

SILKROAD ONBOARDING ACCENTURE

ANALYSTS

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THE BOTTOM LINE

To replace an outdated, primarily manual workflow for onboarding new hires, Accenture implemented and deployed SilkRoad Onboarding. Through automation, the organization eliminated faxing, scanning, printing, and mailing of compliance-driven and other documentation for hiring and reduced related labor for staff. These improvements saved labor expenditure for HR and reduced the time it previously took to bring new hires to full productivity.

ROI: **214%**

Payback: **6 months**

Average annual benefit: **\$3,365,069**

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THE COMPANY

Accenture provides professional services and solutions for strategy, consulting, digital, technology, and operations across more than 40 industries. The organization employs approximately 442,000 people and services clients in over 120 countries.

THE CHALLENGE

Accenture, a large global employer, is a high-volume hiring organization. Late last decade, Accenture still had a mostly manual process in place for onboarding new employees and found that it was finally becoming unworkable. Aside from a document repository system, the only technology involved was mainly email and spreadsheets. This complicated workflow, generated a great deal of hard copy

documentation in need of faxing, printing, scanning, and mailing, and negatively affected productivity not only for HR staff, but also for new hires.

Cost : Benefit Ratio | 1 : 2.8

To compound all this, the organization found it difficult to keep new hire–related information up to date in SAP, which at the time Accenture had in place for other aspects of HR. Accenture began to explore its options to add much-needed automation and transform its workflow for onboarding new employees.

THE STRATEGY

In 2008, Accenture began the process to find an onboarding solution suitable to solving the employer’s challenges in this area. After determining that functionality found in SAP’s system did not fit the need, Accenture turned to SilkRoad.

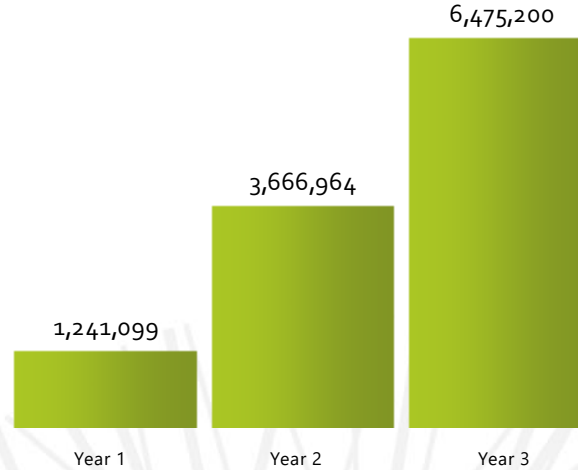
TYPES OF BENEFITS



Initial implementation for a subset of Accenture’s U.S.-based workforce was swift. Following the successful completion of this partial rollout, the employer expanded deployment to the rest of its operations in the United States and Canada. This phased rollout took one year to complete, in 2009, with the help of SilkRoad’s implementation team. On the Accenture side, two managers and two support staff participated in training around how to implement the system, as well as in actually carrying out that implementation. These same staff now run the new system on a daily basis. Additionally, 25 location support representatives employed by Accenture each traveled to a central U.S. destination at different times over the course of the rollout to participate in a three-day training session.

KEY BENEFIT AREAS

The deployment of SilkRoad Onboarding brought several benefits. Some came in the form of eliminated or avoided costs. The rest were vast gains in productivity:

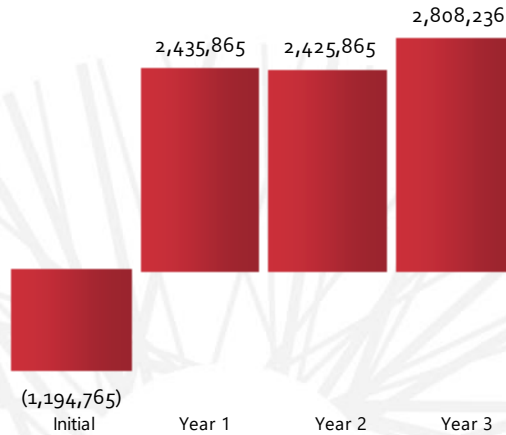
CUMULATIVE NET BENEFIT

- Reduction in hard copy documentation. The deployment of SilkRoad Onboarding greatly reduced Accenture's paper-based administration necessary for the hiring of new employees. Some of this material was compliance-related. With automation and the digitization of this documentation, the organization saved significantly on associated printing, faxing, mailing, and scanning.
- Redeployment of staff. With the reduction of costs associated with hard copy documentation, plus elimination of data entry, administrative-related labor decreased. Because of this, Accenture was able to redeploy the equivalent of one full-time staff to other duties.
- Compliance. By switching to an automated, modern solution for onboarding, Accenture expected to avoid fines over the next 12 months. These would have been for falling out of compliance with hiring-related regulations.
- Productivity gains. Among HR and other staff responsible for onboarding new employees, time savings were significant. On average, these employees in aggregate saved 75 percent of their time in onboarding several thousand new hires in a year's time. Likewise, new hires now had a portal to visit where they were able to take care of paperwork and other necessities, such as connecting with new teammates ahead of the first day of employment. Ongoing, this has been a key factor in drastically reducing the time new hires need to become fully productive upon beginning employment.

KEY COST AREAS

Costs of the project included an implementation fee and annual software-as-a-service (SaaS) subscription fee paid to SilkRoad, internal labor expenditure associated with implementation and ongoing operation of the system from the customer side, and labor expenditure and travel costs associated with training.

NET CASH FLOWS



LESSONS LEARNED

In some companies the recruiting and onboarding departments collaborate to carry out onboarding. For other employers, including Accenture, these are mostly separate departments. Therefore, it is important for an organization to understand under which category it falls or, perhaps, rethink which of these approaches it wants to emulate moving forward. Notably, the technology for onboarding has evolved considerably since Accenture first deployed SilkRoad. Over the intervening years the employer has been able to make use of more progressive capabilities as these become available in the system. No tool for onboarding will meet 100 percent of any organization’s needs, but the right solution will be flexible and do the best job of mitigating pain points such as those covered in this report.

CALCULATING THE ROI

To calculate Accenture’s total investment in SilkRoad Onboarding, Nucleus quantified the initial and ongoing costs of software subscription fees, initial and ongoing personnel costs, and the cost of training time and related travel.

Direct benefits quantified included the redeployment of one staff person (based on their fully loaded annual cost) due to a decrease in administrative load, as well as reductions in costs associated with printing, faxing, scanning, and mailing hard copies of materials necessary for onboarding. Indirect benefits quantified included the increase in productivity of new hires and the staff responsible for onboarding them. The productivity savings were quantified based on the annual fully loaded cost of those employees and applying a productivity correction factor to account for the inefficient transfer of time between time saved and additional time worked.



FINANCIAL ANALYSIS

Accenture

Annual ROI: 214%

Payback period: 0.5 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	155,750	145,750	145,750
Indirect	0	3,215,986	3,215,986	3,215,986
Total per period	0	3,371,736	3,361,736	3,361,736

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	532,371	382,371	382,371	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	553,500	553,500	553,500	553,500
Training	108,894	0	0	0
Other	0	0	0	0
Total per period	1,194,765	935,871	935,871	553,500

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(1,194,765)	2,435,865	2,425,865	2,808,236
Net cash flow after taxes	(657,121)	1,339,726	1,334,226	1,544,530
Annual ROI - direct and indirect benefits				214%
Annual ROI - direct benefits only				-55%
Net Present Value (NPV)				3,021,119
Payback period				0.5 years
Average Annual Cost of Ownership				1,206,669
3-Year IRR				198%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.

