

# ***Improving HR's Strategic Alignment at Horizon Blue Cross Blue Shield of NJ***

**ORACLE** CERTIFIED  
PARTNER

PEOPLESOFT ENTERPRISE

June 16 2006



# MBH Solutions Overview

- Founded in 1992
- Certified Oracle/PeopleSoft and ADP Alliance Partner
- Minority Owned Business
- Corporate Headquarters-Teaneck, New Jersey
- Leading Provider of Workforce Management Solutions
- Acquired AG Consulting in 2003 to expand PeopleSoft professional services organization
- Over 700 successful engagements





# Professional Services Overview

- Diverse client base including –
  - **Global 2000 companies**
  - **Mid-market**
  - **Healthcare**
  - **Public Sector**
- Consultants average over 19 years industry experience and 7 years PeopleSoft experience
- Structured methodology leveraging extensive toolkit
- Cost effective, experienced



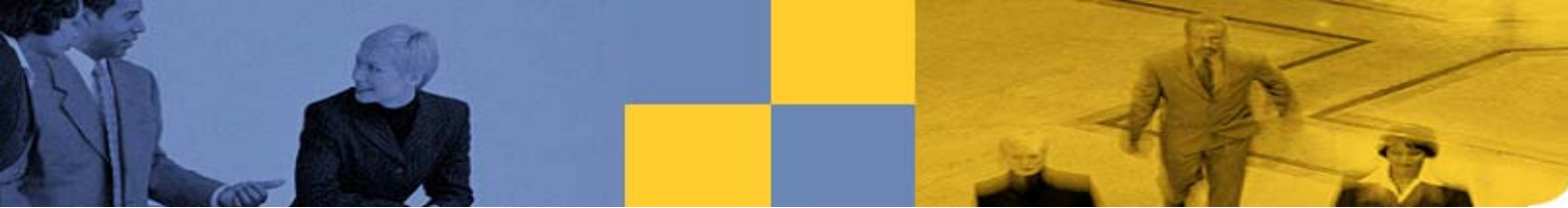
# Products and Services

## **Services encompass:**

- Business consulting and strategic planning
- PeopleSoft HR, Finance, EPM implementation services
- Upgrade preparation and execution services
- Offsite development and upgrade services
- Technology Infrastructure support
- Customized training solutions

## **Software Solutions:**

- Link2GL – G/L integration solution
- Link2HR – Self Service bolt on for clients on pre-8.0 releases



## Define HBCBS situation

**Horizon Blue Cross Blue Shield of New Jersey was working toward a more efficient and strategic utilization of its' current PeopleSoft HRMS, and HR processes.**

**In an effort to support this initiative, MBH Solutions, Inc. provided a methodology and approach to assess the current state of the HRIS and processes and design future state recommendations.**

**Senior level management of Human Resources championed the initiative for this broad process review, with the intention of deploying new capabilities, work teams and workflows where current methods were not effective.**



