

# Globales Personalmanagement bei OMV und Petrom

Linz, 17. September, 2008



# Content

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- ▶ Overview on the OMV / Petrom group
- ▶ Managing a global organization with SAP-HR
  - ▶ Regional scope
  - ▶ System landscape
  - ▶ Organizational management
  - ▶ Expats
- ▶ SAP-HR in Romania
  - ▶ Market analysis
  - ▶ Lessons learned from the Petrom SAP-HR project
- ▶ Summary

# Introduction

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Dr. Johannes König  
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- ▶ Head of SAP-HR Competence Center in OMV and Petrom
- ▶ Spent last 3 years in Romania to build up SAP-HR for Petrom



# OMV Group and Petrom



OMV acquired 51% of Petrom in 2004

Business segments:

- ▶ Exploration & Production
- ▶ Refining & Marketing
- ▶ Gas & Power

Key financial figures OMV Group (2007):

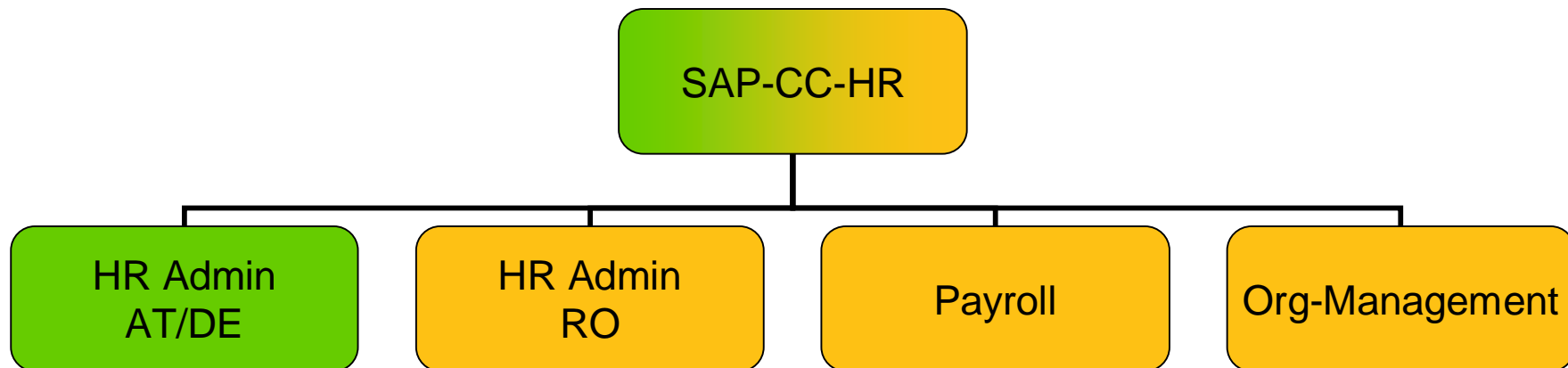
- ▶ Turnover: 20.0 bn EUR
- ▶ EBIT: 2.2 bn EUR
- ▶ Employees: 42,000 (36,000 in Petrom Group)



# SAP-HR Competence Center in OMV/Petrom



- ▶ One SAP-HR Competence Center
- ▶ Two locations (Vienna, Bucharest)
- ▶ Four teams (2x PA, PY, OM)
- ▶ 12 internal employees, 2.5 permanent externals



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# OMV / Petrom regional SAP-HR scope for PA, OM

