iProConference:

SAP HCM Best Practise
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Ingredients for a SAP HR Global Template

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#HCMBP2012

Agenda

- The Purpose: what it should do for you
- Prerequisites : before you start
- Key Ingredients: what you shouldn't go without
- Configuration: a sample of pitfalls an tips
- Custom Development: more pitfalls and tips
- A word about rollout projects

Your global template should…

…keep cost for an international rollout low

…reduce the risk of an international rollout

…minimise maintenance cost and disruptions of your global system

…provide the flexibility and foundation for further rollouts and enhancements

…allow for the right level of central control and standardisation of processes, while also giving local entities the degrees of freedom required

It can do this by…

… defining the system architecture – aligned with non-HR

…defining local and global responsibilities

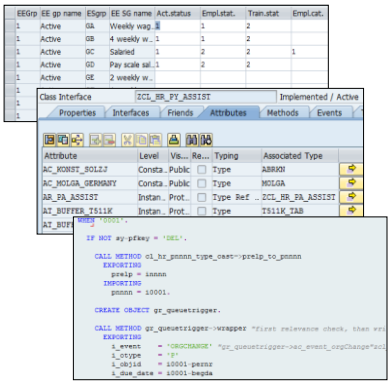
…providing globally standardised configuration and custom development

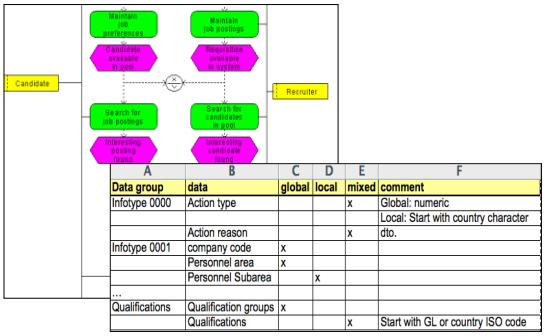
…setting the framework for local amendments

…providing tools, best practises, and conventions to be used by all entities

… defining admin processes

It’s not just the system





A	B	C	D	E	F
Data group	data	global	local	mixed	comment
Infotype 0000	Action type			x	Global: numeric
					Local: Start with country character
	Action reason			x	dto.
Infotype 0001	company code	x			
	Personnel area	x			
	Personnel Subarea		x		
...					
Qualifications	Qualification groups	x			
	Qualifications			x	Start with GL or country ISO code

System configuration & custom development

Documentation of frameworks, processes, etc.

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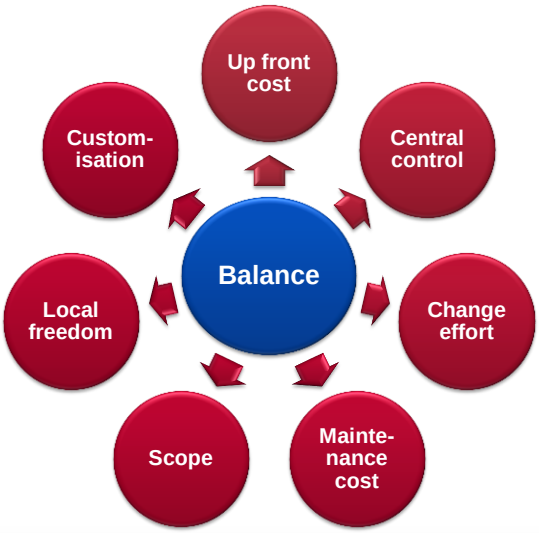
Business objectives and constraints

- Process Scope
- Integration in HR and non-HR systems
- Country scope
- Expected future development
- Central output requirements (e.g. reporting)
- Level of central control
- Power
- Local requirements (statutory and other)

Which balance do you want to strike?



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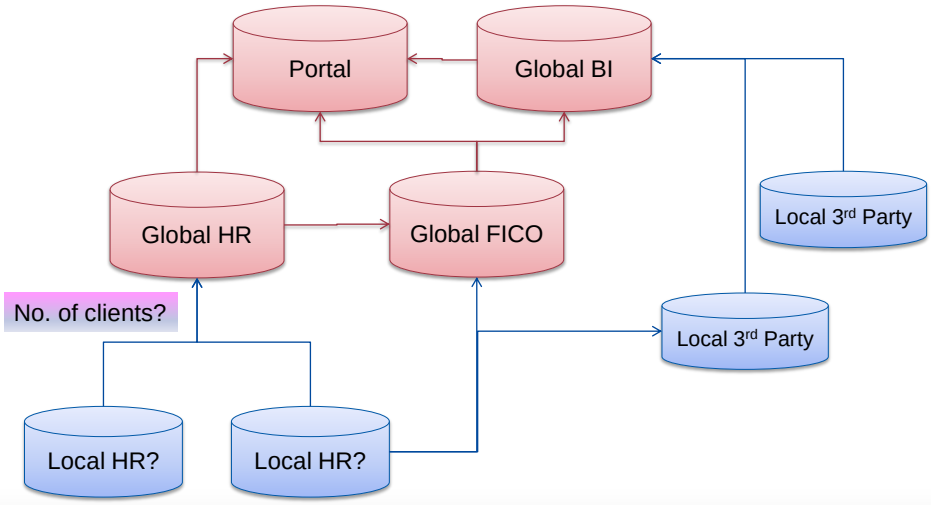
Process Scope: global & local