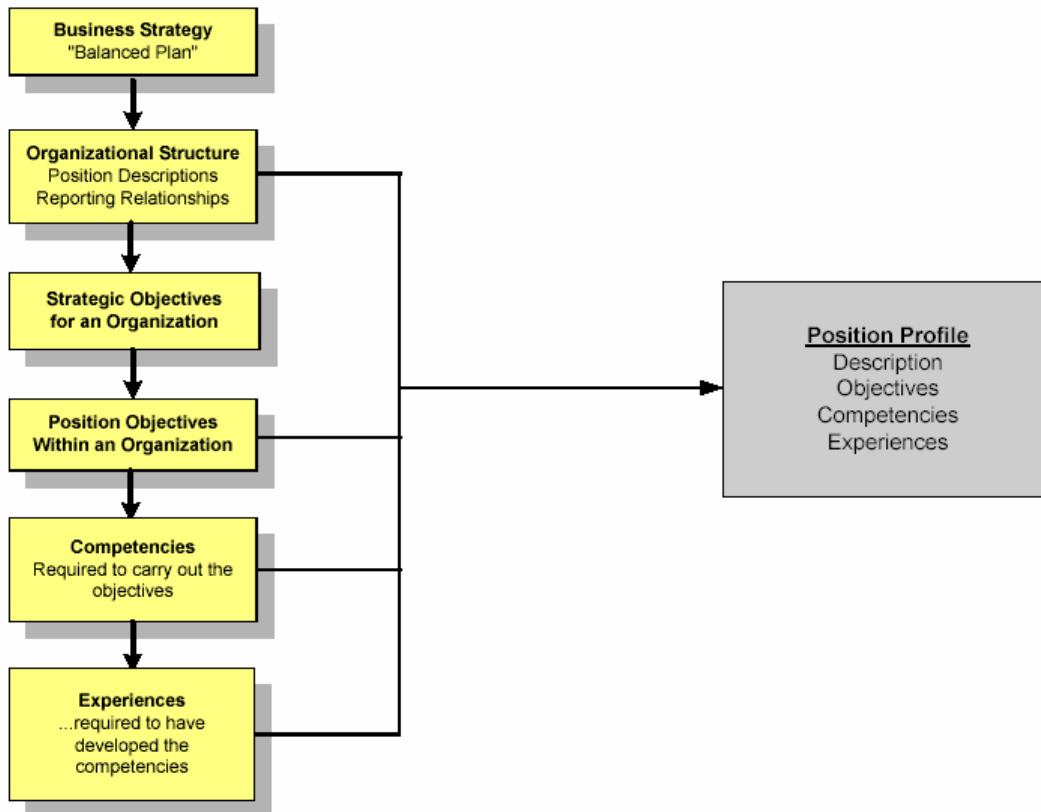
# HR Organizational Strategy

**First step:**

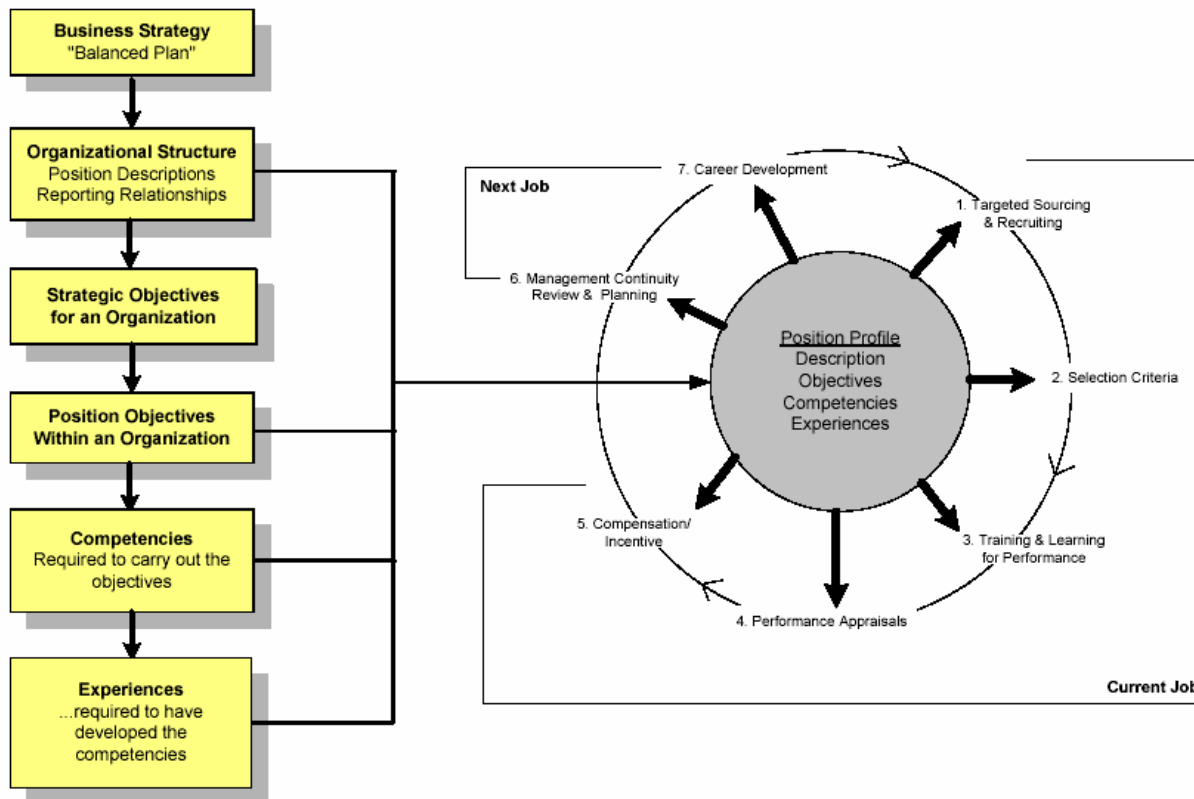
**Design a strategic plan for their HRIS aligned with the overall objectives of HR**



# Driving Organizational Effectiveness



# Driving Organizational Effectiveness







# HRIS Chart



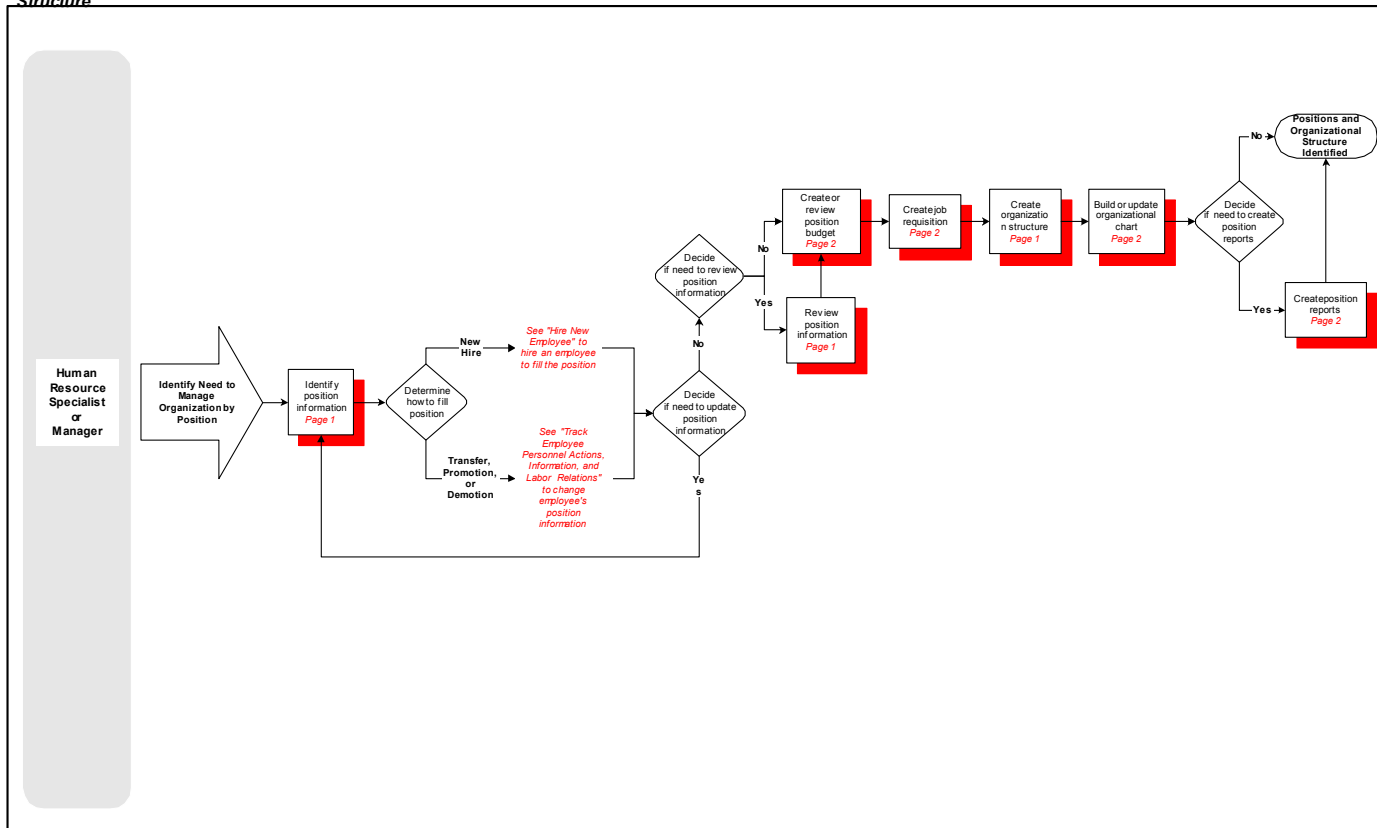
## Define the current state of processes

