Explore the Possibilities

2013 HR Service Delivery Forum

Building a New HR Service Delivery Model at AmerisourceBergen
Agenda

- About AmerisourceBergen
- HR transformation journey
- Detailed organizational structure
  - COEs
  - HRBPs
  - HR services shared
- Improving technology
  - Portal
  - HR shared services tools
  - Workday
- Lessons learned
- Questions
About AmerisourceBergen

- AmerisourceBergen is one of the world’s largest pharmaceutical services companies
- Focused on the pharmaceutical supply chain, servicing pharmaceutical manufacturers and health care providers
- Business segments include drug and specialty distribution and consulting services
- Approximately 13,000 employees, primarily based in the U.S.
- Operations in 52 countries
The business context at ABC

Drive **efficiency** while providing high-quality, customer-centric solutions

Support **high performance** and **innovation**

Implement **technology** and information solutions that streamline processes

Focus on **value** and cost
Efficiency

- High degree of reliance on manual processes
- Heavily focused on administration and compliance
- Inconsistent practices driving increased risk, workload and resources
- Redundant work being done in multiple locations

Performance and Innovation

- Some progress in driving performance
- Limited metrics and business intelligence
- Ineffective use of HR business partner resources limits ability to focus on key business objectives
- Lack of standardized processes, policies and systems inhibits innovation
Accessible Technology and Information

- Numerous systems lack integration
- Real time data and information access not available to all associates and managers
- Certain key HR processes are done manually (Excel)
- Significant risk associated with interfaces and data manipulation

Cost/Value

- HR was “functioning” but the opportunity cost of inefficiencies was inadequate partnering
- Lack of integrated technology meant high price tag for less than optimal systems
- Ineffective processes increased risk and shifted focus from “value added” activities
- Lack of harmonized policies and processes interfered with Talent Management activities
We’ve completed Phase 2 and are in Phase 3

Phase 1: Business Case

- Current State Assessment
- Preparation and Planning
- Future State Framework
- Readiness Assessment
- Stakeholder Analysis
- Business Case and Road Map Approval

Phase 2: Detailed State Design

- Process Design
- Organization Design and Staffing
- Technical Solutions Design
- Implementation and Change Planning

Phase 3: Implementation

- Migration Planning
- Recruitment
- Process Implementation and Organization Transition
- Systems Implementation
- Communications and Training

Change Management and Communications
Program Management
Leadership and Governance
The new HR model

Three components — underpinned by globally integrated HR technology

**HR Business Partners**
- Increased HR capacity to focus on business and talent issues
- Coach business leaders and line managers on people-related matters

**Centers of Expertise**
- Design and development of programs that drive performance
- In-house experts in areas such as recruiting, compensation, talent management

**HR Shared Service Center**
- Deliver lean and agile HR support services
- Answer and quickly resolve employee questions across the enterprise

**Global Technology**
- Global HR Information System
- Perform HR transactions on demand
- Access to meaningful workforce information
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<th>HR business partner model</th>
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<tr>
<th><strong>Business Partner</strong></th>
<th><strong>ER Consultant</strong></th>
<th><strong>Talent Driver</strong></th>
<th><strong>Change Leader</strong></th>
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<tbody>
<tr>
<td>● ABC business acumen</td>
<td>● Handles complex associate relations</td>
<td>● Assesses talent needs</td>
<td>● Assesses associate engagement and readiness for change</td>
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<td>● Establishes HR goals and metrics to support business initiatives</td>
<td>● Owns and leads execution of HR practices and initiatives</td>
<td>● Promotes a learning culture</td>
<td>● Creates necessary communication plans for driving organization change</td>
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<td>● Identifies HR implications of new business goals and objectives</td>
<td>● Broker of HR specialty support</td>
<td>● Enables and supports establishment of high performance (productivity) teams</td>
<td>● Informed on HR trends and thought leadership</td>
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<td>● Problem-solving on people issues</td>
<td>● Advisor on compensation/rewards and recognition options</td>
<td>● Advises on effective development planning</td>
<td>● Assists and advises on leadership behavior that will support change</td>
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<td>● Coaching</td>
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<td>● Uses analytics to drive the talent agenda</td>
<td>● Drive merger and acquisition leadership for the people agenda</td>
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<td>● Trusted advisor</td>
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<td>● Relationship manager</td>
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Centers of expertise model

