

Service Performance Insight, LLC

A Leading Professional Services Organization Ignites Digital Transformation Success



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PwC Case Study

Service Performance Insight, LLC (SPI Research) is a global research and consulting organization dedicated to helping professional service organizations make quantum improvements in productivity and profit. In 2007, SPI developed the PS Maturity Model™ as a strategic planning and management framework. It is now the industry-leading performance improvement tool used by over 35,000 service and project-oriented organizations to chart their course to service excellence.

For this case study, SPI Research sat down with leaders from PwC to discuss the global selection, implementation and impact of Workday's Human Capital Management solution. Representing PwC were Betty Ann Jarrett, Global Human Capital Leader and Amy Richmond, member of the Global Human Capital Team responsible for leading the Human Capital Operations Center of Excellence. Both women have strategic and tactical roles in PwC's "Project Ignite" global initiative to simplify, standardize and streamline Human Capital processes and operations across 155 countries, with Workday as the engine of change.

PwC's Profile

PwC is a global network of professional services firms, operating as individual member firms. PwC ranks as one of the largest professional services networks in the world with more than 284,000 people with offices in 155 countries. PwC helps organisations and individuals create the value they are looking for, by delivering quality in Assurance, Tax and Advisory services. PwC's purpose is to build trust in society and solve important problems.

Revenue: 43 billion USD (2020) Number of employees: 284,000 (2020) operating in 155 countries
Headquarters: London, United Kingdom

The Starting Point

PwC is a network of member firms that are separate legal entities. Each PwC member firm has its own processes and systems. The challenge was to standardize as much as possible, align data and business processes, and choose a Human Capital Management solution that would serve and satisfy all member firms.

Workday Applications used by PwC

Core HCM, Absence, Benefits, Compensation, Employee and Manager Self-Service, Reporting, Onboarding, Recruiting, Talent, Performance, Merit, and Payroll in the UK and Canada.

Summary of Benefits

- Significant reduction in human capital management complexity
- Standardized and streamlined job families and roles globally in a single job catalogue
- Improved ability to form teams and enhance global employee mobility
- Quantifiable benefits in efficiencies and consolidation by replacing many disparate systems
- Enabler for employee and management self-service including a focus on growth and development
- Reduced exposure to risk with a single security model and significant reduction of unsecured data

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- Streamlined recruiting and on-boarding of 63,000 new hires annually
- Faster speed of innovation at lower costs
- Enhanced career management and employee experience
- Real time data to inform improved business decision making
- Platform for culture-building and personalization in a time of isolating circumstances
- Partnership recognition that standardization can be beneficial to the business and margins

The Professional Services Industry

Based on 14 years of research measuring the performance of over 7,000 professional services organizations, SPI Research has found a small number of firms capture the lion's share of service sector growth and profit by continually innovating and investing in their own digital transformation. Moving up the power curve requires big moves: dynamic resource reallocation, disciplined strategic bets, and dramatic productivity improvements. These findings have held across economic cycles and decades of technology transformation. Perennially top performing organizations understand that change is constant in the services industry. Fueled by digital disruption and a worldwide analytic and technical talent shortage, service businesses are thriving. Service organizations are presented with unprecedented opportunities to grow revenues and expand their portfolio but picking the right growth strategy must be backed up by the ability to execute. With so many choices, each opportunity comes with its own set of challenges. Business process and skill issues can be exacerbated by poor visibility if the business is not based on a sound business application foundation.

Against this backdrop, PwC has remained a professional services leader for over 170 years by anticipating and adapting to market challenges. The firm has consistently invested in new ways of working and derives significant value from its own digital investments — from growth and profits to innovation, customer experience, people and more. This Case Study reveals the positive impact of PwC's selection of Workday as its global Human Capital Management solution.

The Challenge

PwC, itself a leader in digital transformation client advisory services, began its own journey with the strategic objective to move all back-end systems to the cloud. First up was a focus on human capital management (HCM) through a global initiative named "Project Ignite". Of the many functional and organizational aspects to this project, the most visible was the selection and implementation of an HCM solution. Although in hindsight the selection of Workday may seem an obvious choice, the initial path was neither pre-ordained nor smooth.

Project Ignite was the first time PwC had determined to adopt one global HCM system across all practices. Up until 2016, every geographic territory, each one a separately owned legal entity, had many different systems that were customized and not integrated to the systems of other territories. Practices, job roles, naming conventions, processes and job specifics were also bespoke across 155 countries. Amy Richmond noted, "We did not have standardized talent processes and systems before we undertook Project Ignite. We did not have standardized data. We had different job levels in different territories. We really were, across the board, operating quite independently by territory."

