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This Is Not Your Grandfather's Utility

The Employee Resources Team
at **Snohomish County PUD**
Stays Competitive with SAP
SuccessFactors Solutions for
Human Capital Management

by **Lauren Bonneau**, Managing Editor

If you are looking for a job — especially if you are a millennial or a Gen Xer — chances are your search won't span outside what is posted on the internet. And if you encounter a job posting where you are asked to physically print out an application, sign it, and mail it in, you will most likely discount that position immediately in favor of one you can apply for right from your computer or phone.

Job seekers of 2015 are looking to work for companies that are both innovative and progressive. Companies interested in recruiting and retaining employees need to think seriously about their talent management strategies and how to prepare their business for the digitalization that prospective and current employees expect and demand. If you are a business looking to attract and hire talent in an area where your competition is companies like Microsoft, Google, Nike, Starbucks, Costco, Amazon, Nordstrom, Expedia, and Boeing, recruiting — especially of millennials and Gen Xers — can be a bit of a challenge.

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A Snohomish PUD employee at a work station

At a Glance

Goals: Modernize HR capabilities and move to one system of record to provide employees with improved access to HR information

Strategy: Implemented SAP SuccessFactors solutions for human capital management (HCM) to help manage all aspects of employees' life cycles as part of a larger SAP implementation

Outcome: Centralized employee data, consolidation of multiple systems to one system of record, elimination of manual HR processes, self-service capabilities for employees and managers, more transparency of data, improved analytics and reporting, lessened burden on HR to allow more time and focus on tasks like recruitment and career development

Snohomish County Public Utility District (Snohomish PUD), which serves 330,000 electric customers and 19,000 water customers in Washington throughout a territory that covers 2,200 square miles of Snohomish County and Camano Island, is one business that is currently taking great strides to improve its talent management. More than 35% of Snohomish PUD's highly tenured and experienced workforce of 1,100 people are eligible to retire within the next five years if they so choose. This is a fairly common scenario in the utility industry, due to the hiring surge nearly three decades ago that was then followed by a lull, and now that workforce is collectively hitting the retirement age.

"Having a tenured workforce with a lot of people who can retire in a short period of time can create a lot of turnover, which then forces us to go out and recruit that type of experience," says Kristi Treckeme, Employee Resources Director at Snohomish PUD. "Here at the PUD, we have a lot of technical career paths, positions, and STEM-type jobs such as engineers and IT staff, which are the most difficult to recruit for, and that sets us apart from some other organizations in terms of the direction we need to go."

In the Employee Resources department at Snohomish PUD, the HR staff had previously been supported by one automated HR system for benefits and employee data, which was very rudimentary and could only be accessed by the HR department. Retrieving data involved mostly manual processes and spreadsheets. For example, performance appraisals were conducted manually; employees' HR data had to be fed manually to the payroll system; if managers needed to determine the balance

of an employee's vacation time, they had to ask HR; and if employees needed information or had to make changes to their personal data, they had to contact HR. Moving to a self-service system where employees could access their own data and update it themselves would free HR to focus on other important tasks, such as recruitment of new talent and career development.

"We needed the ability to attract that next generation of new employees and also be able to retain our existing staff, and when we were putting together a strategy for modernizing ourselves, we didn't want to lose sight of our goal to serve our employees as best we could," says Benjamin Beberness, CIO of Snohomish PUD. "Millennials are not going to work for a company that feels like they're in the 1980s where they have to contact HR every time they have an HR need; these are people who do all their banking online, and their mobile devices are now their desktop PCs."

He adds, "This is not your grandfather's utility. We need to get beyond where we are today so that we can give our employees access to the information they need, when and how they need it, to get their jobs done. We need to be able to train them so they can get those jobs done, and we need to have consistent business processes so they can be successful. It's going to take technology to make that happen, and that's what we've been focusing on for the past 15 months."

Employee Resources Moves to the Cloud

Snohomish PUD had a variety of back-end ERP systems; some were aging non-SAP systems that had reached the end of their shelf-life, and one was SAP ERP, which was the newest system and was implemented primarily for its customer-service functionality. From a technical perspective, the company wanted to get down to one system of record for everything.

"SAP software has been implemented at over 1,000 utilities across the world, and we had every confidence that it would meet our needs," says Beberness. "When we started looking at all the different modules for HR, we had to decide if we wanted to go with the on-premise capabilities or not. We knew SAP was going to be primarily investing in cloud technology in the future, so we were comfortable making a decision to move forward with SuccessFactors."