**Total Rewards**
- Methodology and tools for compensation and benefits
- Core policy, programs and plans, including business adaptation, vendor selection
- Executive compensation
- Deliver fiduciary responsibilities and regulatory filings

**Talent Acquisition**
- Talent acquisition strategy
- Sourcing, recruiting, selection of leadership and above
- Development and promotion of employment brand

**Organization Effectiveness**
- Talent and performance management
- Workforce planning and organization
- Development, learning and development
- Conduct leadership development and succession planning
- Core policy, programs and plans, including business adaptation

**Associate Relations**
- Employee relations
- HR policy maintenance
- Employee handbook maintenance
- Compliance (e.g., EEO, AAP)
How it works: HR model in action

Tier 0: Self-Service
- 70% of inquiries resolved
  - Associate Portal: Access any time/anywhere for requests about benefits, compensation, career programs, policies, etc.
  - Employee Self-Service: Routine transactions and basic changes to personal data
  - Manager Self-Service: Initiating and/or conducting transactions and processes. Transparency on employee data

Tier 1: HR Customer Service Agent
- 15% of inquiries resolved
  - More information on detailed inquiries or referrals
  - Inquiries and service requests by telephone and web tools following prompt service standards

Tier 2: HR Case Advisor Transaction Analyst
- 10% of inquiries resolved
  - More complex or specific questions/issues or require a specialist
  - Focus on associate relations, benefits, pay, leaves, performance and manager guidance

HR Business Partner or Center of Expertise
- 5% of inquiries resolved
  - Specialist support to resolve complex strategic issues

How it works: HR model in action
Tier 0: The *myHR* Portal

- Accessible to all employees at any location via PC, tablet, smart phone or slate
- Comprehensive HR content and tools
- Self-service solution — change home address, update emergency contacts with a few simple steps
- Single sign-on to Taleo, ADP, SuccessFactors and Cornerstone LMS
- Compatible with new *myABC* intranet portal
# Tiers 1 and 2: HR Shared Service Center

## HR Shared Services

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Improvement opportunities for HR Technology

- **HR Portal** — Reduce time spent on transactional activities
- **Recruitment Solution** — Facilitate a more efficient recruitment process and reduce the number of resources required
- **Core HRMS System** — Move all employee master data onto a single global system to reduce complexity and deliver better data for analysis
- **Shared Service Technology** — Support and enable new shared service capability with appropriate technology
It was important to fit all the content-driven puzzle pieces together for the HRSC and employees.

**Portal**
- Employee tool
- Connects all HR systems into one seamless experience

**Knowledgebase**
- HRSC tool
- Houses all info needed to provide answers and guidance to callers
- Built-in workflow processes for editing, reviewing, approving and publishing

**Case Management**
- HRSC tool
- Employee facing — Logs issues and requests
- Maintains information on each contact with employees

**Process**
- Captures high-level activities employees, manager and HR must execute
- “Nested” within procedure document

**Procedure**
- Detailed work steps that expand on detail of process maps
- Posted on knowledgebase tool
HR implementation roadmap

2013

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Portal Deployment | LEAVE ADMINISTRATION | Time and Attendance | Recruiting/Benefit Administration | Manager/Associate Change Management | Process/Policy Redesign | Transition | CSR Training | M1 | HRSS Implementation | Process/Policy Redesign | Manager Training | CSR Training | M2 | Transition

HR Business Partner Role Transition

Technology | Training | Transition
Lessons learned

- Form a Business Advisory Council
- Look at total HR transformation
- Understand the legal and IT approval processes in your organization, and don’t underestimate the time to get contracts signed and negotiated
- Know where the naysayers are and get them on board
- Granular vs. high level
- Get HR aligned by including them in the process, but avoid roadblocking
Questions
Today’s presenters

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