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Culture, the double-edged sword

There is a level of trust at work that relies on each of the territories to work for the common good of the network. Additionally, a Global Oversight Board collaborated to make decisions on behalf of the network of territories with input from the 21 largest territories collectively called the “Strategy Council”. A team worked on behalf of the global network to bring solutions that enable consistent global processes and technologies. In this arrangement, the territories become the clients. The goal of the group is to serve them, making things work better, faster, and more streamlined.

Even more challenging than deciding on a specific HCM solution was the initial step of agreeing to agree at all. Amy Richmond said, “That was probably the most challenging step – to agree that, yes, we want to invest together. We agree that we are going to standardize business processes and we are going to adopt a cloud-based solution out-of-the-box as much as possible. We are only going to customize when there is a legal or regulatory requirement. That piece took several years to reach agreement.” Even at that, the prevailing thought was that no one solution would be found -- that two or three different options would be needed.

Betty Ann Jarrett underscored this challenge, “It’s a cultural issue because our partnerships have a very entrepreneurial spirit. Our partners believe that because they are owners, they can make their own decisions and do their own things in their own ways. So, reaching agreement that we would have a single Human Capital Management system and processes across the whole global network was a real challenge.”

Making the Workday decision

The nature of PwC’s business meant that client relationships in various countries were in play as well as the fact of wide-sweeping diversity. Given the organization’s very large client base around the world, choosing one global platform represented a master class in collaboration.

Project Goals

Key to this collaboration was making sure to keep the project’s goals front and center. At a high level they included:

- Standardize
- Simplify
- Develop new, streamlined ways of working
- Use as much out-of-the-box functionality as possible, limiting customizations
- Move to the cloud and retire legacy systems
- Integrate well with existing systems in Finance, data hub, staffing and recruiting
- Excel at mobile and self-service
- Position the enterprise for growth
- Introduce a new target HCM operating model with new leadership roles
- Establish change management goals to get the most value from any solution

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Well aware that there were a number of high-quality HCM solutions from which to choose, PwC narrowed it down to a short list of three leading solutions along with a method to blind test features and functionality.

Workday emerged as the winner

Workday was the winner on many fronts:

Satisfaction ratings: Workday had strong customer and user satisfaction ratings

Roadmap: The company's roadmap was user driven and featured upgrades twice a year

First-hand experience: Canada and Mexico had both successfully adopted Workday

Implementation plan: Workday's structured implementation offered discipline and efficiency

Time to value: Shortened implementation plan promised quick time to value

Power of One: Single, unified technology platform promised speed, efficiency, and a consistent user experience

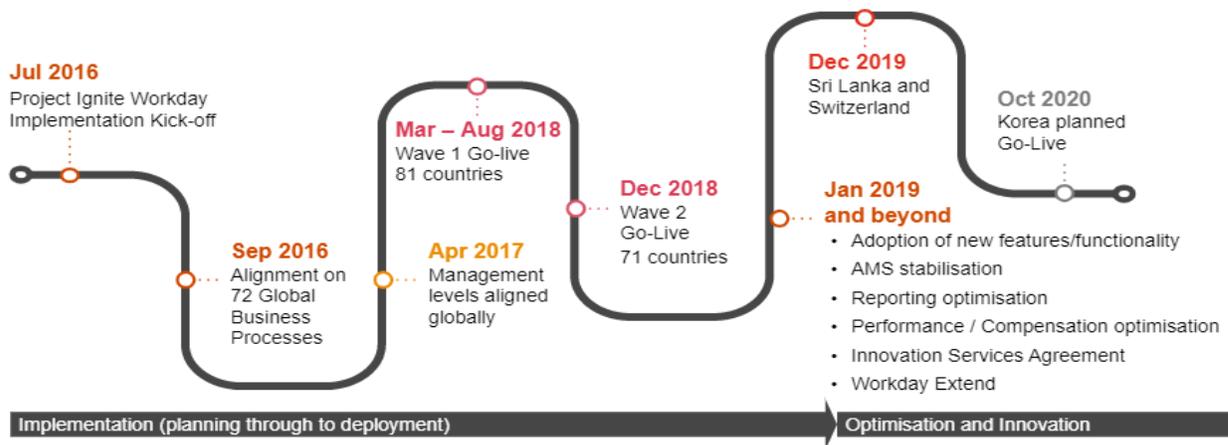
Design: Workday is cloud-native and had strong mobile capabilities built-in from day one

Market presence: The fact that Workday had a large global installed base of companies with more than 10,000 employees was evidence of its ability to serve PwC's needs

Amy Richmond concluded, "One of the big things that was compelling about Workday was "The Power of One" and the fact that everything was built natively in the cloud and connects with the other modules seamlessly – one security model, one data model. That was the piece that really made the big difference in making our selection."

