

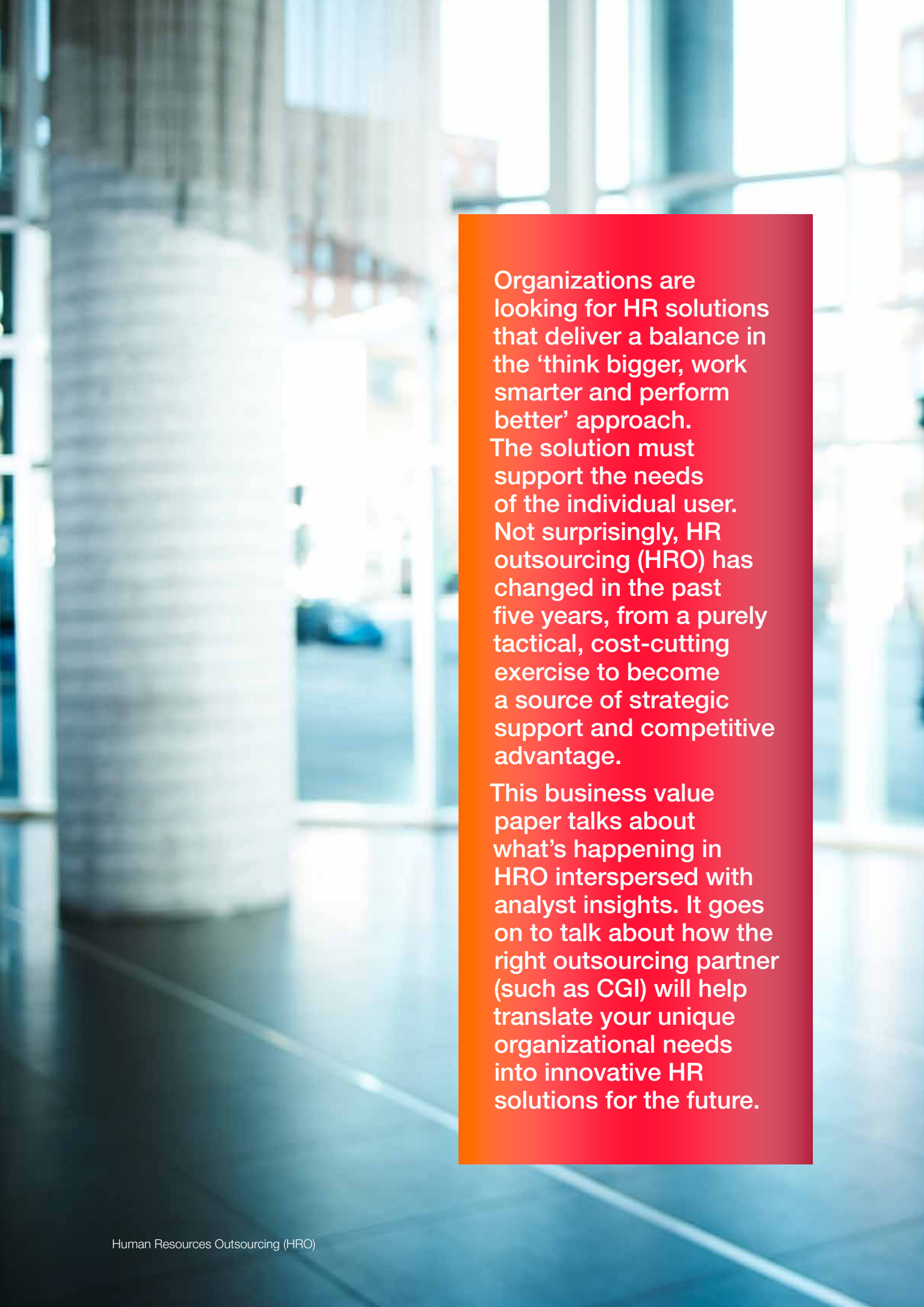
CGI

Experience the commitment®

Let's build sustainable HR together

Human Resources Outsourcing





Organizations are looking for HR solutions that deliver a balance in the ‘think bigger, work smarter and perform better’ approach. The solution must support the needs of the individual user. Not surprisingly, HR outsourcing (HRO) has changed in the past five years, from a purely tactical, cost-cutting exercise to become a source of strategic support and competitive advantage.