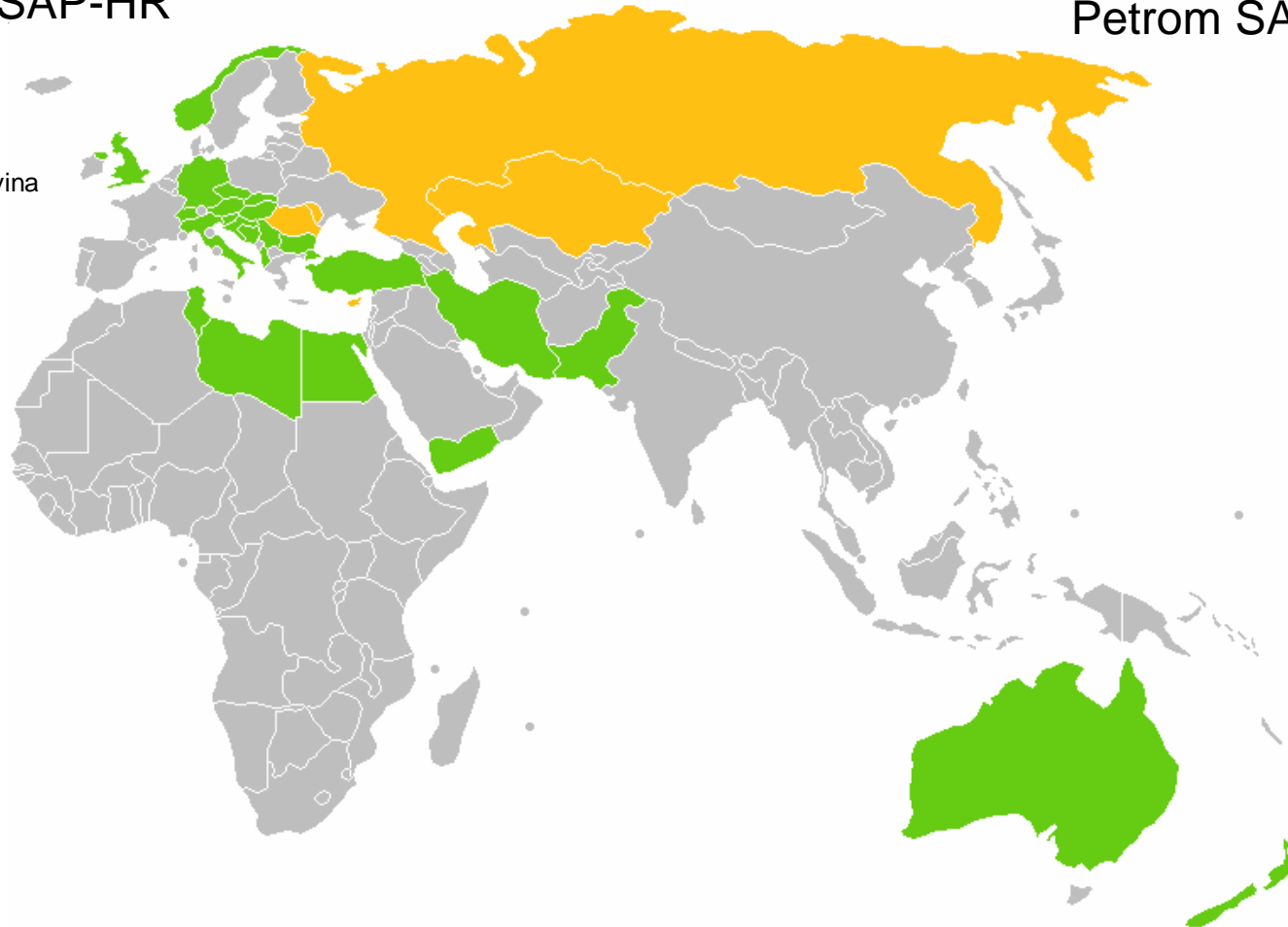


**OMV SAP-HR**

- Albania
- Austria
- Australia
- Bosnia-Herzegovina
- Bulgaria
- Croatia
- Egypt
- Germany
- Italy
- Iran
- Libya
- New Zealand
- Norway
- Pakistan
- Serbia
- Slovenia
- Switzerland
- Tunisia
- Turkey
- United Kingdom
- Yemen