### **Next step:**

**Define current state process gaps, and map out approaches for the required changes for future state strategies, including those not supported by the HRIS.**

# Utilizing Delivered PeopleSoft Process flows

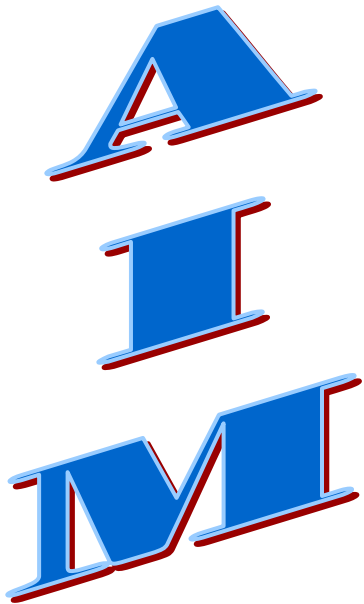
## Identify Position Information and Organizational Structure



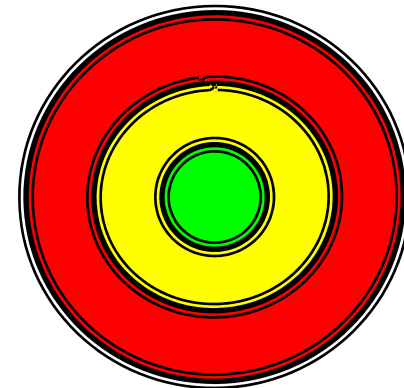
PeopleSoft Proprietary and Confidential



And the process we call:



- Assess
- Inform
- Modify





# Overview and Approach



- AIM is used to learn about the current status of your application and provide transformation strategies if this status is found to be “off-target”.
- The **Assess and Inform** process is designed to be short in timeframe (4 - 8 weeks on average) while delivering to you specific information and recommendations regarding the status of your application.
- During the initial AIM effort, MBH Solutions focuses on a number of target areas or dimensions which, based on our experience, are critical to maximizing the use and effectiveness of your application in your organization. The content and number of dimensions assessed may vary based on the organization, project, etc.
- The Modify phase of the process is dependent upon the outcome of the initial AIM effort.



# Assess



## Objective

During the **ASSESS** phase of the AIM, MBH Solutions will completely review your subject application and surrounding processes. We will review documentation and interview appropriate staff to gain an understanding of your business processes in order to ensure that you are maximizing the application.

Additionally, MBH Solutions will review and analyze all information gathered from the documentation as well as from the discussion/interview sessions. All findings will be presented within the 11 AIM dimensions and scored as either **Red**, **Yellow**, or **Green**. The results of the category scores will become your AIM “footprint”.

- **Red - Significant deficiency exists and should be addressed immediately to ensure proper processing**
- **Yellow - Warning ...relatively minor deficiencies exist and may impact quality or efficiency**
- **Green - Good practices are in place with no deficiencies**

## Timeframe

The **ASSESS** phase is normally conducted over a 3 - 5 week period.



# Inform

## Objective

During the **INFORM** phase of AIM, MBH Solutions will present the results of the analysis in a format that can be drilled down into further detail. The AIM reports are designed to quickly highlight potential trouble spots within your organization's application.

## Timeframe

The **INFORM** phase is normally conducted over a 1 - 3 week period.





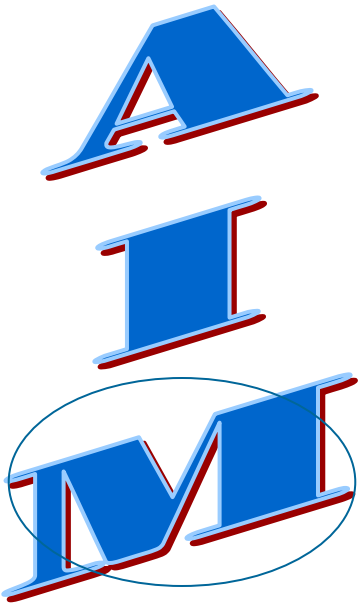
# Modify

## Objective

During the **MODIFY** phase of AIM, MBH Solutions will work with you to address problem areas in your mission critical application. Using our best of breed approach, MBH Solutions will assist you in developing both short and long term transformation plans that will put your application on target!