This business value paper talks about what’s happening in HRO interspersed with analyst insights. It goes on to talk about how the right outsourcing partner (such as CGI) will help translate your unique organizational needs into innovative HR solutions for the future.

The market drivers for HR outsourcing (HRO)

The role of HR in the organization is changing in relation to the business and workforce.

Multiple factors are driving change within organizations: a global workforce without physical borders; multiple generations working alongside; greater recognition of human capital by business leaders. It's a digital age where a changing work ethic demands 24/7 availability, smart working, mobility and social networking.

Do more for less. Become an employer of choice. These are priorities for organizations today. And thanks to globalization, they want to keep their competitive edge.

Work smarter and reduce costs is therefore, the motto. Consolidate and simplify processes where possible, and when making an acquisition, the strategy is to do it seamlessly and quickly.

Retaining people is a critical factor especially when it's about retaining the organization's most valuable talent. Market leaders across a wide range of industries are establishing innovative people practices that help build and understand their people's talent-related needs, preferences and behavior.

Regulations are changing, thanks to Basel II, Solvency II, Sarbanes Oxley (SOX) and the European Union Markets in Financial Instruments Directive (MiFID). Compliance is in demand. Organizations also need to comply with Corporate Social Responsibility (CSR) legislation. Modern organizations require solutions that comprehensively monitor financial, environmental and safety aspects, and improve the accuracy of information used for reporting and control. Such information often residing in multiple systems, must be consolidated, analyzed and presented in alternative formats.

While these factors generate an increasing spend on human resources, we also see a strong, positive trend in the changes they trigger within the organization; changes that are transforming the role of the HR function.

Organizations are looking for HR solutions that deliver a 'balance' in the 'think bigger, work smarter and perform better' approach. They are looking for HR systems that are effective, personalized and intuitive to use. And support all potential events, key processes and needs of the individual 'user'.

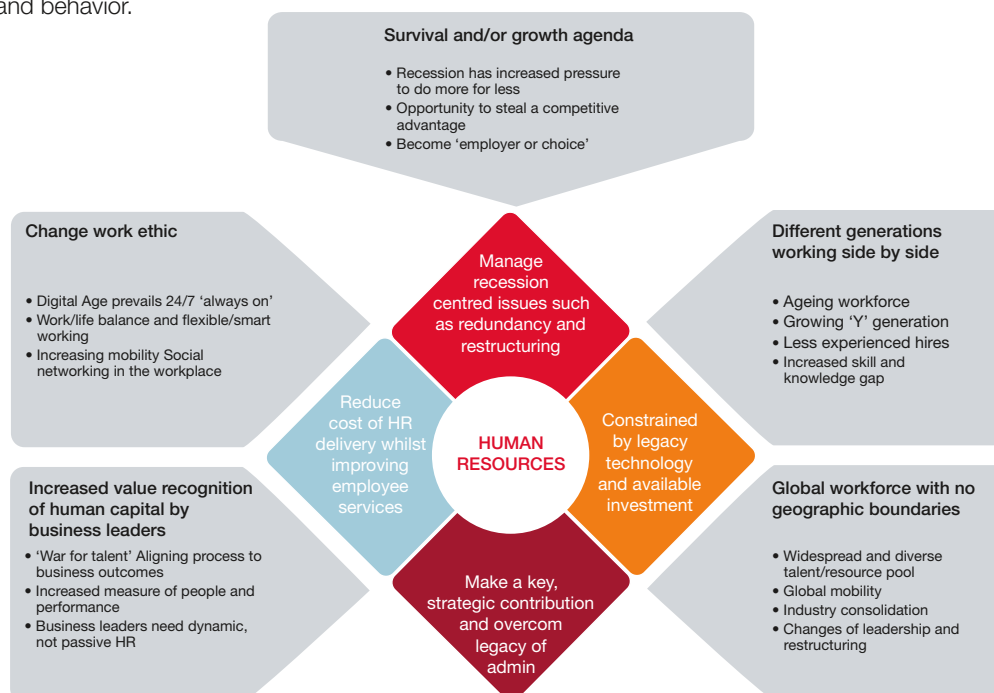


Figure 1: How global economic & labour trends are increasing pressure on the business and HR.