**Petrom SAP-HR**

- Cyprus
- Kazakhstan
- Moldavia
- Romania
- Russia



# OMV / Petrom regional SAP-HR scope for Payroll

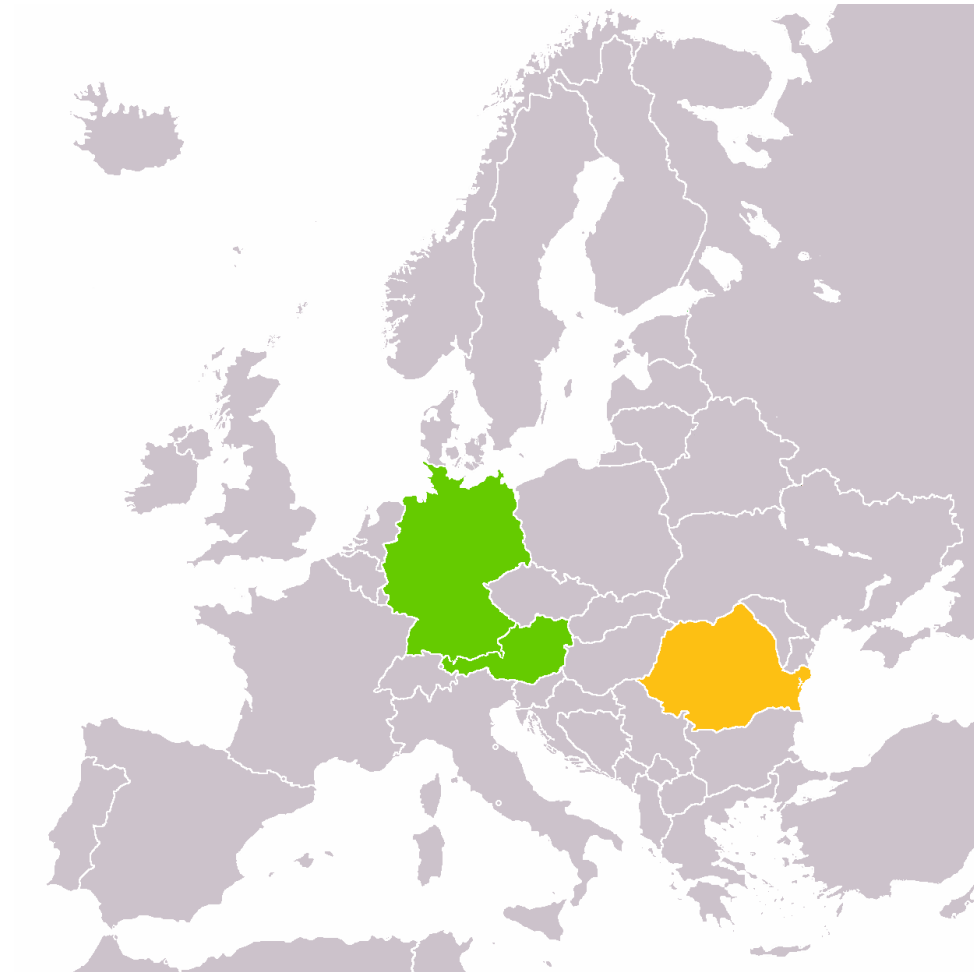


 OMV SAP-HR

Austria  
Germany

 Petrom SAP-HR

Romania

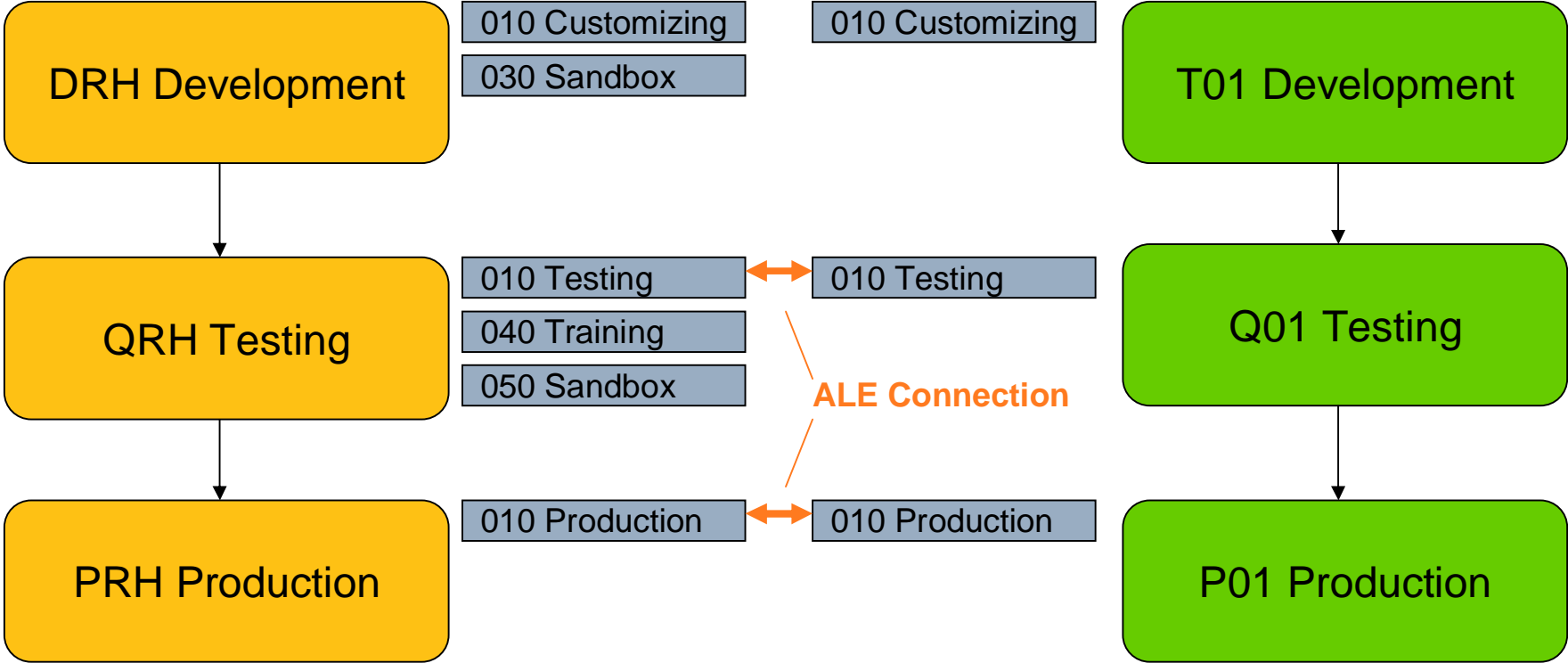


# Two SAP-HR systems linked by ALE



Petrom

OMV



# Client side

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Users are connected using several technologies, all providing a similar “user-experience”:

- ▶ SAP GUI  
Internal network reliable, sufficient bandwidth
- ▶ Remote Desktop  
Internal network not reliable, sufficient bandwidth  
Access from any internet PC with windows XP
- ▶ Citrix Metaframe  
Internal network not reliable, low bandwidth