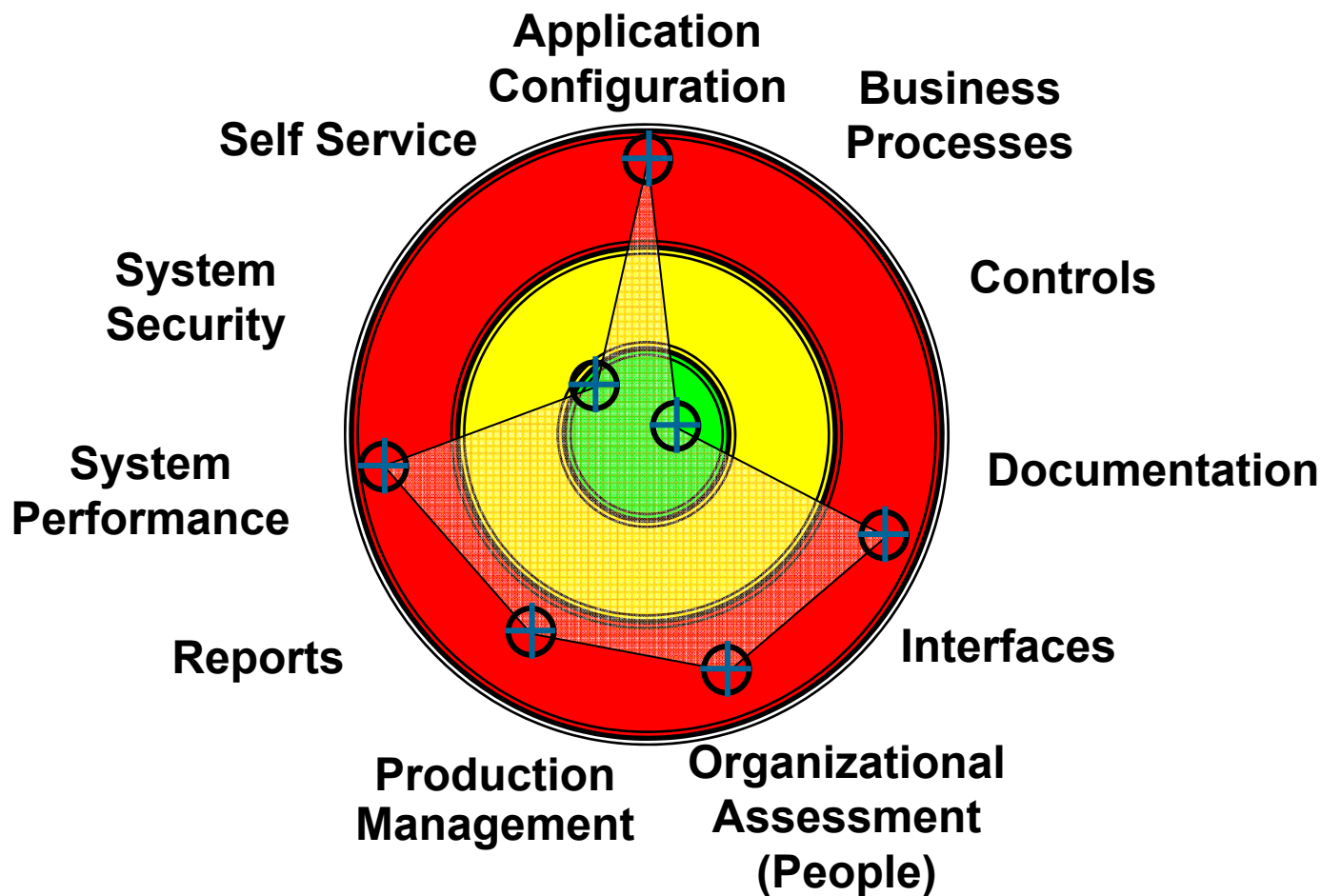
## Timeframe

The **MODIFY** phase effort and duration depend on the scope and severity of the issues identified as a result of the other phases.





# Sample AIM Dimensions



# Application Configuration Dimension

## Objective

The objective of evaluating the **Application Configuration** dimension is to determine the completeness and the accuracy of the application setup, including installation tables and base tables.

## Sample Characteristics

- The Department Security Tree(s) is routinely maintained to accurately reflect the current structure(s) of the organization
- ...
- All base tables are completely set up and routinely maintained

# Business Processes Dimension

## Objective

The objective of evaluating the Business Processes dimension is to determine the efficiency with which the organization enters and processes data.

## Sample Characteristics

- Data is provided and accurately entered on a timely basis
- ...
- Implemented process automation techniques such as workflow and self service where appropriate



# Controls Dimension

## Objective

The object of evaluating the Controls dimension is to ensure the accuracy of the data being maintained in the system.

## Sample Characteristics

- Ensure that standard accounting/audit procedures are followed
- ...
- Controls are in place to protect the company from regulatory as well as internal risks

# Documentation Dimension

## Objective

The objective of the Documentation dimension is to evaluate that the documentation strategy ensures proper tracking of all system changes along with proper maintenance of the documentation.

## Sample Characteristics

- Documentation Scope - Documents are clearly defined
- ...
- Communication - Current and new documentation is clearly communicated and available to appropriate staff



# Interfaces Dimension

## Objective

The object of the Interfaces dimension is to ensure that all inbound and outbound interfaces are identified and that each is run timely and properly.

## Sample Characteristics

- All interfaces are scheduled and run using standard processing methods
- ...
- The proper medium is being used to transmit or receive data



# Organizational Assessment (People) Dimension

## Objective

The objective of the Organizational Assessment dimension is to ensure that the proper organizational structure has been established to support the implementation and/or post implementation efforts.

## Sample Characteristics

- Roles and responsibilities are clearly defined
- ...
- Effective and timely communication is in place

# Production Management Dimension

## Objective

The objective of the Production Management dimension is to ensure that the production environment is stable; the right data bases, individuals and plans are in place to effect change. The change can be in the form of an upgrade, tax update, or business changes.

## Sample Characteristics

- All aspects of the facilities and information technology environment needed by the production solution are supported
- ...
- Proper change control and testing procedure in place



# Reporting Dimension

## Objective

The objective of evaluating the Reporting dimension is to determine the efficiency with which the organization retrieves and reports data.

## Sample Characteristics

- Delivered reports have been customized to meet the needs of users and management
- ...
- Crystal is being utilized where appropriate

# System Performance Dimension

## Objective

The objective of the System Performance dimension is to measure how efficiently the system is operating from a functional point of view.