The future of HR

HR outsourcing has changed in the past five years, moving from a purely tactical, cost-cutting exercise to become a source of strategic support and competitive advantage. As the HR outsourcing market expands and fragments, HR Directors must make informed decisions about which provider to select, how to make the most of the services they offer and how best to integrate HRO with the services that remain in-house. This is an extract from a report by Orion* that brings into sharp focus the opportunity to improve people strategy execution through HR outsourcing.

By outsourcing HR services, organizations are looking to achieve tangible benefits at the enterprise level.

According to Nelson Hall, in EMEA the total HRO market is likely to grow from \$11.5 billion in 2011 to \$14.9 billion in 2015. Of the HR lines of service, payroll is in the leading position for growth followed by recruitments process outsourcing, multi-process HRO, benefit administration, and learning.

By outsourcing HR services, organizations are looking to achieve tangible benefits at the enterprise level.

Sustainability is CGI's vision for HR

Where you:

Reduce costs significantly. Reinvest what is saved in top-line growth initiatives. Streamline, optimize and improve HR processes. Manage the workforce better. Improve the service experience of managers and other employees from your HR organization. Capture and interpret the employee data that flows through your administrative

processes. Use this data to predict future workforce trends and measure HR's impact on business performance.

Organizations are already experiencing these multiple benefits by outsourcing administrative processes.

We want to create the kind of competitive advantage that is enduring. We want to extend the potential of HR to make it sustainable. It is essential for companies to be adaptable and employ a flexible workforce, which is able to fulfil different roles depending on the requirements of the company at each time. As an important part of the sustainability of a company, such an HR function will support the company's business strategy and results. It will not only control human capital risks but get more out of the workforce and enhance operational efficiencies.

Building a strong foundation

We've helped a lot of businesses make the most of market opportunities by developing systems, processes, technology and service delivery overall. But we also know that people and their management are vital for any successful business.

To begin with, HR processes need to be properly aligned with business. Introducing strong people practices and program (for example promoting retention of key talent, and workforce engagement in the sustainability journey) - in line with the rest of your business will help employees to stay inspired and focus on business goals. You can do this with the help of our HR operating model. The model provides an overview that helps understand the maturity of the HR function.

Another important aspect to consider is the future outlook with respect to people in the organization. The number of employees, quality of the workforce that needs to be hired - are the kind of insights that will help provide more effective forecasts. We help you do this using our HR business function model.

* Orion partners are leading advisors in HR transformation, the creation and execution of Talent strategies to achieve measurable business results.



A sustainable HR will help make your back office transactions more efficient. It will also make sure you have the right people in place based on the right competencies through practices such as Workforce Management.

You'll have processes that take care of skill gap analyses, integrate recruitment and deployment of permanent and temporary staff, and maintain the talent pipeline through Integrated Talent Management.

Our Outsourcing Services provide innovative solutions for sustainable HR.

We work together with the partners in our ecosystem to cover every aspect of HR services. We conduct regular innovation boards with our HRO clients to discuss where they can get most value from their investment in CGI and our technology platform.

A snapshot of our focused HR services:

Need	Our solution helps you with:	How we will help:
Extract more value from your human capital.	Program to attract and retain key employees, in the right positions at the right costs.	<ul style="list-style-type: none"> • Get and retain the right people, in the right positions, at the right costs. • Enable you to manage talent on a global scale rather than national or regional scale to effectively compete in the international marketplace.
Reduce the total cost of ownership of HR.	Improved HR services, while reducing the cost of executing your HR administrative processes.	<ul style="list-style-type: none"> • Create process uniformity, recognising local regulatory required information to foster a low-cost, administrative delivery model. • Install an employee and managerial self-service culture. • Implement a global, scalable, blended delivery model.
Improve the quality of services from your HR business partners.	Taking out the administrative component of strategic HR positions to enable them to focus on consultative and analytical interactions with managers and provide more value-added HR services.	<ul style="list-style-type: none"> • Provide timely and consistent metrics that are aligned across the organization. • Improve access to HR information and people insight.
Assure HR continuity.	Scalable subject matter support based on actual demand for HR and payroll services. Global control, support and visibility of the HR system across different countries.	<ul style="list-style-type: none"> • Provide expert knowledge and resources for specialized activities.
Unlock the HR services in your ERP system.	Lower HR technology operating costs, while the existing ERP system is optimized.	<ul style="list-style-type: none"> • Use our investments in pre-build assets that can be easily adapted and re-used. • Integrate HR applications with the organization's broader technology strategy.