From an HR perspective, Snohomish PUD has a mix of employees who are very technology savvy and those who work in the field and don't use computers every day. Therefore, the familiar-looking graphical user interface and ease of use of the cloud-based solution was a big factor in the choice to implement SAP SuccessFactors solutions for human capital management. "We knew employees weren't going to have many problems or resistance



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— **Benjamin Beberness**, CIO, Snohomish PUD



Snohomish County Public Utility District

Headquarters: Everett, Washington

Industry: Utilities

Employees: 1,100

Budget: \$773 million for electric and \$15.4 million for water (2014)

Company details:

- Created in 1936 by a vote of the people and is the second-largest publicly owned utility in Washington State
- Serves 330,000 customers and covers 2,200 square miles for electric
- Serves over 19,000 residential customers and covers 205 square miles for water
- 8% of energy supply has come from wind in recent years
- \$16.9 million in conservation expenditures (2014)
- Awarded more than \$41 million for renewable energy, conservation, and smart grid technology projects in the past several years

SAP solutions:

- SAP ERP
- SAP SuccessFactors Employee Central
- SAP SuccessFactors Learning
- SAP SuccessFactors solutions for compensation planning, performance and goals management, succession management, career development and planning, recruitment management, recruitment marketing, onboarding, workforce planning and analytics, and advanced reporting

to the new system, and that would make the implementation so much easier,” says Treckeme.

Having the HR capabilities in the cloud would also give office employees and field crews alike the ability to access their information from anywhere, anytime — and all the necessary security requirements for the Health Insurance Portability and Accountability Act (HIPAA) and Personally Identifiable Information (PII) would be met, which was seen as a big benefit.

“Security is important to everyone right now, and many of the largest companies in the world are using SuccessFactors,” says Beberness. “We felt comfortable that it’s safe and easily accessed from wherever our employees are, and we believe the right best practices are in place to secure the data. We just had to get the right messaging out internally to all our business groups to help put people at ease and communicate that their data would be as safe as it could be.”

Following a Wave Approach

The decision was made to implement SuccessFactors as an independent piece of an overall larger SAP program and to run and deliver it in parallel. Getting that familiar and friendly interface out there first helped with the change management efforts because it broke the ice with employees, giving them a preview of the larger changes that would come down the road. And instead of a big-bang SuccessFactors implementation, the team elected a wave approach where it would release pieces of the software to employees staggered over time to get them used to it.

“We chose a wave process for the implementation because we didn’t want to inundate everyone all at once with everything, and that helped the momentum for the entire project,” Treckeme says. “Doing it this way gave employees and managers time to fully accept and embrace the changes. And it didn’t take long. They liked that they could see their own data and make their own changes at home or wherever. Managers especially enjoyed that, for the first time, they could look at data for all their employees.”

The program kickoff began in March 2014, and the team worked on business process design and blueprinting for the next three months. The first wave, which spanned from May to September 2014, encompassed SAP SuccessFactors Employee Central and SAP SuccessFactors Learning as well as a tandem implementation of SAP partner solution Benefitfocus. Also included in this wave were integrations with Benefitfocus and ADP Payroll, as well as the initial steps to build the reverse hybrid integration into SAP ERP. From November 2014 to March 2015, the second wave included an implementation of SAP Jam as well as the SAP SuccessFactors solutions for compensation management, performance and goals, succession management, career development and planning, and the competency framework. The third wave was implemented in August 2015 and focused on the SAP SuccessFactors solutions for recruiting management, recruiting marketing, onboarding, workforce planning and analytics, and advanced reporting. The final step before the go-live in September 2015 was to complete the integration with SAP ERP to link HR data managed in the SAP SuccessFactors solutions with processes covering time reporting, payroll, and access controls.

“We knew that having those successes in waves would help drive the momentum going forward, and they were critical to our success overall,” says Beberness. “But I don’t want to dismiss in any way that a lot of hard work got us there, and the team picked it up, ran with it, and got it done. Because of that, it made our lives easier, and it made the project successful.”

The project team had a functional lead from the Employee Resources department, who Treckeme refers to as the heart and soul of the project, as well as several key subject matter experts who came in and out as needed, performing testing in the different iterations as well as user-acceptance testing. There were also resources from Deloitte Consulting with whom Snohomish PUD partnered for the overall SAP transformation project and who assisted on the SuccessFactors project from blueprinting to go-live. “Right from the get-go, there was good chemistry and synergy between the team, our folks, and the Deloitte resources, who really understood HR business processes and quickly learned all of our business processes,” Treckeme says. (For more information about Deloitte’s role in the project, refer to the sidebar at the end of the article.)