# Integrating Organizational Management

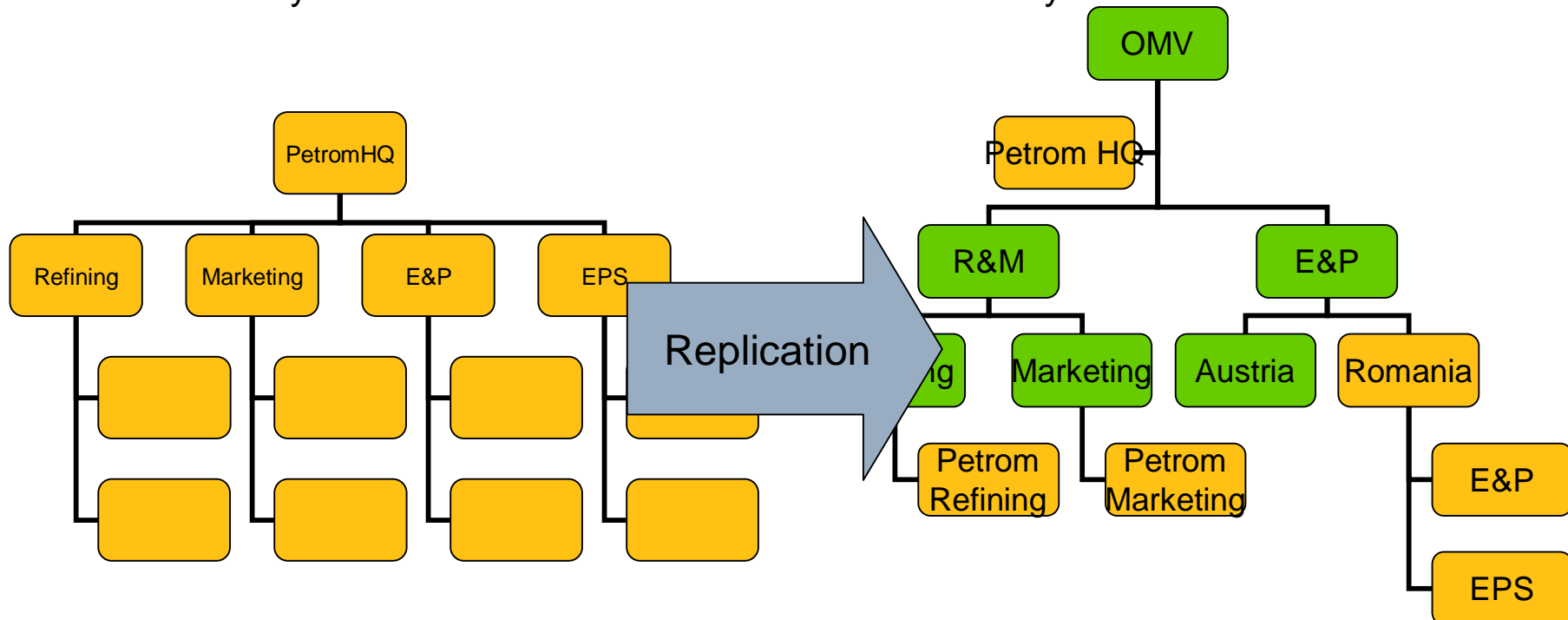


## Petrom System