## Sample Characteristics

- Tools have been put in place to monitor the processing times for various processes
- ...
- Errors are documented and reported to the appropriate individuals

# System Security Dimension

## Objective

The objective of evaluating the System Security dimension is to determine the appropriateness of system access by each operator and efficiency with which updates are processed.

## Sample Characteristics

- The Security Administrator is the appropriate person within the organization with appropriate “checks and balances” in place
- ...
- Report menus display only those reports that the operator should be running

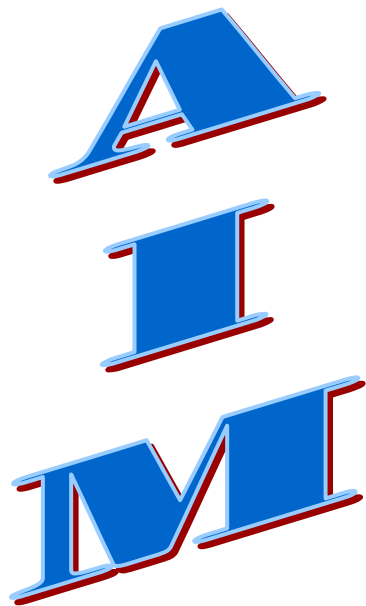
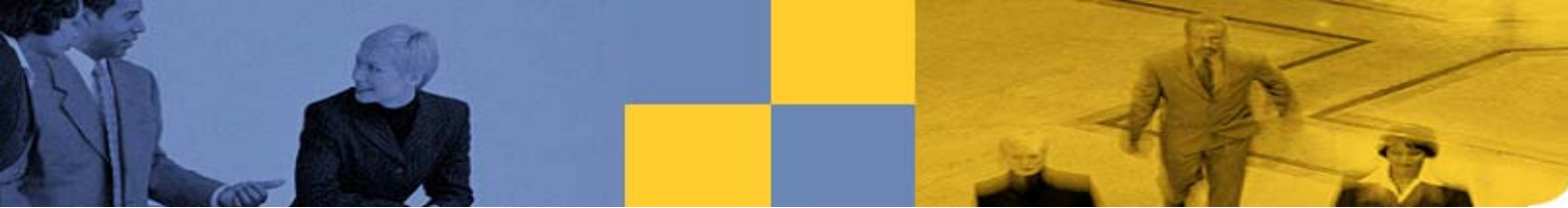
# Self Service Dimension

## Objective

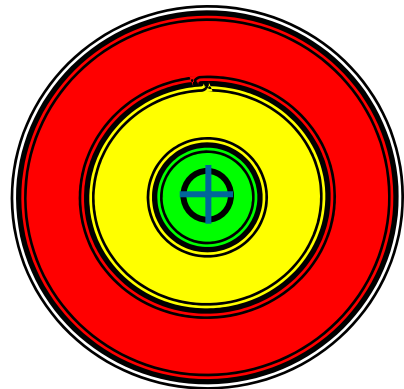
The objective of the Self Service dimension is to ensure that there is a plan and process in place to continually enhance the existing production environment to leverage additional enabling technology.

## Sample Characteristics

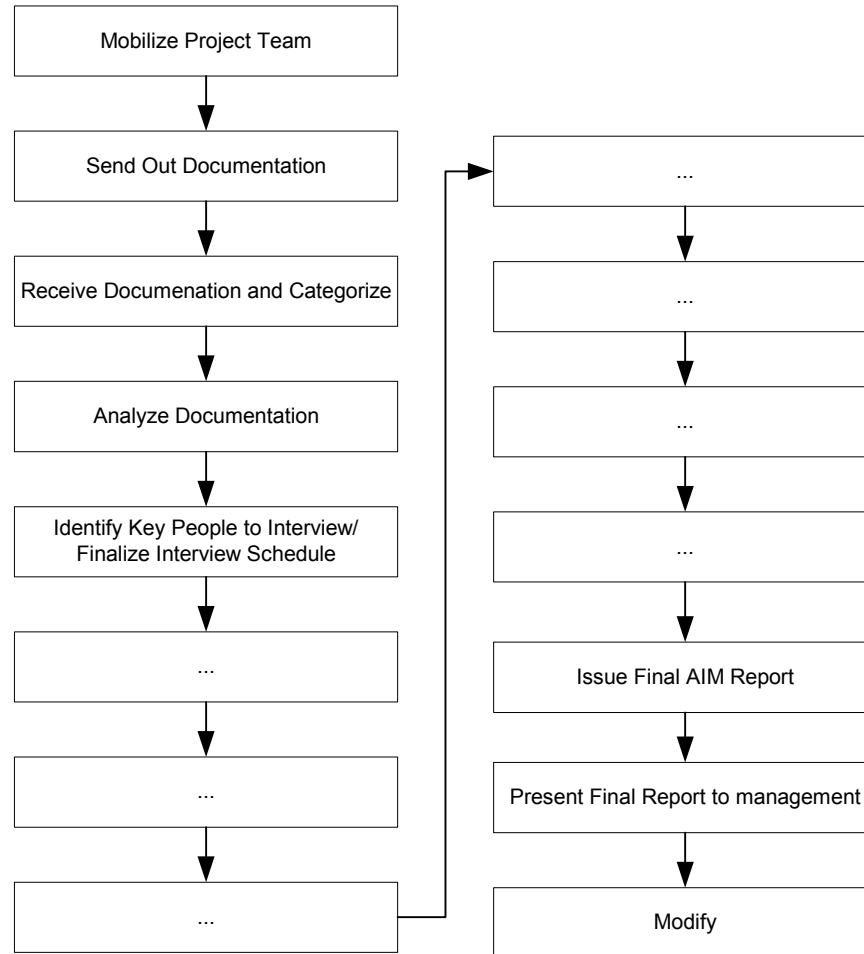
- Plan to leverage self service technology is in place
- ...
- HR staff can focus on high value-add activities such as HR planning and consulting



