

# Valeo: SAP ERP corporate template and own HR

\_\_\_\_\_ SAP system development and maintenance in Valeo



**Valeo** is a multinational corporation manufacturing components for the automotive industry. Present in 27 countries, the Group employs over 50, 000 people. In 1996, Valeo opened its first factory in Poland and currently operates a number of sites in our country, including Valeo Engine Cooling in Skawina, Valeo Wiper Systems in Skawina, Valeo Lighting Systems in Chrzanów, Valeo Front End Modules in Tychy and Valeo Engine and Electrical Systems in Czechowice-Dziedzice. Warsaw is the seat of the Sales Office of Valeo Service Eastern Europe supplying spare parts to customers in the region.

More information: [www.valeo.com](http://www.valeo.com);  
[www.valeoservice.com](http://www.valeoservice.com)

**Valeo Group uses the corporate SAP ERP template in a wide range of functions. Although the HR module is an integral part of SAP ERP, but it is not covered by the corporate template, due to its specific nature. While Accounting processes, Production and Logistic operations are regulated by corporate standards and best practices, in the HR Payroll area the legal regulations of each individual country are of critical significance. Freedom to choose a solution supporting the HR function means, that the best system for the local country realities can be selected and implemented.**

## **SAP in Valeo – Travel the world with Comp@ss**

Operating in 27 countries of the world through over 120 production sites and 61 Research & Development centers – these figures give a clear picture of the size of Valeo Group's business. The integrated SAP ERP system launched in 2001 greatly facilitates effective management of this widespread and diverse organizational structure.

The corporate template known as Comp@ss covers the modules supporting production, logistics (including purchasing, sales and EDI), projects, controlling and accounting. Comp@ss has been implemented in the majority of Valeo sites. The Core Team which decides about the content of the corporate template is based in the Group headquarters in Paris while the teams of consultants operate from Paris and Manila, The Philippines. System hosting services are offered by two global suppliers and the servers are located in a number of data processing centers across Europe and Americas.

## SAP in Valeo Poland

Comp@ss arrived in Poland in 2005, together with the newly launched manufacturing site in Chrzanów and was subsequently rolled-out to both Skawina sites (production start in January 2006), the Warsaw Sales Office (production start in November 2006) and two sites in Czechowice (production start in July 2007). The rollout of the corporate SAP template covered the Finance and Accounting module (FI), Controlling (CO), Production Planning (PP), Materials Management (MM), Plant Maintenance (PM), Sales and Distribution (SD), Quality Management (QM), Project System (PS), Business Warehouse SAP BW and a system supporting the flow of materials (CIM+ by Apriso).

When the template was launched, the employees of Valeo involved in the implementation work became the key users, with responsibility for the proper performance of respective modules, end user training and development of the system functionality by identifying opportunities for improvements.

In November 2006, Valeo signed a local SAP support agreement with BCC, under which the consultants from the BCC outsourcing center act as a help desk for the key system users. In this way, access to specialist knowledge and advice was greatly facilitated. The absence of the language barrier and a better understanding of the Polish specificity by the BCC consultants helped to make a more effective use of the true potential of the implemented system.

## SAP HR in the Valeo corporate solution

Although SAP HR solutions form an integral part of the SAP ERP system, they are not covered by the Valeo Group Template, due to the specific nature of the HR and payroll arrangements. Accounting processes, Production and Logistics operations are regulated by corporate standards and best practices. Reflected in the corporate system template, they help to optimize performance and achieve uniform management reporting standards across the Group, yielding higher operational effectiveness and savings as a result of unification of processes.

In the HR area, legal requirements of particular countries are of crucial significance. Thus, HR and payroll processes are excluded from Comp@ss and the data of over 50,000 employees are stored in applications which respond best to the local country needs. The Valeo strategy concerning HR Payroll is to have one solution for all sites of a county and with the preference to have it outsourced.

When it turned out that the limitations of the software used to support the HR function in the Polish sites and the Warsaw Sales Office create serious operational problems and generate unnecessary costs, a decision to choose a new system was made. The selection of the appropriate solution took a considerable time, but the final decision was to use SAP HR.

## Implementation of SAP HR in Valeo Poland

The implementation of the SAP HR module was quite a different experience from the earlier corporate template implementation. This time, the functionalities of the solution intended to support over 2,000 employees of the four sites in Poland had to be defined from the scratch. Additionally, the system had to be ready for rollout to other sites in Poland.

The building of the solution involved joint efforts of BCC consultants and Valeo employees delegated to take part in the implementation work. Thanks to numerous reference visits in companies with a similar structure, we managed to avoid a frequently made mistake, i.e. an attempt at recreating the old HR system in SAP. The development of a new HR system in line with the good practices incorporated in SAP helped to simplify the implementation and reduce its costs.

The implementation of SAP HR encompassed the 'core HR', including HR management and payroll functions integrated with the external work time registration system. Shift Managers were equipped with the Work Time Manager Desktop supporting effective work time settlement of the reporting staff. Payroll processes have also been integrated with SAP ERP. In fact, easy integration with SAP ERP was one of the major arguments to decide in favor of SAP HR.

The frequent changes in the SAP HR application resulting from the updates published by SAP AG and changes in the legislation could affect the stability of the corporate solution. Therefore, already at the stage of pre-implementation analysis, a decision was made to setup SAP HR on a separate instance.

In accordance with the Valeo Group policy, IT departments are supposed to focus strictly on core business related activities. Hence, discussions about outsourcing of the new system were held with numerous suppliers from the very beginning of the implementation process.

The final choice has been the BCC Outsourcing Center. Valeo uses a system located based in the BCC data processing center and administrated by the specialists from BCC Outsourcing Services Department.

The main criteria for choosing the supplier included a flexible approach to the client, a reasonable price and an advantage arising from the fact, that when the same company implements and maintains a system, the client avoids a situation when different vendors blame each other for any operational failures.

### **SAP HR hosting – is it worthwhile ?**

After four years of experience with SAP ERP application support and one year of SAP HR hosting services, our decision seems to be absolutely right. Thanks to SAP outsourcing, we don't need to take care of the technical aspects and our inhouse IT staff can focus on the development of the system from a business requirements point of view. Such organization of work contributes to higher effectiveness.

We should remember, however, about the great responsibility needed at the time of the outsourcing decision. In order to "sleep well during the nights" and to be able to focus on improving the functionality in response to business challenges, the client first needs to invest time and effort in reviewing the offers of the suppliers and making a reasonable decision. Only then, the outsourcing will provide real benefits instead of trouble.



Autor:

Rafał Szuman  
Valeo