HR Deployment in Manufacturing Case Study - Leading US Food & Beverage Manufacturing Company Saves $2M Annually

Objective:

A leading global food and beverage company needed to provide a portal to Human Resources tools to more efficiently serve 40,000 disconnected employees in their manufacturing and distribution facilities.

Solution:

They implemented an 800-unit kiosk deployment within 650 U.S. facilities to provide automated, independent access to a full complement of HR services.

Benefit:

Company has realized tangible savings between $400K - $1.4M+ annually from their self-service initiative, empowering independent management within their entire work force and significantly improving the strategic value of their HR team resources.

Project Background and Deployment Goals:

This company (proprietary) is a global conglomerate with interests in manufacturing, marketing, and selling a wide variety of beverages, snack and other foods. Due to the nature of their business, a full 80% of their workforce is "disconnected" from a dedicated computer, requiring significant Human Resources

administration support resources. Specifically, they required up to 100 HR Administrators to handle all the forms, mailings, internal job applications, and in-person requests for these 40,000 staff members.

The company developed a team of IT and HR professionals to incorporate kiosks into their HRMS payroll system. Among many other project objectives, they sought to leverage the benefits of their established web-based HR portal and extend the reach of this tool to 100% of their workforce. Applications they sought to implement on the kiosk included:

- Compensation Record Access – Pay stub printing, direct deposit management, check / wage history, tax withholding, payment modeling.
- Employee Profile Management – Competencies, certifications / licenses, education, emergency & dependent data, etc.
- Benefits Management – Summary and enrollment data, 401K elections, spending account records, stock options, and overall account management.
- Company Communications – On-line postings of key organization data, directories, policies, and electronic employee newsletters.
- Career Development / Internal Job Application - On-line management tool for processing 30K internal applications annually and access to full career management center.

Process and Timeline:

Over the course of seven months, the team of four IT and HR professionals completed the requirements definition, projected cost savings, and implementation planning elements to secure funding and executive endorsement of the program. Their strategy was to sub-contract the software application development to their existing HR-Payroll outsource services provider. A formal RFP was sent to several kiosk manufacturers to simultaneously solicit bids from manufacturers who could support the project.
After a nine-month RFP issuance, negotiation, and selection process, the company selected KIOSK Information Systems for the hardware supplier. The contract was awarded based on several factors, including:

- Competitive pricing
- Ability to expertly integrate all the needed peripherals
- Superior look and durability of the hardware
- Manufacturing capacity and track record on comparable volume deployment success
- ISO9001 Certified quality and nationwide service capability

The company placed an initial order of 700 units, and began an aggressive nationwide deployment with a sub-contracted installation team. Having thoroughly tested the software, they omitted the pilot stage and completed a full 800-unit deployment in just seven months (self-paced). Throughout the installation process, significant parallel background effort was being coordinated in field readiness preparation (site surveys, wiring, and installation staff staging).

Parallel Employee Training:

Throughout the rollout, the company incrementally managed the employee training process, assigning an "HR Kiosk Champion" at each site to take ownership of post-installation training for new users. As the company was extending an existing HR Portal further into the field, the "Train the Trainer" investment required only about an hour.

These champions then spent about 15 minutes introducing the features and self-service options to new users. This brief training was more of a high-level introduction to launch employees into the intuitive navigation of the web portal menus. Further, as personal requests came in, the Kiosk Champions would personally steer the staff members to the kiosk and guide them toward independent answers ("coaching" them through the initial process).

While a small portion of the company's more senior / tenured workforce were initially somewhat resistant, the vast majority of employees have readily adopted the kiosks and are independently utilizing the full complement of HR tools available through the portal. Additionally, they have found that new employees joining the company fully expect and readily adopt these services.

Post Deployment Benefit Measurement:

Within the project funding justification, the company isolated cost savings measurements to the automation of tangible repeat processes. Specifically, they measured the savings related to:

- Repeat costs of printing, mailing, and duplicating payroll statements. Automation of this step alone saves the company $400,000 annually.
- Costs related to printing and distributing mandatory company communications. For example, the costs related to distribution of just the In-Network publication of health care providers are $5 per employee. Multiplied by 70,000 employees, this on-line distribution alone saves $350,000. Other large documents such as policy manuals or in-network service providers that require frequent update and distribution offer similar savings opportunities. The company estimates up to $1M in annual savings for years with this level of communications requirements.
- Cost reductions related to redundant system data entry by HR Administrators, saving easily 52 hours annually per location. This equates to approximately $600K in annual corporate savings in administrative overhead.

The company did not tie a measurement metric to their HR Administrative costs, because they never intended to reduce headcount as a result of implementing the kiosks. However, as a result of the kiosk deployment, there was a profound strategic shift in what these prior administrators were contributing on a daily basis. Rather than administering repetitive functions, they shifted this pool of talent toward projects with a higher value-add - such as employee relations, SAP financial management, and key process improvement. 100 professionals with an average salary of $66K equates to a $6.6M annual talent pool.

Strategic re-allocation, while difficult to quantify, is a definite long-term benefit of the overall project contribution.

Post Deployment Advice:

The company's key Program Manager for the kiosk project, had this retrospective advice for deployers considering a project of similar scope:

- "In the RFP stages prior to starting on software & hardware development, make sure you have a comprehensive list of requirements clearly defined. Going back in to a fully developed application to add or rework functionality can be very expensive."
- "Don't under-estimate the logistics support you may need in the installation phase. We subcontracted the installation, but still had significant logistics management requirements to get 650 sites up and rolling in seven months. We were grateful to have selected KIOSK Information Systems because of their very responsive and flexible manufacturing capabilities. They also exceeded our expectations in their Production Program Management expertise, making the details tied to a nationwide deployment much easier – and successful on the first pass."
- Finally, "Wherever possible, try to bundle or layer functionality for the best return. Initially, our project leadership team viewed this project as a very limited functional device for pay statement reproduction. We were successful in proposing (and executing) a much more compelling case making the kiosks a complete employee relations management tool that has successfully connected and empowered all of our 70,000 employees."

KIOSK Information Systems has similar clients with nationwide HR deployments including Wal-Mart, Safeway, United States Postal Service, CitiGroup, Disney, Interior Health, and many others. For more information please call 1-800-509-5471.