DEPARTMENT OF VETERANS AFFAIRS

Transformed Human Resources and Payroll Service Delivery

Human Resources Technology Council

July 2001

AGENDA

- The Who, What, Where, Why, How's
- VA's HR/Payroll Transformed Delivery Model
- Challenges
- Business Case

VA PROFILE

- 220,000 Employees
- Serving 25,000,00 Veterans
- 3 Administrations
  - Veterans Health Administration
  - Veterans Benefits Administration
  - National Cemetery Administration

HR AND PAYROLL

- Highly Decentralized HRM Services - Over 200 HR/Payroll Offices
- Centralized Payroll Processing with Payroll Staff at Each Facility
- Over 3000 FTE Performing HR/Payroll Services
- HR/Payroll Servicing Ratio of 1:73

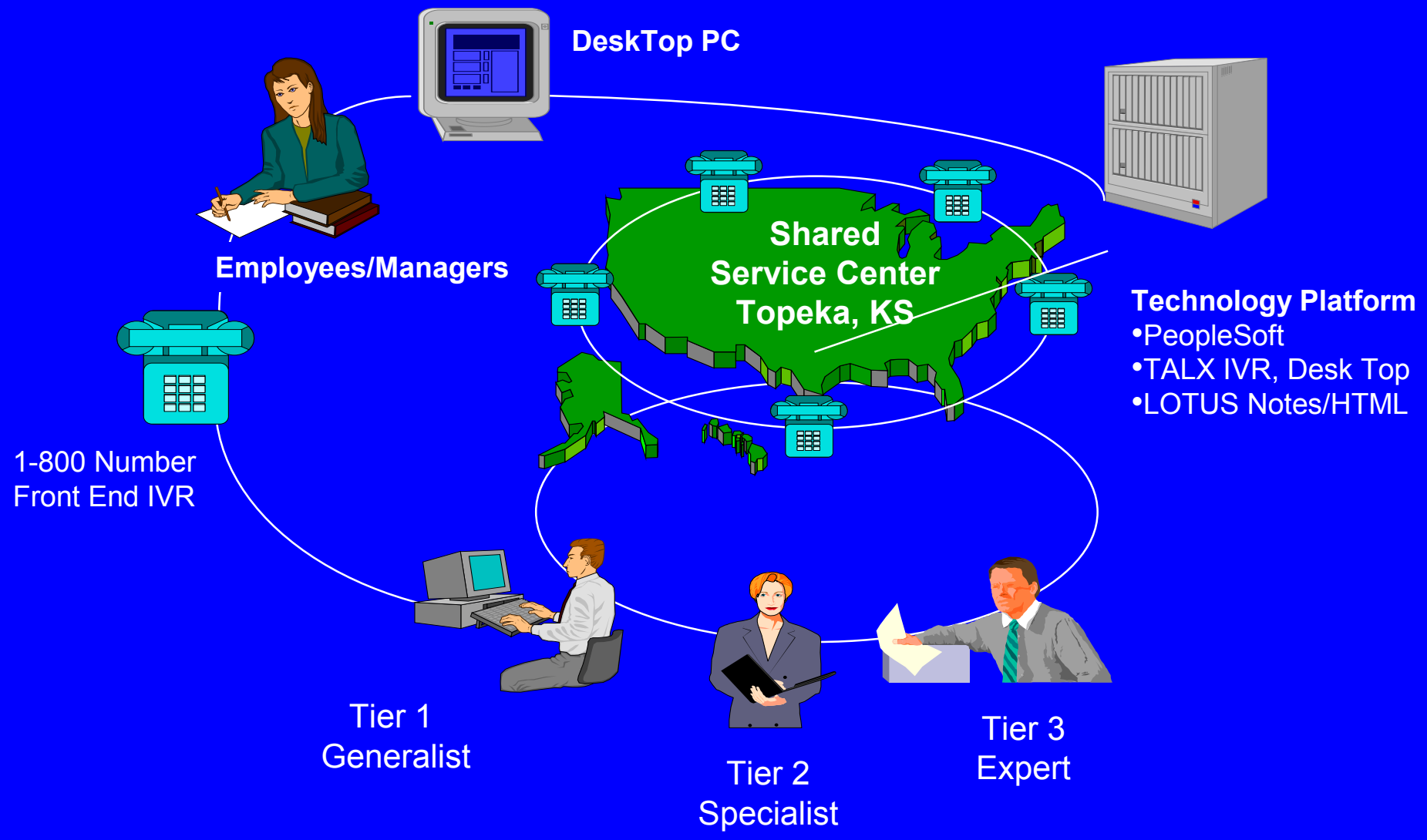
WHAT WE WANTED TO ACHIEVE

- Replace Legacy HR/Payroll System & Functionality with COTS Products and Expert Systems
- Concurrently Reengineer Business Processes
  - Fully Leverage Technology
  - Push Transactions Processing to Lowest Appropriate Level Through Self Service
  - Consolidate Information and Transactions Processing at a Single Shared Service Center

WHY DO THIS

- National Performance Review Mandate to Reduce Administrative Overhead by 50%
- VA Strategic Direction
  - Employer of Choice
  - Customer Focus
  - Improve Administrative Support Systems
- Cost and Quality Competitiveness
  - VA as Franchise Entity

VA's NEW HR/PAYROLL SELF SERVICE DELIVERY MODEL



DELIVERY METHODS

- Desktop Application
- Interactive Voice Response
- Shared Service Center

COMPONENTS OF DELIVERY MODEL

- Shared Service Center

- Employee Activities
  - Benefits & Personal Information
  - On-Line Job Applications
  - On-Line SF-50s and L & E Statements
  - Timecard Maintenance

COMPONENTS OF DELIVERY MODEL (cont.)

- Manager Activities
  - Position Classification
  - Personnel Actions
  - Time and Leave Approval, Timecard Certification
  - Recruitment

COMPONENTS OF DELIVERY MODEL (cont.)

- On-Site Strategic Presence
  - Employee/Labor Relations
  - Staffing Strategy
  - Position Management options
  - Succession Planning
  - Training

HOW DID WE PROCEED

- Phased Development, Testing, & Implementation Approach
- Establish Call Center Applications and Technical Infrastructure First

HOW DID WE PROCEED (cont)

- Add Services That Build on Infrastructure and Implement In Order of Achieving Greatest Savings
  - Employee Self Service for Personal Information
  - Manager Self Service for Personnel Transactions
  - Enhanced Self Service Using Expert Systems for Classification & Recruitment
  - Payroll/Time and Labor

WHO HELPED WITH THE NEW DELIVERY MODEL

- Contractor Assisted Reengineering
- Team of Field Human Resources, Payroll, Fiscal and IRM Staff
- Project Staff
- Private Sector Organizations Recognized for Transforming HR/Payroll
- Senior VA Management Up to Secretary
- Contractors Experienced In Call Center/Self Service Technology & Operations

CHALLENGES

- Consistent Senior Management to Champion Transformation
- Resistance To Change
- Rapid Change in Technology
- Technical Infrastructure

CHALLENGES (cont.)

- Desire To Use Commercial Technology & Applications As Delivered May Not Always Be Best Approach Though It Should Be First Approach
- Insufficient Resources

BUSINESS CASE

- Radically Transforms Nature of HR/Payroll Service Delivery
- Enhances Service and Empowers Employees & Managers
- Increases Servicing Ratio from 1:73 to 1:125
- Reduces Overhead 30-40%
- Produces $90-127 Million Cost Savings after Investment