Country classification - example

Classification	Criteria
Full scope countries	>500 employees & SAP PY in standard
Reduced scope countries: e.g. excluding Payroll and Performance Management	200-499 employees
Minimal scope countries: e.g.: master data etc. required for global reporting, global talent and compensation mgt., no translation	1-199 employees

System architecture for production



Dev., QA, and sandbox systems

- **The normal 3-tier system landscape used for one country may not be sufficient any more**
  - Number or projects going on simultaneously
  - 'Frozen Zones' difficult to define with urgent change requirements from many countries, often statutory

Global "outcome requirements"

Process requirements

- Data / KPIs for global reporting
- Standardised process for global talent management
- Integration with global FI/CO
- …

System requirements

- Security requirements
- Shared service for support and admin
- Constraints on version and vendor

Process Design

Define global processes

- Verify local constraints: legal, cultural, market, resources & capabilities
- Some elements may become local

Define local processes

- Watch out for synergies even in local processes
- Some elements may even become global

Align requirements with technical feasibility

- Never ever sign off process definition without verifying feasibility

Organisational Structures

- Clear naming conventions
- Observe dependence on country grouping
- Don't underestimate Orgmanagement – it's no config, but requires clear rules for global reporting
- Personnel (subgroups): groupings apply to all countries using the same subgroup (see pitfall further down)

Global configuration

What's global standard?

- Tables
- Specified key areas in tables
- Other configuration objects

Define configuration

- A big chunk of global config needs to be set early, as local config may depend on it

Organising the configuration process

- Who performs config activities?
- You may want to protect global elements through authorisations

Framework for local configuration

- **Local tables**
- **Namespaces in tables**
- **Further constraints and rules**
- **Is a separate MOLGA used for each country?**

A	B	C	D	E	F
Data group	**data**	**global**	**local**	**mixed**	**comment**
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					Local: Start with country character
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Infotype 0001	company code	x			
	Personnel area	x			
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…					
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Custom development

- Technologies used (OO, WD4A,…)
- Naming rules (Authorisation impact)
- Development guidelines
- Documentation guidelines (incl. language)
- Enhancement techniques used (BAdI, enhancement spot)
- Including local coding in enhancements
- Best practice, most notably for programming in global context
- Templates and re-usable modules (e.g. assist classes, function modules)

Authorisations

Process for authorisation mgt.

- Built locally or globally?
- Assigned locally?
- Consider inter-country authorisations

Naming rules and design principles

- e.g. use of composite roles, structural / context sensitive authorisations, enhancements
- Avoid unintended access across countries

Enable global processes

- e.g. approver assigned in different country, global reporting, global talent pool,…

Decision on “global employee” feature

Is it to be used?

- For reporting purposes, the object CP (central person) alone might be sufficient
- Consider the constraints of global employment (standard reporting, payroll, high cost for few people)
- Very strong on the process of expatriate management

How is it to be used?

- Custom reporting, unlike most standard reporting, needs to consider global employment (→ development guidelines)
- Expatriation processes need to be aligned
- Data after inter-country transfers must match target country’s requirements

Language and time zone

Language user interface

- It is more difficult to avoid local translation than usually assumed
- Translation may be a legal requirement
- Option: English for key-users, local language for ESS/MSS
- Which version of a language is to be used (e.g. for English or Spanish)