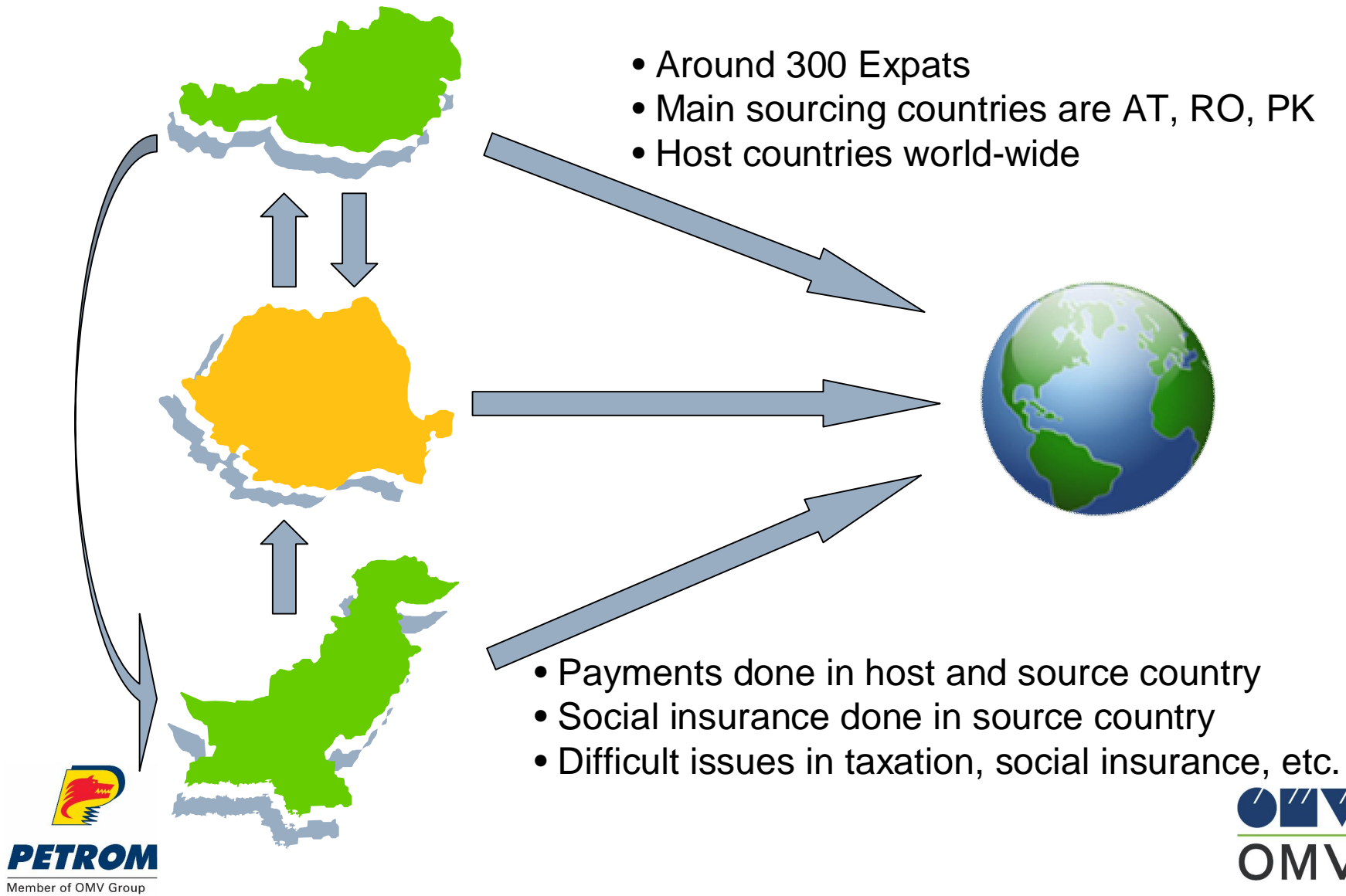
- ▶ Petrom OrgChart
- ▶ Legal View
- ▶ Maintained by Petrom

