

SAP Customer Success Story Telecommunications



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AT A GLANCE

Summary

Corporacion Digitel, a major telecommunications services provider based in Caracas, Venezuela, turned to the SAP® Education organization to help improve employees' productivity in using the company's SAP software system. The training paid for itself in less than 1 year.

Web Site

www.digitel.com.ve

Key Challenges

- Low productivity levels using SAP software
- Large volume of support calls
- Poor understanding of proper tool usage

Project Objectives

- Train HR department users to use SAP software system more effectively
- Measure return on investment on training

Solution and Services

SAP Education

Why SAP Services

Knowledge of SAP solutions and how best to use them

Highlights

- Conducted follow-on training for 9 employees
- Employed personal productivity tools at the user's workplace
- Provided customized training for each individual

Key Benefits

- Job-related skills improved by more than 35%
- SAP system knowledge enhanced by more than 37%
- Productivity increased by more than 33%
- Return on training investment calculated at 37.58% for 2006
- Work climate, job attitudes, customer service, job effectiveness, and initiative improved

Existing Environment

SAP R/3® software, functionality now found in the mySAP™ ERP solution

Database

Oracle 8.1.7.4.0

Hardware

HP Superdome

Operating System

HP-UX

CORPORACION DIGITEL

Detailed ROI Study Shows Follow-On Training Is Well Worth Its Cost

Companies make very substantial investments when they install new enterprise resource planning (ERP) systems, and the benefits they expect to reap are even more substantial. By comparison, the investment required to adequately train employees in the use of these solutions is modest indeed, but it can make all the difference in the world – as Venezuela's Corporacion Digitel can clearly attest from its recent experiences with the SAP® Education organization.

Digitel, the Caracas-based supplier of cellular telephone services to nearly half the country's population, installed SAP software for ERP two years ago for its 890 employees. Due to time constraints – resulting from a very ambitious regional rollout – Digitel secured only basic training for users. As a result, the benefits of introducing the SAP system did not meet company expectations. “Employees who used the system were not as productive as we expected and frequently expressed doubts about how to use it. Many of them found ways to avoid it entirely,” says Griselda Navarro, functional consultant with the SAP Customer Competence Center location for Digitel. “The situation became even worse whenever personnel turnover occurred, because our documentation was not complete enough to explain the use of the system to new users. In the same vein, every change to our business processes had a negative impact on the use of the system, since our people did not know how to accommodate those changes with their SAP solution. Version upgrades, with new functionality that our users hadn't been trained in, made things worse yet. As time went by, the number of support calls we received in the SAP Customer Competence Center climbed steadily, and many users began clamoring for more training.”

By early 2005, the situation had become so acute that Digitel called in SAP Education for help. SAP Education concurred that the problems users were having were due to a lack of product and process understanding and could be rectified by proper follow-on training. However, before committing to the expense of retraining all 510 of its SAP users, Digitel needed to know that the investment would be worthwhile. SAP Education responded by developing a plan for using a small pilot group as a test case. During the pilot, user performance levels would be measured before and after the group's members were retrained, and the company's ROI would be calculated.

Partnering with ROI Measurement Leaders

Together, Digitel and SAP Education identified an ideal set of candidates for prototyping the training plan – a group of nine users in the company's HR department (personnel administration, personnel development, and payroll processing). It was a small

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but very key department where productivity with SAP software was low. For help with the ROI measurement, SAP Education called in two of its partners: the ROI Institute and KnowledgeAdvisors. Both companies specialize in best practices and coaching in the area of user training, with the ROI Institute focusing on methodologies and KnowledgeAdvisors on complementary tools. The ROI Institute provided the strategy and architecture for measuring learning achievement using the ROI methodology developed by its founder, Jack Phillips. KnowledgeAdvisors built the actual tools to collect valuable learning measurement data, developed associated questionnaires, and conducted user tests.