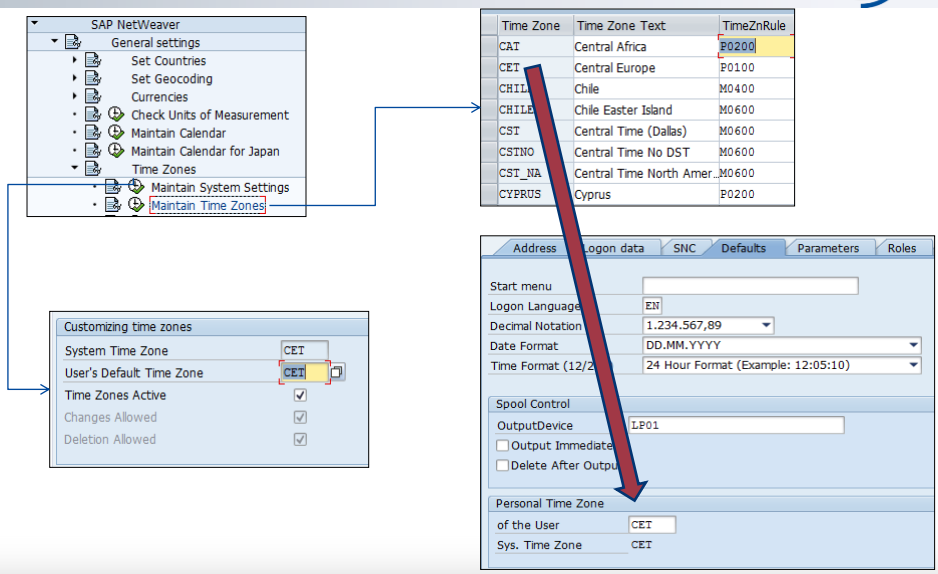
System language

- Better chance to reduce number of languages (includes technical documentation)

Time zone considerations

- Assign time zone to users?
- Use user-time zone in customer development?
  (Use SY-DATLO, SY-TIMLO instead of SY-DATUM, SY-UZEIT)

Assigning time zone



Admin and support processes

Options

- Global (centralised or follow-the-sun)
- Local
- Blend

Design considerations

- Time zones
- Languages and accents
- Skill sets
- Culture
- Infrastructure quality
- Stability

Patches: using CLCs

Upgrades

Upgrade strategy
- Innovator
- Laggard
- Opportunistic
- …

Upgrade process
- Decision making
- Planning (incl. local entities)
- Schedule template (tests, frozen zone,…)
- System landscape

Aligning rollouts
- If several systems: staged approach or big bang?
- Match upgrade schedule with any on-going rollouts
- Consider local constraints (e.g. version for add-ons available later)

Changing the global template

- **The global template will never be carved in stone**
  - Changes happen during rollout planning and rollout
  - Requirements change after go live
- **3 processes need to be clear**
  - Decision process for changes
  - Communication process for changes
  - Implementation process for changes

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MOLGA: Understand country groupings

- Key in configuration tables for country dependant config
- Defined in T500L, but T500L_CUST can provide filter
- Many config elements can be assigned to countries (Psubgroups, infotypes,…)
- Country specific screens and logic in infotypes depend directly or indirectly on MOLGA
- Features often use MOLGA as decision criteria
- Assigned to employee via company code -> personnel area
- Cannot change over time for one personnel number
- Pragmatic solutions often use '99' for all 'small' countries, but often leads into a dead end
- Check routines can be added or deactivated in T005 (V_005_B) and other tables

A MOLGA for each country?

- **This decision needs to be defined in the global template**
- **Using '99' for all small countries makes many things easier**
  - Difficult to change later
  - Country specific requirements usually grow over time and need distinct MOLGAs
- **Payroll always requires a distinct MOLGA**

Wage types

Config per MOLGA

Aspiration: use same numbers

- Sometimes possible for key wagetypes like basic salary, bonus,…
- Number ranges for similar purposes
- ‘Buckets’ for global reporting (see next slide), e.g. via BI or using an evaluation class in T512W for custom reporting

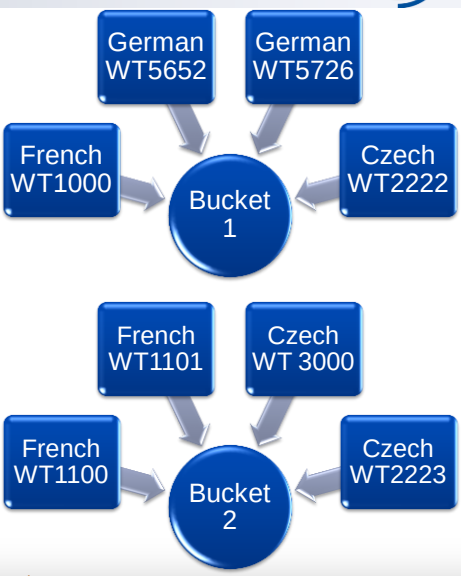
Consider chart of accounts

- Finance will try to use very similar charts of accounts in all countries
- Wage type catalogue must be designed to match that

Wagetype mapping for global reports

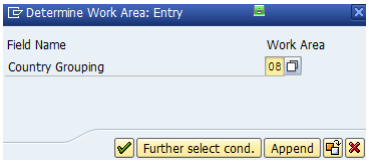
Old (German)	French	Czech
5652	1000	2222
5726	1000	2222
???	1101	3000
???	1100	???
???	???	2223

You can’t force the Czech and French systems into the German structure!
Define new “buckets” instead.