# PROCESS



# AIM Process





# Deliverables

Assessment results with detailed findings

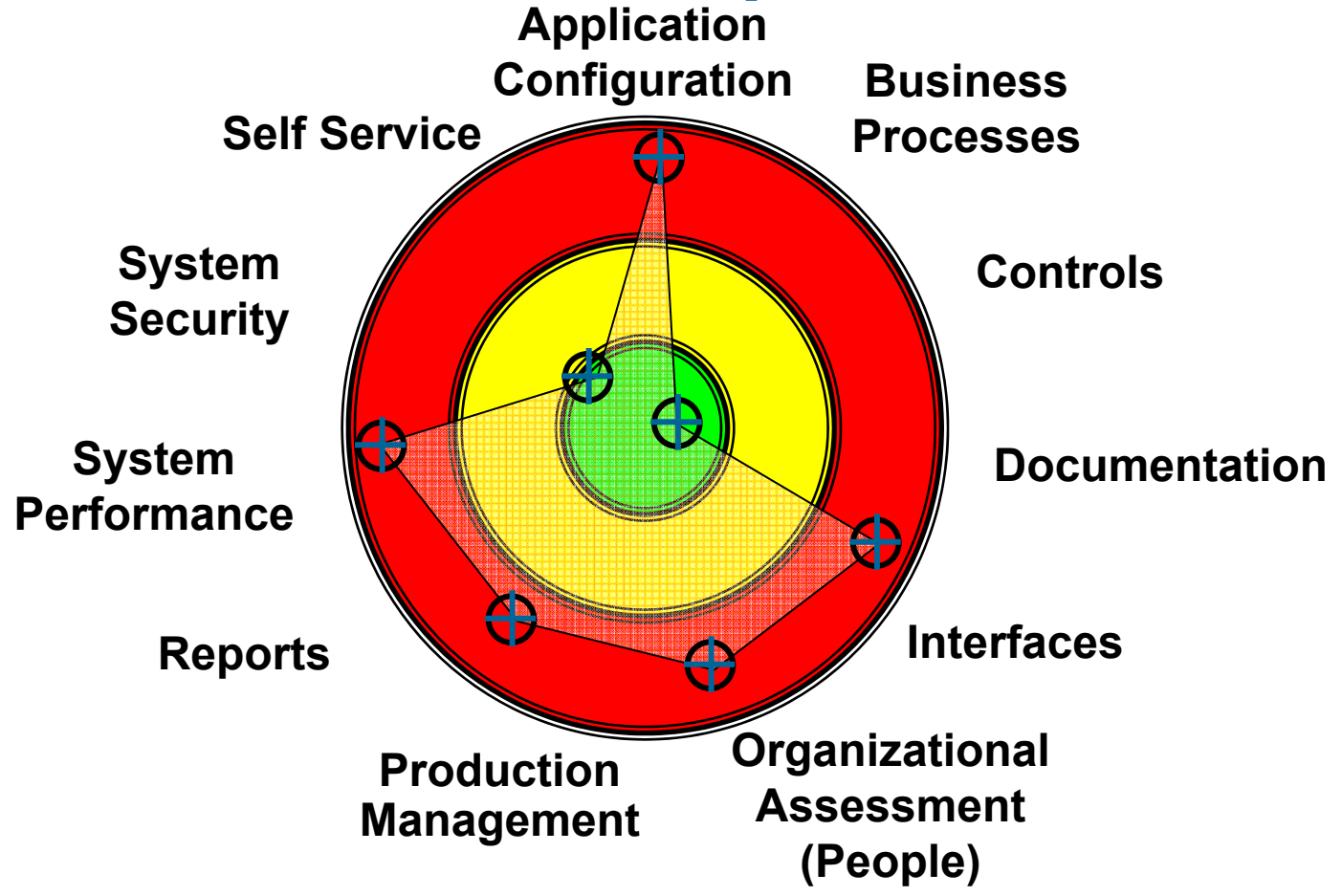
- **AIM Footprint**
- **AIM Summary Chart**
- **AIM Validation Chart**

Transformation Strategy

Next Phase Plan



# AIM Footprint





# AIM Summary Chart

People/ Skills	→			Perceptions of data quality and accessibility drive behavior. Targeted training is required for most.
Business Process and Application Configuration	→			Unconventional distribution of responsibilities. Lack of Best Practice process knowledge.
Controls/Security		→		Department Security Tree is application oriented. No Employee Confidentiality Agreement required.
Reports and Interfaces	→			No SLA between IT/HR. Reports are impacted by data and process deficiencies.
Program/Change Management		→		HRMS Stewardship is misplaced.
Production Management			→	Good IT practices exist to insure Production availability. Unnecessary Payroll black out period.
System Performance			→	System Response times are adequate. Maintenance schedules/Disaster Recovery plans exist.
Enabling Opportunities	→			No formal plan to leverage future Self Service.

# Detailed AIM Findings

## Reports/Interfaces

Characteristics of an effective Reports/Interfaces dimension include:

- 
- 
- 
- 
- 
- 
- 

### Reports/Interfaces



Green

- Interfaces are run based on a "lights-out" processing s

## Reports/Interfaces



Yellow

### Reports/Interfaces



Red

The majority of HR staff are not trained to write their own queries for ad hoc

- There is no Service Level Agreement between HR and IT, nor is there a Service Level Policy between HRIS and the user community.
- The perception, that all new requests for changes that are passed through HRIS and IT take an excessive amount of time to complete, results in productivity issues.
- No formal process exists for keeping the Reports To data accurate and timely. This may impede MSS functionality roll out, and have a negative impact on reporting.
- No managers are identified on the Department Table. This may impede MSS functionality roll out.
- No formal process exists for keeping Supervisor ID data accurate and timely. In combination with the above two issues, this WILL impede effective MSS functionality roll out.
- SQRs are written by HRIS and moved into production by IT. IT is then expected to provide support for an SQR that was not written by them. This is a result of no SLA and the perception of the excessive time period for IT to fulfill requests.
- HRIS has a perception that no standards exist for writing SQRs – previous SQRs are used as a guideline. During discovery, IT provided these standards for review.
- Critical data elements, such as job codes, may be manipulated for ease of report creation. i.e. job codes LS01, 9900 and department T,L