Putting Workday to work

PwC Journey to date



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Timeline and scope

After a multi-year effort to build consensus, driven by a PwC executive, the project kicked off in July of 2016 with a global design team. From the beginning, as much of the work as possible was designed, implemented, tested, and deployed virtually. Workday was successfully rolled out to 155 countries in three go-live waves starting in 2018. Wave 1 included 81 countries; Wave 2 included an additional 71 countries. Sri Lanka and Switzerland went live in December 2019 and, despite a curve-ball named Covid, the final country, Korea, was successfully rolled out virtually in October 2020. Implementation included: HCM, Talent and Performance, Compensation, Benefits, Absence, Reporting and Recruiting.

One of the core tenets of the project was an agreement in principle to use Workday as-designed, without customization or alteration, wherever possible. Exceptions would be made to accommodate legal or regulatory requirements. Richmond remembers, “At the beginning, there was a lot of ‘Oh, we have a ton of special requirements.’ But, at the end of the day, when we had all the documentation reviewed by attorneys on all sides, I think we ended up with only about 30 step-outs. Truthfully, we thought it would be much higher than that.”

Building consensus and planning

It is one thing to agree in theory, it's another to put it into practice. At the time of the Workday decision, there were over 700 systems for HCM functions such as onboarding, recruiting, benefits, and compensation across the territories. In addition to this large number of mostly unintegrated systems were the many spreadsheets used by all practices and relied on by some of the smaller territories. Moving all these practices onto one HCM system was going to take a concerted change management process.

The global design team brought together 150 people from a wide array of disciplines: IT, business stakeholders, and Human Capital, representing 21 territories. Dropping the, “but we've always done it this way” thinking, the team set out to develop complete business flows and do them in a way that would work well the way Workday was designed to work.

Between July and October 2016, three one-week sessions around the world, took a good look at the way Workday works. The first in Orlando named “**Where Dreams Come True**” was designed to motivate territories to come together and to show how Workday worked. The second, held in Berlin and entitled “**Where Worlds Come Together**” was held a month later. In this session agreement was reached on global business processes and approvals. The third session was held virtually for territories to vote on standardized business processes and workflows. A democratic voting process was used. From the beginning, the global team agreed to a “step out” for individual legal or regulatory requirements. Surprisingly, only 30 step outs were required – for example, country specific absence approval. The European GDPR privacy standards were ratified in the midst of the project; daily GDPR compliance reviews ensured compliance.

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The question at hand was, “If this is how Workday works, how can we begin to adopt it? And what’s going to prevent us from using it the way it’s designed to work?” In virtual sessions “before virtual was cool” every territory voted. Agreeing on how every business flow would move through the system, 72 complete processes were standardized and thousands of jobs with unique job descriptions, compensation and skills were redefined and standardized into a consistent, global “job catalogue”.

Implementation

Given the global nature of the teams and territories, the implementation plan had always called for a combination of in-person and virtual sessions. By December 2018, 152 countries were live with almost 285,000 workers, 40,000 supervisory organizations, and countless absence, benefits, and compensation plans. In collaboration with Workday, PwC formed a Workday Alliance team charged with implementation and transformation of PwC’s talent systems and processes.

At that point, the team felt they had reached a new start line. There was a sense of “we’re all in this together” on one Workday tenant with one set of business processes. They began the ‘Business as Usual’ phase, a continual process of optimization and innovation that continues today with Workday as a reliable, roll-up-your-sleeves partner. Richmond calls this phase “the fun part.”

The last country to go live was Korea. As luck would have it, the timing placed it at the explosive start of the Covid-19 crisis. PwC’s existing investments in collaboration tools, polling, jam boards, and gamification, already in use with its clients, put them in good shape to handle the Korea implementation 100% virtually.

What worked well in this virtual rollout were the following ground rules:

- No session was more than 2.5 hours
- All sessions were scheduled around Korea’s time zone
- Sessions were recorded for playback
- No overlapping sessions were scheduled
- Extensive use of collaboration tools, including real-time collaborative documents

Amy Richmond summed up the process saying, “We viewed Workday as an enabler. People and conversations were at the heart of every decision. As it turns out, that perspective works just as well virtually as it does in person.”

Results

Right from the start, PwC set driving maximum value from Workday as a critical success factor. Immediate benefits include risk reduction (one security model), accurate real-time data for business decision making (in place of labor- and time-intensive efforts), fast speed/low cost of innovation and streamlined reporting.