Employee (sub)groups

- **Table T503 and its views define characteristics of employee groups and subgroups in so called groupings**
- **T503 is a table with far reaching impact, so this is dangerous**
  - When making changes to this table, users are asked for the country, making many of them think they make changes for one country only



  - However:
    - The entries in this table can refer to many countries
    - The view only applies a filter for irrelevant entries
    - Any change can affect many or all countries

- **Solution**
  - Global responsibility for T503 or country-specific employee subgroups

Frequent config issues

Actions and reasons

- Main actions global with local infogroups
- Some local actions (e.g. Semi-retirement in Germany and Austria)
- Reasons: often determined by statutory reporting. Name space difficult as only 2 characters long

Groupings in time management

- Usually need to separate per country, if time evaluation is used
- If only PA, then this often leads to unnecessarily large config effort

'Translations' are mis-used…

- … to assign a different meaning to a key for another country
- → Wrong reporting results

Query infoset: global or user-friendly?

One global HR infoset

- Enormous reduction in effort for setup and maintenance
- Standardisation → comparable reports globally

Local infoset per country

- Focus on fields relevant for country → no accidental selection of fields for other countries
- Field names in infoset can be made more intuitive
- Overall leaner infoset → easier to handle

Expenses: global or local custom?

Process

- Vary widely between companies and countries (e.g. approvers, approval steps)
- It pays off to harmonise expense approval processes globally
  - Much less setup and maintenance cost for workflow
  - Workflow monitoring much easier
- Get global audit team on board
- Use posting to directly to FICO and payment through Vendors globally

Expense types

- Some countries use it for travel only, others pay general expenses or medical reimbursements
- Aim at the wised possible global scope and then add local specialities
- Consider alignment with global chart of accounts

Line oriented authorisation

- **Line-oriented authorization can be used to allow a user to access certain entries in a table, but not others**
  - E.g., a user is responsible for wage types in Chile, but mustn't change wage type settings for other countries
    - The wage types in Chile can be separated through the field country modifier (MOLGA), which is "39" for Chile only
  - With "normal" authorization objects (usually S_TABU_DIS), you can control access only to a table, but not to individual entries of a table
  - Line-oriented authorization (object S_TABU_LIN) controls access to each entry of a table through its key fields
    - It requires some customizing to set up so-called "organizational criteria" before you can use it
  - Configuration required to set it up

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Development guidelines

A MUST have → Incl. documentation! → Add best practice and templates

Function Exits, BAdIs, etc.

Problems

- Coding can easily interfere with other countries
- Huge issue in first rollout, after years of using one country only
- Some widely used function exits and BAdIs (like the one for checks and defaults in infotypes) are used by most countries quite intensely → risk accidentally of transporting WiP from other countries

Solution

- Central control
- Framework with includes or classes per country created up-front, so core program rarely needs to be transported
- Training of local developers and mandatory coding checks by central team

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It's not a one way road

- Local requirements can trigger changes to framework or global config
- Technical feasibility may require to re-consider business requirements
- Corporate functions (IT as well as HR) often have to change a lot through there first significant rollouts

Relying to much on central power

"Top Management Support" is always promised

Local chieftains can be powerful and your CIO or CHO will rarely take up the fight

Getting local buy-in

Communicate clearly and early

- Objectives and tasks
- Required changes (including the negative ones)
- Changes HQ makes for the benefit of subsidiaries

Plan for success

- Design the project so that the subsidiary gets clear quick-wins
  - Local reporting
  - Automation or plausibility checks in data maintenance
  - Replacement of small solutions in Excel, etc. with SAP ERP HCM

Understand local culture and requirements

- Fight the tendency to differentiate less, if things are far away
  - Ireland <> UK
  - Quebec <> Ontario

"Every age, every culture, every custom and tradition has its own character, its own weakness and its own strength…"

- (Hermann Hesse, German Novelist, 1877-1962)

Need help? Questions?

- Rollout planning workshops
- Global template review
- Design and implementation
- Global authorisations
- Change management

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