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Astrid Liedtke, Special Reporting Products Manager, Zentrum für Personaldienste (ZPD)



The Zentrum für Personaldienste (HR Services Centre - ZPD), part of the personnel department of the Free and Hanseatic City of Hamburg, is a perfect example of how public authorities can rapidly reinvent themselves as modern-day service providers. The ZPD relies on a customer-orientated business model and professional IT applications to provide a wide range of human resources (HR) management services. For example, since the start of 2006, Cognos Planning has enabled the ZPD to provide the HR managers of its supported offices, authorities, and bodies with precise projections of employment structures and cost trends.

At the end of 2002, the Senate of the Free and Hanseatic City of Hamburg decided to decentralize the responsibilities of the former benefits accounting centre as part of a reorganization and to set up a new state-wide HR service operation. Consequently, on January 1, 2004, the ZPD was established as a modern HR services provider, responsible for processing mass data for payroll, payment transactions, and reporting tasks.

Challenges faced

Employing around 330 staff, the ZPD is responsible for accounting and payment of salaries to almost 90,000 active employees for the 42 HR management service centres of the Hamburg authorities and administrations and for the Hanseatic city of Lübeck as an external customer. This state-wide operation also processes around 225,000 benefit assessments every year and, in addition to the 60,000 recipients of pensions and supplementary benefits within the Free and Hanseatic City of Hamburg, deals with almost 32,000 family allowance cases as a central family benefits office.

The ZPD's responsibilities, therefore, go beyond accurately processing mass data for payroll and payment transactions. As a modern HR service provider, its objective is to provide high-quality reports to support all decision-makers in the central and decentralized HR departments of the Hamburg administration.

Industry

- Public Sector

Country

- Germany

Solution requirement

- Provision of data for targeted strategic, operational, and HR planning management
- Web-capacity for flexible use of information

Platform

- PAISY

Solution

- Cognos 8 Planning

Benefits

- More flexibility, higher performance, complete overview of key HR indicators

These tasks are brought together in the HR Controlling business area. This unit is responsible for analyzing employment structures and costs to provide a basis for HR management decisions. The central personnel report presented each year to the Senate and the Hamburg administration provides valuable support for HR management. In addition, every month the ZPD provides the decentralized HR departments of the various offices, authorities, and facilities with a database containing a wide range of standard reports and graphic analyses of employee figures and a budget database for controlling personnel expenditure—including support and the option of requesting additional customized analyses.

“One of the ZPD's key concerns is provide accurate projections of employment structures and personnel expenditure to support our customers' HR managers,” explains Astrid Liedtke, the Special Reporting Products Manager at ZPD, referring to the fact that the existing IT applications used by the state-wide operation were clearly reaching their limits in relation to this challenge.

In the past, the ZPD used a central mainframe application connected directly, as an add-on tool, to the PAISY payroll accounting system used by the Free and Hanseatic City of Hamburg since 1997. However, this method was not sustainable in the long term. On the one hand, the solution was no longer supported by the manufacturer. And on the other hand, it simply did not offer Liedtke's team the required flexibility.

"If we wanted to include new or amended costing models, we had to take a rather roundabout route via the Free and Hanseatic City of Hamburg's central computing centre," explains Liedtke. "And as for any new developments, the only way to test these under realistic conditions was during monthly report generation. This meant that it took at least two months for any change to come into effect—far too long for our requirements and those of our customers."

Strategy followed

In 2004, the ZPD decided to implement a new forecasting application based on a data warehouse, offering the capacity to provide its information and functions via the Web at a future date. A decision was made in favour of Cognos Planning (EP)—a complete solution for strategic planning and budgeting in organizations. The analysis components allowed the required projection models, including individual plans, costings and simulations, to be created and continuously amended via user-friendly graphical interfaces, while the Contributor module of the Cognos software offered the subsequent option of Web-based dissemination.

"For the ZPD, Cognos Planning has proven to be an economical tool which has improved our processes. On one hand, this software offers us the precise functional scope we require for our HR forecasts, both now and in the future, with a balanced price-performance ratio," states Liedtke. "On the other hand, we know that Cognos Planning is capable of communicating smoothly and directly with the associated database in the data warehouse—with no time-consuming interface delays."

Benefits realized

The new forecasting application went into production at the start of the 2006 financial year. Since then, Cognos Planning has generated monthly personnel cost projections for around 80,000 individual cases, including many detailed aspects and special features relating to employees and expenditure.

For example, the software determines holiday pay and special allowances for the current calendar year depending on each employee's payment group and full-time equivalent factors. The calculation also considers employer contributions to each employee's pension,

unemployment, sickness and nursing care insurance and statutory contribution rates and assessment thresholds. The forecasting model in Cognos Planning also offers the option of storing future percentage salary increases or one-off payments and applying these in cost projections.

In particular, the implementation of Cognos Planning has significantly simplified the work of the employees responsible for the development of the forecasting model in the HR Controlling business area. "We all very quickly got into the Cognos Planning mindset and are very happy with the user-friendly handling of the software. And Cognos Planning deals with even the most detailed and specialized projection factors quickly and easily," explains Liedtke.

The ZPD's forecasting and reporting process is set to become even more flexible in the near future. Managers are planning to reap the full benefits of the Cognos Planning Contributor component and grant the HR managers and controllers in the supported offices, authorities and institutions direct Web access to the forecasting tool. Work on a prototype is already underway and the first authorities and facilities have already expressed great interest.

Liedtke explains, "Many of the parameters which determine trends in personnel costs are very individual. For example, weekend and night shift premiums for the police and fire services have a huge influence on costs and this must be taken into account as an additional expense, but in many offices this is simply not relevant. Access to decentralized forecasting functions and data will allow all of these special features to be considered in the future."

With its comprehensive, accurate and adaptable reporting system, the Free and Hanseatic City of Hamburg's ZPD is demonstrating how a public authority can become a modern-day HR services provider. The state-wide organization provides HR managers in the numerous supported agencies, authorities and institutions with important business information to support their decisions, including monthly projections, produced, since the 2006 financial year, using Cognos Planning.

The new software allows the HR Controlling business area to continuously optimize forecasts of personnel costs and structures for the current financial year. New calculations can be easily defined using graphic user interfaces, tested immediately in the data warehouse and released after successful evaluation. These are then automatically incorporated in the next monthly analyses—a clear benefit in terms of time and flexibility in comparison with the ZPD's former mainframe

application linked to the PAISY payroll accounting system. Web-based provision of the new forecasting solution's functions and data to the decentralized offices of the Hamburg administration is in the pipeline to support decentralized HR cost planning.

About Cognos

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization's ERP, packaged applications, and database investments. It gives customers the ability to answer the questions—How are we doing? Why are we on or off track? What should we do about it?—and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at <http://www.cognos.com>.

