

Gloucestershire County Council: Saving Millions in Operating Costs with SAP® ERP

Local governments face tremendous pressure to deliver critical services to the most vulnerable – from children to the elderly – while absorbing funding cuts that impact those services. It's a reality Gloucestershire County Council faces every day. So it turned to SAP® software and **saved millions in operating costs** – for itself and a growing number of other public agencies.

Implementation Partner

Executive overview

Organization

Gloucestershire County Council

Location

Gloucester, United Kingdom

Industry

Public sector – local government

Products and Services

Critical public services in education, healthcare, environment, safety and transportation

Employees

13,500 including local education authority schools

Budget

Almost £1 billion

Web Site

www.gloucestershire.gov.uk

Implementation Partner

Capgemini UK plc

BUSINESS TRANSFORMATION

The organization's top objectives:

- Minimize reductions to critical public services by reducing operating costs and overhead
- Adopt a culture of self-service and continuous improvement
- Create a shared-service center to streamline back-office processes and support collaboration between and among public agencies

The resolution:

- Deployed the SAP® ERP application to support shared services including HR, payroll, payments & income, recruitment and employee management
- Chief Executive and Members committed to ensuring successful change management
- Used RWD InfoPak to train thousands of business users

The key benefits:

- Achieving steady cost savings and overhead reductions
- Expanding employee self-service across participating agencies
- Reducing costs from government operations to invest in public

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TOP BENEFITS ACHIEVED

£9.8

Million in benefits delivered so far

20%

Reduction in HR and payroll staff

5%

Cut in outstanding debt levels

See more metrics ►

“SAP is helping us shrink overhead costs across the public sector in Gloucestershire and ensuring that taxpayer money is well spent.”

Cheryl Chambers, Head of Business Service Centre, Gloucestershire County Council

Executive overview

Organization objectives

Resolution

Business transformation

Future plans

Building partnerships for self-service and collaboration

Gloucestershire is a midsize, mainly rural county with a population of almost 600,000. It is served by 13,500 employees of Gloucestershire County Council who work hard every day to provide good services to meet the needs of residents. The council provides a variety of critical services including education, healthcare support, community safety, waste management and transportation. The county is also a prime retirement destination for people from across the United Kingdom, so demand for housing and senior care services is on the rise. However, costs are rising accordingly – just as funding is decreasing. “Our budget is already stretched,” says Cheryl Chambers, who is the head of the Business Service Centre at Gloucestershire

County Council. “And we have additional savings of £114 million to find over the next three years with staff reductions as high as 30%. We have to find ways to do a lot more with a lot less.”

As part of that effort, the council wanted to reduce its operating costs while improving the effectiveness of back-office functions such as HR, payroll, finance and procurement. “Many public agencies like ours have their own back-office operations,” says Chambers. “We could reduce costs and eliminate a lot of duplicate manual effort by creating a shared-service center that pools our resources and steadily drives down costs for all participating agencies.”

“Every pound we can save in the back office means a pound we can spend for people in Gloucestershire.”

Cheryl Chambers, Head of Business Service Centre, Gloucestershire County Council

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Fulfilling the shared-service vision with SAP software

Gloucestershire County Council first built the shared-service center internally, bringing together HR, payroll, recruitment and payments & income staff from across the organization into a central location and deploying the SAP ERP application to support them. “We wanted the service center to provide HR, finance, procurement and other self-service support to our employees and managers and to be a center of excellence that continuously improves services,” explains Alex Robinson, SAP Support Manager at Gloucestershire County Council. “And we had to get our own house in order before reaching out to other agencies including schools, Gloucestershire Constabulary and several smaller agencies.”

The project benefitted from direct involvement of the council’s top leadership including the Chief Executive and senior councilors. “They launched the project and set the tone,” says Chambers. “Our leadership is committed to following the best practices built into SAP software and ensuring that we make the necessary changes in how we do things.” The project team used the RWD InfoPak to rapidly deliver online training on SAP software to thousands of business users. “We also have an excellent relationship with our implementation partner, Capgemini,” explains Chambers. “As a result, we implemented on time and on budget, and we are now reducing costs and staffing requirements by sharing a world-class ERP solution.”

“We love the fact that there is so much we can do with SAP software, and we also love the fact that we can integrate other great solutions from a vast network of SAP partners.”

Alex Robinson, SAP Support Manager, Gloucestershire County Council

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Reducing government overhead through continuous innovation

SAP has transformed back-office operations to achieve real cost savings. “Over the last three years, we’ve delivered benefits worth £9.8 million,” says Director of People Services Dilys Wynn. “That’s £2.4 million over our original forecast.”

The self-service functionality in SAP software is helping almost 6,000 employees achieve these benefits. They now have a smart, self-service

procurement workflow, for the first time have a view of the organization through org charts and monitor and forecast their own budgets using the SAP ERP Financials solution. “Information that was never available before can be now be accessed in a single click,” says Chambers. “And our service center staff are now cross-trained in multiple business processes, so whether it’s HR or payroll, a single person can answer an employee’s questions.”

KEY BENEFITS

£9.8

Million in benefits delivered so far

20%

Reduction in HR and payroll staff

Almost 6,000

users and growing

£2.4

Million over originally projected savings

16%

Reduction in payments and income staff

Over 65%

Of staff using self-service functionality

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Organization objectives

Resolution

Business transformation

Future plans

Enriching existing partnerships and creating new ones

The number of partner agencies using the service center is growing. “I think a big reason for that is the foundation of trust and transparency we have developed with our partners,” says Chambers. “Ownership and governance rules are clear, and we are flexible enough to exploit new opportunities to lower costs.”

In fact, the service center is working with its school partners to deploy SAP Interactive Forms software by Adobe and eliminate manual HR forms. “We are also using an SAP-endorsed business solution from Arch Consulting to accelerate deployment and management of the forms,” says Chambers.

“Over the long term, we are looking at solutions like SAP BusinessObjects™ Mobile software for mobile device access to our services,” Chambers concludes. “It’s all part our journey to constantly improve the services we offer and expand participation.”



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