What Worked

While the project was a great success, it was not without its hurdles. According to Treckeme, estimating the right number of resources that were needed and getting them in place was one of the biggest challenges. “The departments still needed to do the day-to-day work while people were off getting our project implemented,” she says. “Our leadership team from the board of commissioners and our executives down supported us in keeping things going by allowing us to get all the resources we needed, and we were fortunate to have people in our department who knew all the HR processes and were system savvy.”

Another piece that had a positive effect on the project’s outcome is that the team engaged change management at an early stage and constantly communicated about the upcoming changes. The team decided early on that the endeavor would not be viewed as an IT project, but rather as a business change initiative. The business committed to minimize customization at every turn.

With assistance from Deloitte to get the change management program going, along with a highly capable internal corporate communications lead, the team utilized a change champion process, which involved a group of employees embedded in various departments who were dedicated to helping users understand the system, train them how to use it, and assist with issues. These change champions, with the help of super users, ensured everyone had the support they needed during go-live. The team also conducted training through the SAP SuccessFactors Learning product.

The team members were also empowered to make quick decisions without getting bogged down in processes, an approach that helped them stay on track and on target throughout the implementation. “We laid out early in the project who could make which decisions by assigning each core business process owner to a senior-level person to whom any issues should be escalated,” says Beberness. “These senior leaders really took ownership of



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— **Kristi Treckeme**,
Employee Resources Director,
Snohomish PUD

Hiring for the Future: Deloitte Helps Snohomish PUD Get the Job Done

As Snohomish PUD leaders developed their vision for the organization's HR future, they had a key hiring decision to make. They needed to select an SAP-savvy consulting partner that could help them work through the technical issues and the people-facing challenges associated with a transformation.

The selection process required lead candidates not only to explain what they could do for Snohomish PUD, but to back it up. "We did demos and orals, and did personal interviews with some of the leads, making sure that there was some strength behind the paper, some reality behind the paper," says Benjamin Beberness, CIO of Snohomish PUD. "The key factor is we want to make sure the team we work with is going to have our best interests in mind and is one that we will be able to work well with."

In the end, Deloitte was able to show the "reality behind the paper" and demonstrate that it had the best interests of Snohomish PUD and its workers in mind. After landing the job, Deloitte provided critical support in key areas — including process design, system configuration, data conversion, testing and documentation, training, and change management. And Deloitte provided staff that could function "more like one of our HR folks and help fill in the gaps of our own capabilities," Beberness says. "That was actually something we weren't necessarily thinking about up front. But as we worked into the project, that's something we determined we needed to get done."

For more information, visit
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their processes and put in place a back-up set of procedures to follow: If they couldn't get payroll off or couldn't enter a new employee, they knew exactly what to do. Having that framework in place early on allowed us to ensure that some of the broader decisions got elevated up and there were no silos of teams off making decisions that would impact other areas."

The team also made sure that every single person in Employee Resources participated in testing so the system wasn't foreign to them when it went live, and so they could assist other employees if needed. "If we were rolling out the recruiting part of it, every recruiter had to go in and test the system. Everyone got their turn," says Treckeme. "That really helped, as we rolled out each wave, because people were already familiar with the system and could basically jump right in and start using SuccessFactors from there."

Key Benefits

Now that SuccessFactors is the system of record for employees of Snohomish PUD, the transparency and the time-savings that have resulted are two key benefits — trumped only by the morale boost to employees and managers from having direct access to their own information. And now employee data is all centralized. The Employee Resources department doesn't have to go into and maintain various systems, and it also doesn't have to turn to IT to develop data marts to get HR data — it can now run its own analytics and reports.

Today, when new employees are hired at Snohomish PUD, their information is entered into SuccessFactors, and that then drives their access management, both physical and cyber, and all of the HR business processes downstream. "The system helps us manage employees from the point where they send in their resumes to apply for positions all the way through to their retirement," says Beberness. "What used to be several systems is now one system that lets us interact with employees for that entire duration. It's not something you put a dollar amount on, but I think it makes a big difference."

From an employee perspective, employees don't have to contact HR to get information now that they can look at their own data any time they want. Even retirees can now manage their own data, such as making address or phone number changes. Managers can go online and keep track of goal setting and performance evaluations for employees, give feedback in real time, and then are able to document that right in the evaluation. Whereas before, evaluations were conducted with paper, basically electronic documents that would get printed out, written on, and filed. "Now we are getting comments back from managers that they love being able to enter things in the system that come up as they come up — because it's just that easy to use," says Treckeme.

The next focus is going to be refining the succession planning and career development management processes for both new employees as well as existing employees. "We want to make sure we have the right resources to fill positions when someone gets promoted, leaves a leadership role, or retires," says Beberness. ■