



OUTSOURCING FUELS HR AND PAYROLL PROCESS IMPROVEMENTS

BP CANADA ENERGY COMPANY

/// CASE STUDY



To reduce payroll-processing costs and update an old mainframe system, BP Canada and EDS, an HP company, implemented new HR software and upgraded the technology environment. And, as the relationship has grown, the team has worked together to continuously improve processes and respond quickly to ever-changing business and regulatory demands.

CLIENT PROFILE

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As Canada's largest provider of natural gas, BP Energy Canada strives to discover, develop, produce process and market energy sources from natural gas.

Industry: Energy

Headquarters: Calgary, Alberta

Employees: 1,500

Business Needs Addressed:
Productivity

"We wanted to reduce costs by outsourcing the payroll function and still maintain quality service. Plus, we wanted a partner with a broader service-delivery capability - the right experience at the right cost."

Stuart Blair
HR Consultant
BP Canada Energy Company

BP wanted to update its HR and payroll-processing systems

With operations spanning eight Canadian provinces and territories, BP Canada is the country's largest natural-gas value-chain company. BP wanted to replace its aging mainframe-based HR system, which had become increasingly difficult and costly to maintain. At the same time, BP was considering various options for its payroll system. These included patching up the existing environment, outsourcing payroll processing or possibly purchasing an integrated payroll/HR solution and implementing it in-house. But none of these alternatives completely met BP Canada's strategic objective both to reduce costs and outsource noncore functions.

EDS implemented PeopleSoft software without service interruption

There was one other alternative. For years, EDS had worked closely with BP to address its technology concerns. As a reliable and proven partner, the EDS team presented a solution that met all of BP's needs: outsourcing its payroll-processing and HRIS functions.

Together, BP and EDS transitioned to a client/server environment and implemented PeopleSoft™ software, an enterprise resource planning solution for HR and payroll administration. During the one-year conversion, the team avoided interruptions to service and delivery by running production on the old environment while building the new one.

Since the client/server implementation, the team has continuously enhanced BP's technology environment and software to accommodate changes in privacy and security, government reporting requirements and regulations, and BP's strategic goals. And, in 2002, we transitioned to a Web-based HR and payroll solution that further boosted efficiencies and provided employees with greater information access.

Today, BP's HR functions are performed by an integrated team of BP employees, specialized HR consultants, and EDS staff who handle basic transaction-processing.

ADVANCED SYSTEM AND ENHANCED SERVICES CUT COSTS

BP's advanced system features WebLogic as its Web server component and People-Tools®, which has employee self-service capabilities. EDS upgraded the PeopleSoft software and customized BP's employee-facing statements and reports to accommodate French, one of Canada's two official languages. EDS also implemented a separate database server for testing and development. Third-party applications included Oracle®, VisionCraft for creating manual checks, and software from the Toronto Dominion Bank for electronic funds transfer.

Services featured

- Applications Management Services
- Applications Management Services - Enterprise
- Payroll Services

BP reduced payroll administration costs by 50 percent

To take full advantage of the efficiencies the new applications make possible, EDS collaborated with BP to review business processes and helped its HR organization dramatically increase productivity. EDS phased in additional functionality, such as giving BP staff the tools to enter salary increases, perform data entry at remote field sites and create reports. EDS' staff can also implement tax changes and maintain government compliance more easily. In contrast, the old system required programmers to develop new code to comply with the changes, then conduct extensive testing before moving the modifications into production.

Coupled with its more efficient and robust technology environment, these improvements have helped BP Canada reduce payroll administration costs by more than 50 percent during the first five years of the contract - without any increase in staff.

As the company grows, so does its relationship with EDS. In fact, the company recently renewed its IT contract with EDS for 10 more years, demonstrating its confidence in EDS to help deliver solid business results. Just as important, with our staff operating seamlessly with BP's HR staff, we are proud to offer quality payroll service delivery that is completely transparent to BP's employees.

EDS, an HP company
5400 Legacy Drive
Plano, Texas 75024

phone: 1 800 566 9337
visit: eds.com
e-mail: info@eds.com



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