



Covestro - **HR Cloud Provider Selection**

Introduction

The former polymers division of the Bayer Group has been operating under the name Covestro AG since its spin-off in 2015. As part of the carve-out process, the existing HR processes and the HR system landscape were adopted on a one-to-one basis, following a „clone and go“ approach. This HR system infrastructure, tailored to a larger organisation, proved too complex, cumbersome and costly for Covestro. To better position itself for the future, Covestro decided to implement a state of the art HR Cloud /SaaS solution. HCM Consultant Group GmbH was commissioned to advise Covestro on the selection of a suitable HR cloud provider and to actively accompany the selection process.

The customer

Covestro is one of the world's leading manufacturers of high-tech polymer materials. As an innovative company, Covestro works on the production of environmentally friendly materials and manufacturing processes. With 16,200 employees in more than 30 locations worldwide, the company generated sales of 14.1 billion euros in fiscal 2017. Covestro has been listed on the stock exchange since October 2015 and has been listed on the DAX since March 2018.

The task

From a strategic point of view, Covestro opted for a highly standardized HR cloud solution that was not very personnel-intensive in terms of support, as a replacement for the previous On-Premise SAP HR system. Based on its expertise and experience in this field, HCM Consultant Group GmbH was commissioned to advise Covestro on the selection of a suitable cloud provider and to actively accompany the selection process.

| The Project

The first step in the „HR Cloud Provider Selection“ project was to develop the criteria for evaluating the new HR Cloud solution and its providers. The „Longlist“ pre-selection of possible providers based on market analyses formed the basis for the actual selection process:

Request for Proposal (RfP): The HR Cloud Providers of the Longlist were asked for details about their service within the scope of an RfP procedure. For this purpose, the project team designed an evaluation catalogue with detailed professional and technical requirements. In addition, information on the price model and support model was also requested.

Workshops at process level: Expert teams from Covestro and the offering cloud providers deepened the exchange on crucial sub-areas of the business and technical requirements from the RfP. The knowledge gained from this was incorporated into the „Evaluation Score Card“ developed during the project. Other key criteria were the pricing model of the providers, their behaviour during the RfP process and their financial stability and willingness to invest in the ongoing development of your cloud solution.

System presentation and usability: In the course of a live demonstration, the cloud were able to present the functionality of their systems using HR processes selected by Covestro. Different groups of employees evaluated the usability of the HR cloud solutions offered. The result was a shortlist of the favored 3 HR Cloud/SaaS providers.

Decision and selection: Contract negotiations have started with the remaining 3 HR Cloud/SaaS providers. Their results, combined with the findings of the Evaluation Score Card and strategic considerations about the HR IT orientation of Covestro, led to the decision.

This is how HCM supported Covestro in its project

HCM Consultant Group GmbH was already Covestro's HR/IT consulting partner for the 2015 carve-out from the Bayer Group. It was thus able to contribute the in-house know-how acquired there together with its best practice expertise from other cloud provider selection projects in the best possible way to the advantage of the customer. The consulting spectrum included the conception of the RfP, the creation of the Evaluation Score Card including the applicable evaluation system and usability criteria as well as the creation of the business case for the implementation project of the future HR Cloud Solution.

Added value for Covestro

The HR cloud provider selection was a core component of the overall project to replace the HR system landscape at Covestro that was taken over by Bayer in 2015. On its basis, the provider selection could be made reliably and the migration to the new HR Cloud solution could be successfully carried out in the meantime.

The HCM Consultant Group made a significant contribution to the success of the project with the following results:

- Selection process, selection criteria.
- Conception and execution of the RfP.
- Development and creation of the Evaluation Score Card and its evaluation system
- Preparation of the business case for the subsequent HR Cloud implementation project
- Preparation and execution of workshops with providers including evaluation.
- Decision preparation.