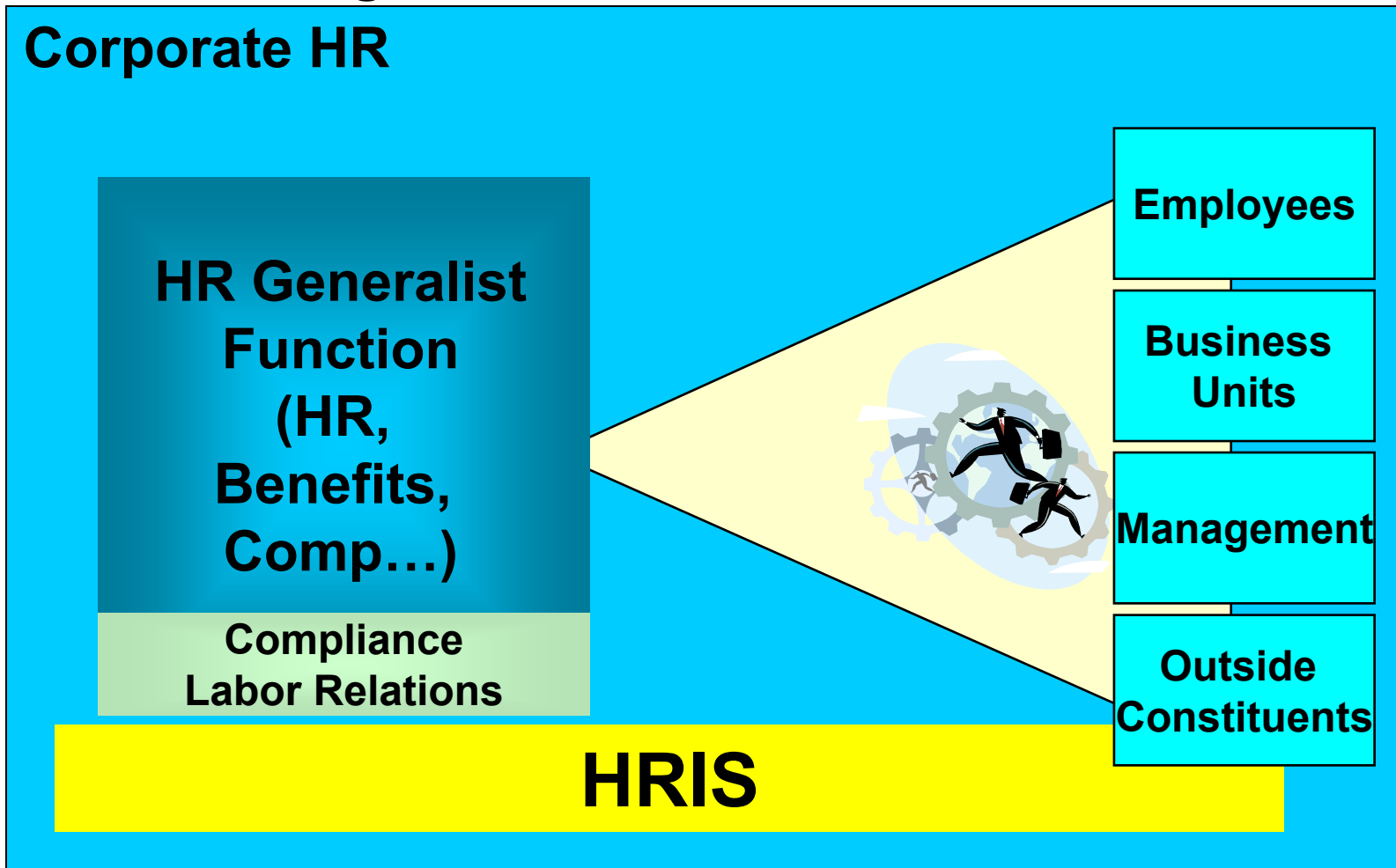


# Organizational Impact

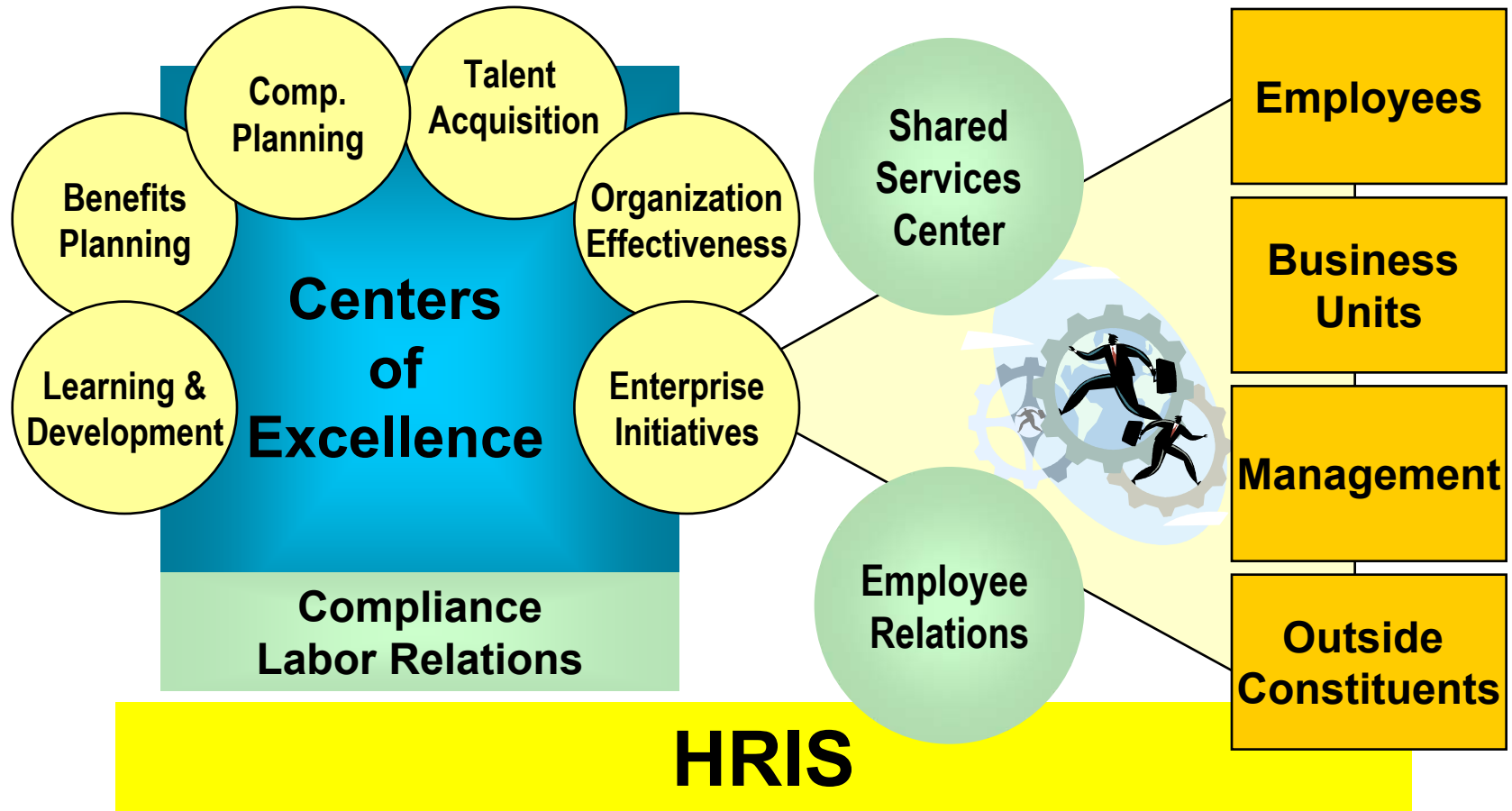
**Next step:**

**Analyze the impact and implications of the proposed changes within the organization**

# Traditional Organization Model



# Where Shared Services fits into the Organization Model





# Prioritize

## Next step:

**Identify and prioritize the initiatives, as well as develop a cost/benefit analysis, if applicable**



# Short Term Recommendations

- **Implement regularly scheduled data audits**
- **Evaluate and eliminate redundant applications and islands of data**
- **Begin to combine Payroll, HRIS, and Employee Data Maintenance functions into a Shared Services Center**
- ...
- ...
- ...



# Long Term Recommendations

- **Complete a product review of Time and Attendance system alternatives to AutoTime**
- **Daily bi-directional interfaces between HRMS and Time and Attendance system**
- **Complete Shared Services Center transition and measure effectiveness**
- **Plan for and leverage more Self Service functionality as appropriate**
- ...
- ...
- ...





# Data Anomalies

- **1 employee under the age of 16 exists in the database.**
- **227 employees have “unusual” dependent records.**
- **187 employees and spouses are both electing benefits.**
- **15 employees have over-age dependents with no disability or student status.**
- **Hundreds of employees are married with no spouses on file in Benefits.**