SAP Education addressed Digitel's challenges by applying its enterprise learning strategy. The strategy's cornerstone principle is to conduct training through hands-on experience in order to help users adapt to new situations and to prove the benefits by

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performing pre- and posttraining assessments. SAP Education and its partners began the engagement by conducting a training-needs analysis that captured baseline data about the users' knowledge of SAP human resources and payroll software for later comparison with their posttraining knowledge. They also noted pretraining payroll cycle times, the number of simulation runs required, special pay situations, consulting services costs, and time spent in data entry.

SAP Education then conducted the actual user training. Instead of a general classroom-only approach, the consultants employed one-on-one on-the-job training tutoring using curricula customized for each of the nine individuals. To augment and support this hands-on training, SAP Education developed a Web page containing user documentation generated by Info Pak, the automatic document creation and maintenance tool from RWD Technologies, another SAP partner.

“The training methods that SAP Education employed gave us confidence that our users would be much more productive,” reports Navarro. “The documentation that SAP Education generated with Info Pak was tailored for our precise needs, and its personalized one-on-one instruction gave our users the opportunity to learn and apply training best practices through hands-on experience. The instruction was far more effective than the typical large classroom setting.”

A 37.58% ROI in 2006

Following the Phillips ROI methodology, Digitel and SAP Education and its partners set up an evaluation team and then began evaluating the results of the training. One important aspect of the methodology is measuring the difference in system know-how before and after training. The team once again captured the users' knowledge of SAP payroll functionality and compared the results with those obtained earlier. This test showed that there had been a dramatic improvement. All nine users in the course scored higher afterwards. On the average they scored 22 points higher than before on a scale of 0 to 90, and one user climbed from 10 to 62 in proficiency.

Another Phillips metric assesses users' abilities to use the software properly and complete transactions accurately. Measurement is performed 30 days and 60 days after the conclusion of the course to allow time for the training to sink in and become part of the users' everyday activities. These results were equally dramatic: on every aspect tested – job-related skills, knowledge of the system, and overall productivity – users improved by more than one-third.

To obtain parameters for measuring ROI, the team then assessed the impact of the training on the important business parameters that had been benchmarked beforehand. Once again, the results universally showed improvements, some of them very substantial. In the first month after training concluded, payroll cycle time dropped from 21 days to 19 days, required simulation runs dropped from 5 days to 2 days, special pay situations dropped from 8 days to 2 days, the cost of consulting services dropped from 40 hours to 20 hours, and data entry time dropped from 35 hours to 12 hours. In addition to these readily quantifiable benefits, Digitel realized many less tangible benefits as well. Employee grievances and complaints diminished, as did customer complaints about internal processes. Employees' job satisfaction, perception of responsibilities, confidence, and eagerness to make suggestions all rose, as did customer satisfaction.

As the final step in the process, the team measured actual ROI, comparing the costs of training with the readily quantifiable benefits that resulted. Digitel's total cost for training – including not only the amounts paid out to vendors but also the salaries

paid to participants while in training – totaled US\$43,410. On the positive side of the ledger, the savings due to improvements in payroll cycle time, simulations, special pay runs, consulting services, and data entry amounted to US\$5,951 per month or

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US\$59,722 per year. This means that Digitel will recoup its entire investment and more in the first year alone – to be precise, for every dollar spent on training, US\$1.37 is returned. This figure does not count the intangible benefits, which, while not easy to quantify, are very substantial.

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Because of the magnitude of the return on its investment, Digitel is now considering retraining its SAP users on a massive scale, perhaps all 510 of them. “The project we just concluded, while small, has had a very positive impact on the business,” says Navarro. “If we realize a similar ROI on a large-scale training project, the impact will be enormous.

“Our experience demonstrates the importance and value of training – both initially and periodically as changes occur,” concludes Navarro. “It also demonstrates the value of the ROI methodology that SAP Education and its partners have applied to our project. Without such exceptional ROI figures to relate, justifying further investments in training would be much more difficult. SAP Education has opened up a new world for us.”

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