



MAGSAYSAY GROUP OF COMPANIES (MAGSAYSAY)

MAGSAYSAY WAVES GOODBYE TO
LABORIOUS, PAPER-BASED HR
PROCESSES – THANKS TO SAP

QUICK FACTS

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Mr. Zandro Hernandez, Assistant Vice President,
Magsaysay Group of Companies

Summary

Established in 1948, the Philippines-based Magsaysay Group of Companies (Magsaysay) is involved in shipping and is a leading human resources (HR) provider. It recruits and trains over 30,000 people, preparing them for jobs in the maritime, cruise, healthcare and hospitality industries.

Website

www.magsaysay.com.ph

Key Challenges

- Inefficient paper-based HR processes
- Lack of standardised HR processes enterprise-wide resulted in duplication of effort and affected staff's productivity

Project Objectives

- Increase efficiency of HR staff and improve HR processes
- Build new HR functions quickly and easily
- Create an IT infrastructure that is highly responsive to business changes

Solutions and Services

- SAP NetWeaver Portal, SAP ERP, SAP NetWeaver Application Server (SAP NetWeaver AS), SAP NetWeaver Process Integration (SAP NetWeaver PI) and SAP Solution Manager

Implementation Highlights

- SAP NetWeaver Portal was deployed in two months

Why SAP Solution

- Best-in-class solution
- Used widely by many leading enterprises preconfigured, pre-populated software similar to your own SAP applications

Key Benefits

- Minimised HR paper trail
- Eliminated unproductive manual-based HR processes
- Enable employee self service, enhancing the way in which staff can access information and HR tools
- Reduced time taken to submit and process leave applications as well as distribute pay slips to staff

Implementation Partner

- SAP Consulting

Database

- Microsoft SQL Server

Hardware

- IBM

Operating System

- Microsoft Windows NT

MAGSAYSAY

SAP Customer Success Story

Magsaysay Group of Companies, Philippines



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SAP NetWeaver Portal eliminates unnecessary paperwork so staff can focus on nurturing and growing talent.

For mid-size enterprises, managing an employee size that spans the hundreds is tough enough, let alone the task of showing staff that the management cares for their career and personal development. But for human resources (HR) firms like the Magsaysay Group of Companies (Magsaysay) which pride themselves for leading the business in manpower training and management, they need – more so than other companies – well-oiled HR processes and policies to nurture and manage talents across all business functions.

Headquartered in the Philippines, the company has a rich 60-year-old history in developing highly skilled workforce for companies in the maritime, cruise, hospitality, healthcare and other industries. With more than 800 staff spread across 14 lines of business in 12 different countries, it was imperative for the company to efficiently manage its employees and optimise resources as this impacts the overall competitiveness of the company.

“We are one of the most sought after HR providers in the Asia Pacific. Although there is not a lot of competitor in the market right now, this will change

in the future. It is therefore more critical than ever to ensure operational excellence and customer satisfaction,” says Mr. Zandro Hernandez, Assistant Vice President, Magsaysay. And it was to SAP that Magsaysay turned to in order to achieve this goal.

“SAP is simply the best-in-class solution and it is used by most companies in the Philippines,” he adds.

SAP for Operational Excellence

The problem was that its in-house developed business management system was not integrated and was unable to adapt to the increasingly demanding business landscape. When Magsaysay replaced this traditional system with a new SAP ERP solution in September 2006, it decided to deploy SAP NetWeaver Portal as well in order to alleviate the HR management headache it was facing. Built on the SAP NetWeaver platform, SAP NetWeaver Portal enables users to access and share information and applications in a collaborative environment – regardless of the environments used in the back-end. It also enables users to find, organise and access content to enhance

knowledge management and sharing.

“Our HR processes were manual-based, and it resulted in a lot of unnecessary and time-consuming paperwork. Furthermore, HR processes were not standardised across the entire enterprise. This led to a duplication of effort and data entry process,” explains Mr. Hernandez, who is also the company’s SAP programme manager.

In the past, for instance, staff had to print their leave application form, fill it up and forward it to their managers for approval. It would then be submitted to the HR department, who would subsequently enter the data into the time keeping system. This whole process would take approximately six hours to complete. Not only was this inefficient, it prevented HR staff from focusing on more critical tasks that could add value to the company.

“Having SAP NetWeaver Portal in place would minimise our HR paper trail and eliminate unproductive manual-based processes. It would enable employee self service, enhancing the way in which staff can access information and HR tools,” Mr. Hernandez adds.



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Additionally, the management made a decision to leverage SAP’s enterprise service-oriented architecture (enterprise SOA) too, through components like the SAP NetWeaver Application Server (SAP NetWeaver AS), SAP NetWeaver Process Integration (SAP NetWeaver PI) and SAP Solution Manager.

“We intend to migrate our IT foundation to one that is based on enterprise SOA as it would make our IT infrastructure very adaptable and responsive to business changes. This would allow us to build new functions to the portal and integrate them with the business management system very quickly too,” explains Mr. Hernandez.

No More Laborious Paperwork

After a two-month implementation process, Magsaysay’s SAP NetWeaver Portal went live in October 2006 for two business lines – Magsaysay Maritime Corporation and National Marine Corp. Container Lines Inc. It is currently rolling out the solution to the rest of its businesses in phases and Mr. Hernandez expects this to be completed by 2009.

“We are achieving what we have set out to accomplish with SAP NetWeaver Portal – increasing efficiency of HR staff and standardising HR processes throughout the group. Our HR staff love it as it has reduced the time taken to process what were previously laboriously tasks,” he adds.

For example, the portal allows staff to apply for leave and their managers to approve their requests online – eliminating any paper trail. This request is then reflected in the HR system for processing by HR staff instantaneously.

SAP NetWeaver Portal has increased the speed in which pay slips are distributed to. Previously, it would take HR two days to print and issue the pay slips to more than 300 staff. But now, all staff has to do is to retrieve them online.

“We are currently looking into how we can harness SAP NetWeaver Portal further. One of the things that we plan to do is to turn it into a portal that contains HR policies, making it easier for staff to retrieve information they need,” says Mr. Hernandez. And Magsaysay would continue on its enterprise SOA journey as well by implementing SAP NetWeaver PI next year to aid the integration of its SAP and non-SAP platforms.

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