that is free of configuration errors, and 100% complies with Mexican laws. Seidor HCC supports the application and conducts necessary updates to SAP notes, Support Packages and specific SMP requirements.



# OVERCOMING PROJECT CHALLENGES

SMP knew that conducting three rollouts in three dynamically different countries on three different continents was a complex endeavour—but both the global and local SAP implementation needs of SMP were successfully met.

## KEY CHALLENGES

At the very early stages of the project, Mr. Benz, Head of HR IT at SMP, identified how diverse HRIS can be in different countries especially when tailored to suit the respective legal regulations as well as the processes for migrating this diverse landscape into one single SAP Software. The main challenges of the harmonization project included:

- Common understanding and acceptance of the global vs local project objectives by all parties (SMP HQ, SMP local subsidiaries, general contractor and local subcontractor)
- Though project time constraints
- Time differences between America, Europe and China
- Language challenge and cultural sensitiveness
- Peculiarities concerning the legal requirements.

## KEY RESULTS

SMP had the strategic goal to mutualise the existing SAP HCM software at the German Headquarters and to make this available to all of their subsidiaries. Thanks to the collaborative efforts among United VARs members and the country specific adoptions at subsidiaries and specifications in SAP's HCM, the following objectives were reached:

- A stable global SAP HCM, despite cohabitation of substantially different legal frameworks in the single system
- A solid data structure for further SAP implementations Harmonisation of processes and structures which accepted deviations only when mandatory because of legal requirements
- Correct, easy, and transparent corporate reporting
- Consistent time saving via the automation of routine tasks

## SMP: "UNITED VARs ALLIANCE WAS DECISIVE"

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SMP was fully aware that reliability was of substantial importance when it comes to payroll. Mr. Benz stated, "This is the same for all our employees - no matter where they are." As a company managing more than 14,000 employees, he knows that being punctual and trustworthy can be critical when retaining talent and keeping the organizational culture positive. Mr. Benz also added that the "deep knowledge of country legislation is critical when it comes to payroll. At the same time, how do we ensure that configurations undertaken in one country do not disrupt the so sensitive payroll process in other countries? And how do we monitor the different legal requirements? United VARs' alliance and its strong skill standards have been decisive in addressing these dilemmas."

2017

## SAP HCM IMPLEMENTATION HIGHLIGHTS:



“THE DIFFERENT GLOBAL PAYROLL PERIODS REQUIRE SOME DIFFERENT PROCESSES ON-SITE. THANKS TO UNITED VARs, PROCESSES AND STRUCTURES WERE HARMONIZED GLOBALLY.”

Jürgen Benz  
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# THE IT SOLUTION PROVIDERS THAT MADE THIS PROJECT A SUCCESS



## **KWP INSIDE HR: YOUR TRUSTED ADVISOR IN HCM IN GERMANY**

KWP Inside HR is an expert in human resources management. Its knowhow ranges from recruiting talent management to payroll, which means that it is able to flank client businesses in every HR-related aspect. With over 230 employees located in 11 locations all over Europe, KWP has an international reach that can be leveraged to skillfully complete tasks across national boundaries.

<https://www.kwp-inside-hr.com/en/>

## **BCS BUSINESS CONSULTING SERVICES: HUNGARY'S LEADER IN ERP & IT SOLUTIONS**



### **Continuously improving**

BCS has been in the Hungarian market for over 15 years and is one of the most dynamically developing IT consulting companies nationwide. Founded in 2003, it is a recognized SAP partner which has become one of the five largest SAP consulting companies with over 120 consultants. BCS meets the needs of both SMEs and larger organizations.

<http://www.bcsconsult.hu/en/>



## **SEIDOR: THE RIGHT SAP PARTNER FOR THE LATIN AMERICAN MARKET**

### **Technology to boost your business**

Seidor's key to success is its authentic commitment to its customers, which drove its expansion from Catalonia to becoming one of the leading global IT solutions providers. For almost four decades, the company has advised more than 7,000 businesses of all sizes during their journey towards digital transformation. Seidor's principles are experience, trust, knowledge, and closeness. Seidor HCC Mexico's headquarters is based out of Mexico City.

<http://www.seidor.com>

## **HAND ENTERPRISE SOLUTIONS: A RELIABLE ALLY FOR THE CHINESE MARKET**



### **Simplifying your needs**

Awarded with the title of "SAP Asia-Pacific Top Partner" in 2010, HAND is a software solution provider, holding a strong position in the Eastern market; especially in China where its headquarters are situated. Its constant growth is driven by the desire to steadily expand their business and provide their customers with an outstanding experience.

<http://www.hand-usa.com/>

# UNITED VARS: SMP'S CHOICE FOR GLOBAL DATA UNIIFICATION

## **United VARs Members' Expertise at Your Fingertips**

United VARs is the world's largest alliance of 45+ SAP solution providers based in more than 90 countries. Each of them is the leader within their sector and have been recognized with the SAP Platinum Partner status; this assures top-notch interventions and first-class service. By being a part of this network, they not only remain free to operate as independent entities but they can also rely on the support of other members to accomplish complex and cross-national projects.

United VARs' approach is twofold, as it has an international breath, but a local focus. In this way, it can implement sophisticated projects with a high level of flexibility, adaptability and efficiency. Whether a customer is looking for help with SAP roll-outs, ERP implementations, or nearshoring projects—United VARs is always has the right partner.

**stronger** than one

## KWP inside HR

More questions?  
Please contact "KWP Inside HR"



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