## OMV System

- ▶ OMV Global OrgChart
- ▶ Management View
- ▶ Maintained by OMV



# Expatriates

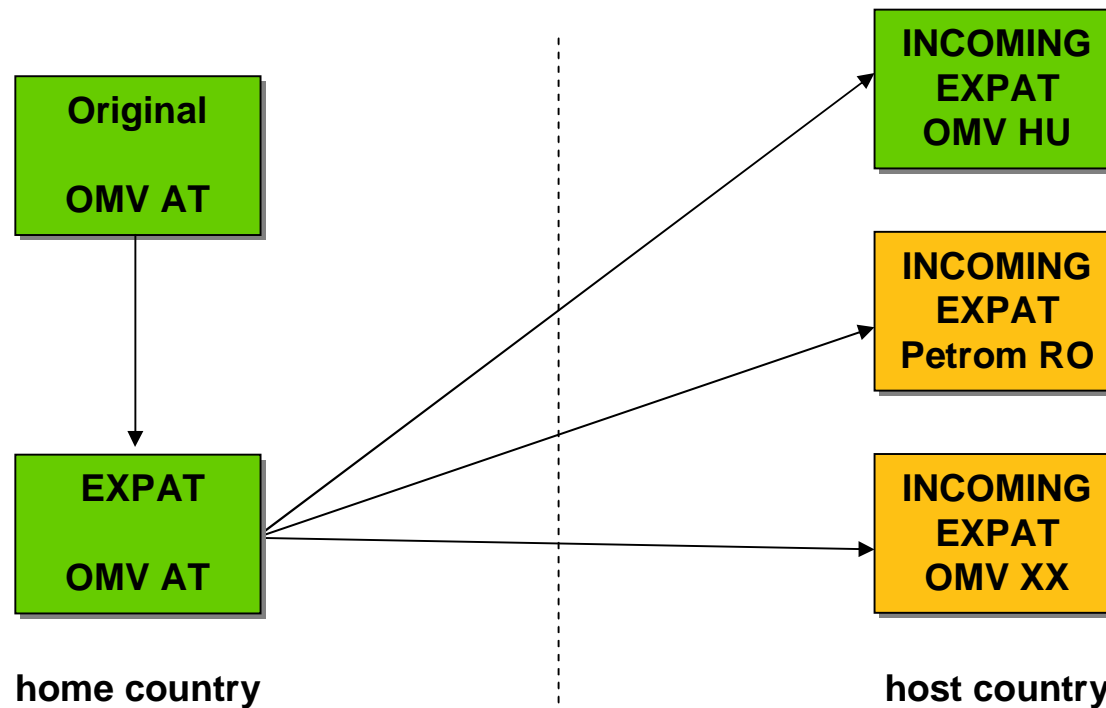


# Handling of Expatriates in SAP



## Multi employment contract concept for Expats

- ▶ One original personnel number for employee in home country,
  - ▶ One additional personnel number for taxation in home country purposes.
  - ▶ Several personnel numbers for employee (incoming expat) in host countries.
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- ▶ Only the original employee used in Org-Management.



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# SAP-HR in Romania

## A short history

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- ▶ Early SAP-HR implementation done on project basis by Integrator
  - ▶ Implemented e.g. at Ministry of Health
  - ▶ Problems with maintaining legal changes
  
- ▶ In 2004/2005, SAP developed a new solution, integrated into the HR-CEE add-on
  - ▶ Heidelberg Cement went live with payroll Jan 2006
  - ▶ Kaufland went live with SAP payroll Jun/July 2006
  - ▶ Petrom is first large customer to go live end 2006 (34.000 employees)

# SAP-HR in Romania

## Clients overview



▶ Large clients (> 1.000 employees) using SAP-HR:

Company (Owner)	GoLive	SAP-Modules	Employees
▶ Heidelberg Cem.	2006	PA, PY	
▶ Kaufland	2006	PA, PY	
▶ Pirelli	2006	PA, PY, PT, OM	
▶ Petrom (OMV)	2006	PA, PY, TE, OM	34.000
▶ EON-Gaz	2007	PA, PY, OM	10.000
▶ Romstal	2007	PA, PY	1.300
▶ Nestle	2007	PA, TE, OM, PD	
▶ Electrica (Enel)	2007	PA, PY	3.000
▶ Metro	2008		
▶ Dacia (Renault)	2008	PA, OM	14.000

PA..Personnel Administration, PY..Payroll, TE..Training&Eventmanagement, OM..Org-Management, PD..Personal Development

# SAP-HR in Romania

## Consulting Companies

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- ▶ Total number of local consultants with SAP-HR knowledge around 20
- ▶ Many free-lancers that work for more than one company
- ▶ Consulting companies with SAP-HR experience:
  - ▶ SCC Romania (HR-Force)
  - ▶ Accenture (former Pecaso)
  - ▶ IBM
  - ▶ Ness
  - ▶ ( Siemens )
  - ▶ ( CapGemini )
  - ▶ ( Romsys )
- ▶ Daily rates:
  - ▶ local consultants 400-600 EUR
  - ▶ senior consultants (international experience) 800-1200 EUR