Clearly, selecting and implementing the very first global, cloud-based human capital management system for all or PwC’s practices and employees around the world is a big deal. The system serves as a proof-point for global collaboration as well as delivering the significant benefits of a single, integrated,

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cloud-based platform which replaced a significant number of non-integrated legacy systems. PwC has enjoyed a wide range of high-impact results:

Reduced organizational complexity: The effort has significantly reduced the complexity of PwC as an organization on a global scale. Workday essentially functions as a common language, using common data, across all geographies and functions.

Recruiting: Workday has facilitated PwC's automation of compensation grades connected with job profiles to leverage consistent job descriptions in the external market. Hiring 63,000 employees annually (36,000 campus hires; 27,000 experienced) requires actionable data for decision making, which Workday now provides.

Improved operational efficiency: Because all territories share a common, standardized job catalogue with job levels and descriptions, there is now consistency in support of client and career objectives. There is a unified PwC professional career framework that sets the standard for what it means to operate at each level across five performance dimensions of the PwC Professional framework.

Culture building: Workday has played a major role in the furtherance of PwC's culture of commitment to its people. Amy Richmond said, "The meat behind Workday is the care and development of our people. We can take a holistic approach to how we actually build our culture and take care of our people. And a lot of that starts with 'do you have the right information when you need it and who do you feel connected to.'"

Personalized and enhanced career management: Richmond said, "We think that the most direct benefit on the people side is the enhanced development and relationships that people have with, in Workday terms, their managers, we call them 'team leaders'. That relationship, in our minds, is really critical because it makes our organization, which is so huge, into something that is really small and personal for each person. The ratio of team leader to team member is 1:17. That ability to have a direct relationship with somebody who can influence and direct your career and help you to develop and grow – that's the secret sauce that has made the big difference. We've formalized it in a meaningful way and that's the nuts and bolts of Workday."

Perhaps the single most enduring benefit of the whole Ignite project and the Workday experience is the impact it has had on PwC's business agility, resilience, and appetite for innovation. The transformative Power of One, a mainstay of Workday marketing and value proposition, holds true for PwC. An organization that began this initiative already a leader in professional services, realized the power and synergy that standardization enables. Recalling the initial inertia of clinging to old ways, Richmond concludes, "Optimizing around people's experience with Workday, now it's 'What's next? What else can we do in Workday?'"

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PwC Global Human Capital Leaders

For this case study, SPI Research sat down with leaders from PwC to discuss the global selection, implementation and impact of Workday's Human Capital Management solution. Representing PwC were Betty Ann Jarrett, Global Human Capital Leader and Amy Richmond, member of the Global Human Capital Team responsible for leading the Human Capital Operations Center of Excellence. Both women have strategic and tactical roles in PwC's "Ignite" global initiative to simplify, standardize and streamline Human Capital processes and operations across 155 countries, with Workday as the engine of change.



Betty Ann Jarrett

As Global Human Capital Leader at PwC, Betty Ann drives the people strategy for the PwC Network including the workforce of the future, development, performance and talent initiatives. Betty Ann is a Canadian partner, with a background in corporate tax services. She joined PwC in 1986 and was admitted to partnership in 1996. She has held several leadership positions within our Canadian Tax practice, including Tax Human Capital Leader and Tax Compliance & Strategic Sourcing Leader, and was on the Canadian Tax Leadership Team for ten years. Betty Ann was the Global TLS Human Capital Leader from 2014 - 2019. Betty Ann also serves as the Global Partner Affairs Leader.



Amy Richmond

Amy is a member of the Global Human Capital Team at PwC, leading the Human Capital Operations Center of Excellence. Her focus is on driving benefits and value from People Technology, along with innovation and enhancements. Previously, she led PwC's global human capital transformation called Project Ignite, which included the global implementation of Workday across the PwC Network of Firms. In this project, she was responsible for leading the overall project team, stakeholder management and territory engagement. She was accountable for Change Management and our Functional Workstreams, along with the Project Office. Prior to this project, Amy has over 20 years of various human capital experience and leadership roles at PwC ranging from headcount management to compensation to talent management and others.

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About Service Performance Insight



R. David Hofferberth, PE, Service Performance Insight founder, managing director and licensed professional engineer has served as an industry analyst, market consultant and product director. He is focused on the services economy, especially productivity and technologies that help organizations perform at their highest capacity.

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Jeanne Urich, Service Performance Insight managing director, is a management consultant specializing in improvement and transformation for project- and service-oriented organizations. She has been a corporate officer and leader of the worldwide service organizations of three publicly traded software companies (Clarify, Blue Martini and Vignette), responsible for leading the growth of their professional services, education, account management and alliances organizations.

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