- **348 employees are non-married with spouses on file.**
- ...
- ...
- ...



In the end.....

**Implement the changes while focusing on the realization of the ROI**



# Questions and Answers





# MBH

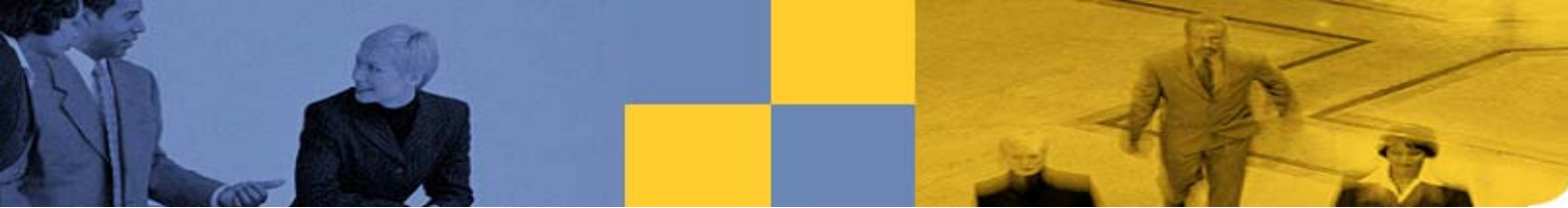
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**1-888-MBH-9911**

**Fran Cardaci**  
**VP, Operations**  
**(201) 951-0932**

**Kevin Barnes**  
**Director, Professional Services**  
**(609) 408-0478**



## Fran Cardaci

**Fran Cardaci is the Vice President of Operations for MBH Solutions, a Consulting firm focusing of PeopleSoft and HR Business Process.**

**Ms Cardaci has over 15 years of experience in HR and specializes in using HR technology to improve the overall performance of HR and help HR achieve strategic alignment.**

**Ms. Cardaci's recent clients include, BCBS, Hackensack Medical Center, Robert Wood Johnson University Hospital @ Hamilton, United Water, and Bowne & Co.**

**[fcardaci@mbhsolutions.com](mailto:fcardaci@mbhsolutions.com)**

**(201) 951-0932(cell)**



## Kevin Barnes

**Kevin Barnes is a Director of Professional Services for MBH Solutions. He has over twenty years experience in the information systems Profession and thirteen years of experience with the PeopleSoft product set developing and managing application software package implementations in a wide range of environments and industries.**

**[kbarnes@mbhsolutions.com](mailto:kbarnes@mbhsolutions.com)**

**(609) 408-0478 (cell)**