A Dynamic HR Framework

A robust, agile and scalable HR service, adaptable to meet business change

Our framework for adopting best practice in HR and HR technology as it evolves makes sure you can always take advantage of new technological developments such as self-service processes, mobile capabilities, enterprise social networking and predictive analytics.



Figure 2: An introduction to CGI's Dynamic HR Framework

Our services are based on our Dynamic HR Framework, which is a fully developed industry standard for multinational companies. It's a highly standardized framework built on best practices and supported by the latest cloud technology.

The framework is flexible and dynamic to ensure that we can customize our services to suit both specific and unique client requirements.

We'll work both globally and locally where required. And through our blended delivery model, we'll ensure we bring the necessary local touch to suit the language, cultural, legislation and data protection requirements that are unique to each organization. In addition to local HR service centers, we have multi-language offshore HR Service Centers based in India, Prague, Morocco and the Philippines for HR solution building and services. Our extensive experience working across the spectrum of third party vendor products helps us take a firm business perspective. We use our capabilities in implementation and integration supported by BPM knowledge and expertise to design the best solution for each of our clients.

Our HR Dynamic Framework is a blend of:

- business change management
- transition and transformation program management
- HR, payroll and business consultancy
- standard building blocks for hr services and processes including service desk, transaction processing, experts, reporting, value added services (ITM)
- Oracle platform (on-demand in a SaaS model), including a high-level of self-service and straight-through processing
- best of breed applications to support ITM
- system integration.

It is designed in such a way that it ensures HR processes are properly aligned with your business strategy to answer today's challenges.