# SAP-HR implementation in Petrom completed after 2.5 years in time and budget



Project scope	Project goals	
<ul style="list-style-type: none"> <li>▶ Payroll Processes and relevant PA-Admin Processes</li> <li>▶ Implementation of SAP PA and PY</li> </ul>	<ul style="list-style-type: none"> <li>▶ Centralization / harmonization of processes, interpretations, (process) templates, systems, etc.</li> <li>▶ Setting up a central payroll service center</li> </ul>	

Project - Milestones	Phase 1		Phase 2	
	2006	2007	2008	
Project Kick off	▼ 01.03.2006			
Go-Lives in Phase 1		▼ 01/2007		
Go-Lives in Phase 2		▼ 07/07.	▼ 01/08.	▼ 04/08
		HQ, Refinery	Marketing	Refinery, Chemicals, Petromar
				EPS, Petromed

External project investment (Budget / As-Is)	Key indicators
<ul style="list-style-type: none"> <li>▶ Project budget (01/2006 – 07/2008): 10,2 Mio. €</li> <li>▶ As-is cost(01/2006 – 07/2008): 8,6 Mio. €</li> </ul> <p style="text-align: center;">→ ~ 85 %</p>	<ul style="list-style-type: none"> <li>▶ 36.924 Employees</li> <li>▶ 356 SAP-HR end users trained</li> <li>▶ 81 Legacy systems migrated</li> </ul>

# All strategic project goals could be fully reached



Strategic project goals and frame conditions	Situation in 2006 at project start	Status as of June 2008	Goals reached
Centralization / harmonization of processes, interpretations and (process) templates	Petrom-wide different processes, interpretations (i.e. CLA), calculations, payment dates, etc.	Petrom-wide harmonization regard. processes, interpretations, calculations, payment dates, etc.	✓
Centralization of systems	81 Legacy systems	1 SAP HR System (PA, PY)	✓
Use of SAP-HR with same degree of automation as in legacy systems	Heterogeneous degree of automation in legacy (Local solutions)	Petrom-wide harmonization, high automation degree	✓
Tracking of legal and Petrom-wide changes by Corp. HR	Decentralized and limited tracking and control	Centralized tracking and guidance by Corp. HR	✓
Set up Organizational Management	Not existing	Project ongoing	May 2009

# Key project success factors



## Strong involvement of Business in project

- ▶ Involvement (50% required availability) of selected key users (local HR, Payroll) as project team members throughout all project phases (from analysis to Go-Live)
- ▶ Key users as 1st level support and contact persons for end users
- ▶ Involvement of end users in data cleansing and data migration
- ▶ Kick-offs with business (inviting all future end users)

## Effective end user training in SAP-HR

- ▶ 3 weeks for Payroll operators, 2 weeks for local PA users
- ▶ Intense training 'on the job' during data cleansing, additional trainings (when needed)

## Comprehensive end user support after Go-Live

- ▶ On-site support (4 SAP HR CC members, 5 consultants)
- ▶ Documentation: Business process manual with detailed instructions for end users

## Strong team spirit

- ▶ Regular team-meetings
- ▶ Feedback meetings

## Proactive PM

- ▶ Consequent and proactive management to avoid potential pitfalls
- ▶ Consequent involvement of management support if necessary

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# Summary

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Managing a global organisation with SAP-HR ...



- ▶ Increases effectiveness and efficiency of HR Administration and Payroll processes
- ▶ Increases IT effectiveness and efficiency (→ Reduce number of HR solutions and HR-IT-systems to two SAP HR systems)
- ▶ Provides transparent, quick and direct HR reporting for management
- ▶ Improves data-security and privacy
- ▶ Establishes an IT platform for future HR application landscape
- ▶ Ensures long-term maintenance of IT-platform

# Credits

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A great “Thank you” to the team  
of more than 40 internal and external SAP-HR experts  
who participated in the program!

## Implementation Partners:

- ▶ OMV / Petrom Global Solutions
- ▶ SCC Romania / HR-Force
- ▶ CapGemini

