



MILITARY AGENCY TRANSFORMS SERVICE AND CUTS COSTS

ARMED FORCES PERSONNEL ADMINISTRATION AGENCY (AFPAA)

/// CASE STUDY



The Agency wanted to reduce costs, modernise outdated IT systems and improve personnel services to the UK's military Service members, retirees and dependents. Since the start of the relationship in 1997, and through a renegotiated contract designed to take the partnership even further, EDS, an HP company, and the Agency have worked together to achieve just that.

CLIENT PROFILE

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In April 2007, the Armed Forces Personnel Administration Agency merged with the Veterans Agency to form the Service Personnel and Veterans Agency (SPVA) which provides pay, pension and personnel administration services to military personnel, veterans and their dependents. Through an updated partnering arrangement, EDS continues to deliver to SPVA the services it provided to AFPAA.

Industry: Government

Headquarters: London

Business Need Addressed:
Productivity

After a 30 percent cost reduction, the UK military enlisted EDS to go further

Historically, the UK's three military Services handled personnel administration separately, with each Service having its own systems, data centre and administrative processes. Following an independent review of this costly and inefficient system, the UK Ministry of Defence (MoD) established AFPAA, an organisation responsible for making payments and pension assessments and administering personnel records. In November 1997, the Agency contracted EDS to modernise and integrate its 250-plus aging legacy systems and consolidate data centres located nationwide. Since then, EDS has administered and maintained millions of live pay, master personnel and pension records and managed thousands of desktops. Thanks to this collaboration, the Agency enjoyed increased efficiencies and a significant 30 percent reduction in costs in the first three years.

In 2001, EDS and the MoD amended the original contract to promote a stronger partnership and more closely align business interests. For example, EDS added a risk-sharing arrangement and performance incentives and put more effective dispute resolution measures in place. The new agreement also enabled implementation of the Joint Personnel Administration (JPA) initiative - a solution based on Oracle HRMS that incorporated converged tri-service working practices. This was supported by a new Compensation and Pension System and minor applications to perform tasks not covered by the core systems.

EDS revamped HR with a best-in-class compensation and pension system

JPA's implementation brought with it many challenges. Beyond needing to develop and consolidate systems and harmonise disparate business processes, EDS also had to train and redeploy a sizable number of staff and effectively manage change. To that end, EDS established a dedicated human resources account team to ensure regular contact with the MoD's HR team, Trade Unions and EDS employees. Although time scales were tight, EDS took a measured, evolutionary approach to help the Agency meet its prime objective of maintaining existing service levels with minimal disruption as the new solution was phased in.

DELIVERING FUNCTIONALITY AND SAVINGS

The new JPA system rolled out to the Armed Forces in phases starting in April, 2006 with the RAF, followed by the Royal Navy in November, 2006 and the Army in March, 2007. In addition to providing a modern HR and payroll system with significantly expanded functionality, the solution is expected to save the MoD around £600 million over 10 years.

Services featured

- Applications Modernization Services
- Benefits Administration Services
- HR Outsourcing Services
- Payroll Services
- Workplace Server Management Services

The strengthened partnering arrangement underpinned our approach to the significant change programme. EDS' proven track record and its expertise in integrating IT solutions and administrative processes - combined with a detailed understanding of Services' personnel administration needs - made this exciting programme possible. To succeed, EDS and the MoD worked closely and cooperatively to develop a deeper understanding of each other's business requirements.

During JPA system development, EDS rationalised pay and personnel administration processes to prepare for the system's implementation. EDS co-located the tri-service pensions administration at one location, consolidated ID card production, and established a new Enquiry Centre with staff based across the two sites - interconnected by a new telephony system that allows automatic call routing.

EDS has also progressively modernised and technically refreshed the infrastructure to reduce its complexity and operating costs. At the same time, EDS maintains interfaces to the MoD's secure wide area networks to ensure quality service delivery. As it implements the new enterprisewide personnel administration system, EDS is phasing out most of the legacy applications.

UK military armed with enhanced personnel services and data accuracy

The benefits of the robust, centralised JPA solution are many. For example, the MoD is able to reduce operational and labor expenses, improve data accuracy and personnel tracking, and provide self-service capabilities to service members, dependents and retirees.

The EDS-SPVA team administers more than 300,000 live pay records and maintains more than 500,000 master personnel records and nearly 800,000 pension records. On a monthly basis, the team makes more than 310,000 individual and 345,000 pension payments; issues 6,000 medals and typically deals with 2,500 calls a day covering pay, pensions and IT inquiries. The Agency is responsible for handling around £12.5 billion in payments per year and has a customer base of over 900,000 Service personnel and veterans.

Since the MoD and EDS forged their initial agreement, EDS has partnered with leading HR firm Towers Perrin to provide a full spectrum of HR outsourcing services on a global scale. The joint business, called ExcellerateHRO™, serves more than 400 organisations worldwide and fuses Towers Perrin's deep HR expertise with EDS' business process, technology and service delivery experience - helping enterprises improve efficiency, enhance return on investment and accelerate growth.

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