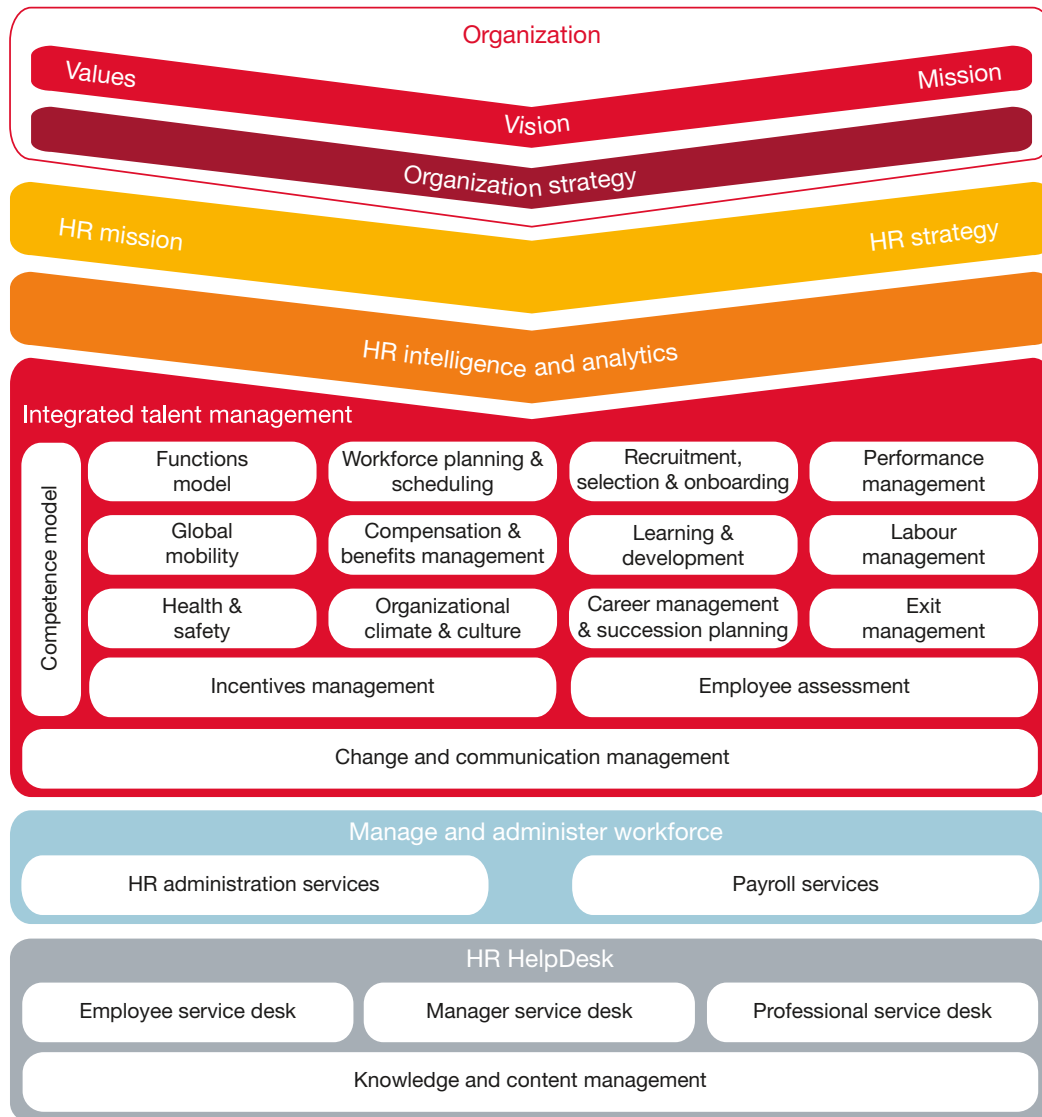


Figure 3: HR Dynamic Framework

Our Dynamic HR Framework:

- optimizes integrated talent management, adding value to the business through its employees
- ensures workforce management and administration processes are simple and efficient to provide the relevant information, at the right time, to the right people
- provides support and service desk services - the single point of contact for all employees and managers, not limited to transactional processes only, but also providing information, answers, content and knowledge on more complex matters
- uses HR intelligence & analytics for better understanding of the impact of implemented measures.

What CGI can do

We can:

- help transform your HR operation by optimising transactional processes and services and improving them continuously. You will be able to get more out of your human capital through integrated talent management
- make the best use of the employee data that flows through HR processes. You gain useful insights into your workforce that will let you take the right actions, proactively and pre-emptively
- provide a number of pre-built assets that result in agile solutions with professional pragmatism. We employ proven pre-built assets, pre-existing knowledge which means less risk and no new tooling. This, in turn, means affordable, interoperable (hence flexible) components. We're vastly experienced in incremental or big bang transition, and offer proven SI capability
- save up to 50% of your current HR cost in both internal and external spending. We can help you reinvest some of that saving, so you can further improve your operating model and employee services
- save more than 15% of the total cost of ownership (TCO) for temporary staffing by using our total workforce management solution. Our solution ensures the demands for managing a flexible, mobile workforce are met, both locally and worldwide
- enable innovative and continuous improvement. With our strong background in product and service innovation, we ensure continuous improvement program for each service. There are initiatives designed to improve service levels, reduce the cost of operation and improve employee retention
- ensure efficient, well-maintained and continuously improved processes. We do that through our business process management (BPM) and effectively control, integrate and automate your key processes, including those linked with third party service providers
- provide complete HR (BPO) services include payroll, recruitment and on boarding, learning services, performance management, core HR administration and HR help desk.

Our Dynamic HR Framework provides a model that has been proven to deliver the business benefits of HR - by enabling talent management, workforce administration, support and service desk, as well as HR intelligence and analytics.

You can reduce HR technology operating costs by using our investments in pre-built assets. This means optimizing existing ERP to better support HR service delivery strategy, improving information access to provide organizations with better people insight, and integrating HR applications with the organization's broader technology strategy.

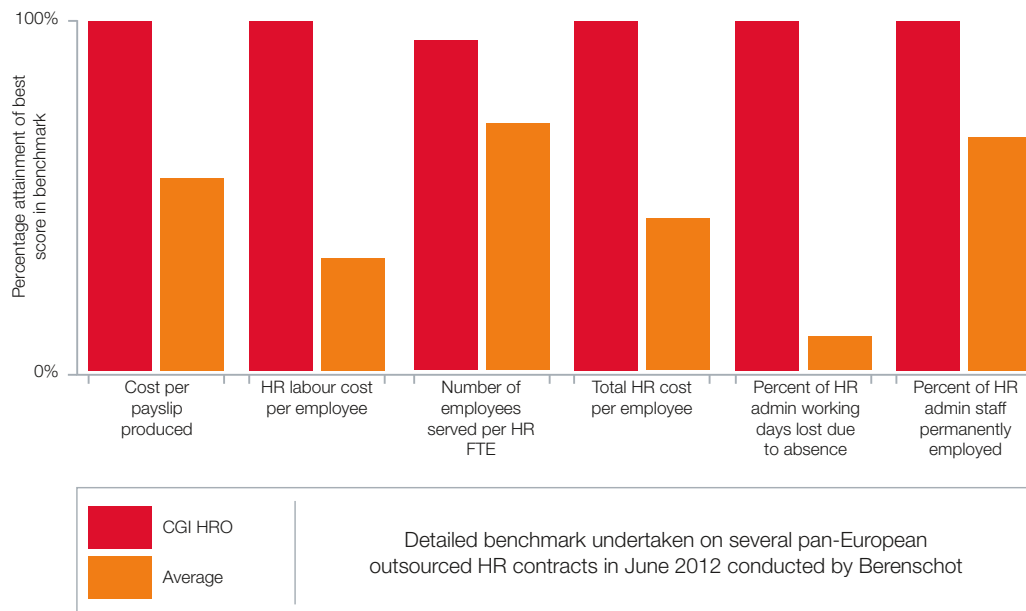


Figure 4: Why Dynamic HR makes a difference

Here's how our solutions make a difference:

- We deliver HR services - from consultancy to outsourcing
- As a leader in HR outsourcing in Europe, we offer over 40 years of experience
- Our clients work with dedicated teams who have an excellent knowledge, expertise and experience in HR.
- Our knowledge of vertical industry requirements, as well as local and legal requirements means we can design the solution that is most appropriate for you, and deliver best in class processes.
- Our approach to requirements management enables complete traceability of your requirements back to sources, process models, system specifications, and test plans.
- We provide business process modelling tools plus collaboration tools that help develop and manage the business models in partnership with our clients.
- We understand how to operate a best in class HR service center.
- Our blended delivery model enables us to provide the best mix of local expertise and near and offshore expert centers, lowering cost and controlling risk for you.
- We don't just implement IT applications - but also offer specific propositions that answer your specific business challenges.
- We have strategic partnerships with global operating companies. Oracle is delivering HR platforms and some of our common clients include KPN.

Our global footprint

Globally, we have the competence, experience and a tried & tested dynamic framework to deliver HR solutions that translate into tangible business benefits. We're a major preferred partner of Oracle for HRO in Europe.

Our multi-country HR BPO platform, developed in collaboration with Oracle is being deployed to deliver service over thousands of employees working for our clients.

Since the merger of CGI and Logica our company is in the process of implementing an Oracle solution which will result in 70,000 members working with Oracle upon completion.

Orion has published a whitepaper on 'Improving people strategy execution through HR outsourcing.' A number of case studies have been used to illustrate how many of the recommendations outlined in the paper are working in practice.

Client: KPN

The leading telecommunications and ICT service provider in The Netherlands.

Challenge: restructuring measures: a simpler portfolio, reduced workforce and tighter cost control strategy.

Scope: technical management of their HR and payroll system. KPN's shared services center was already a well-run outfit. We offered to do even better by proposing a joint approach in a multi-client environment.

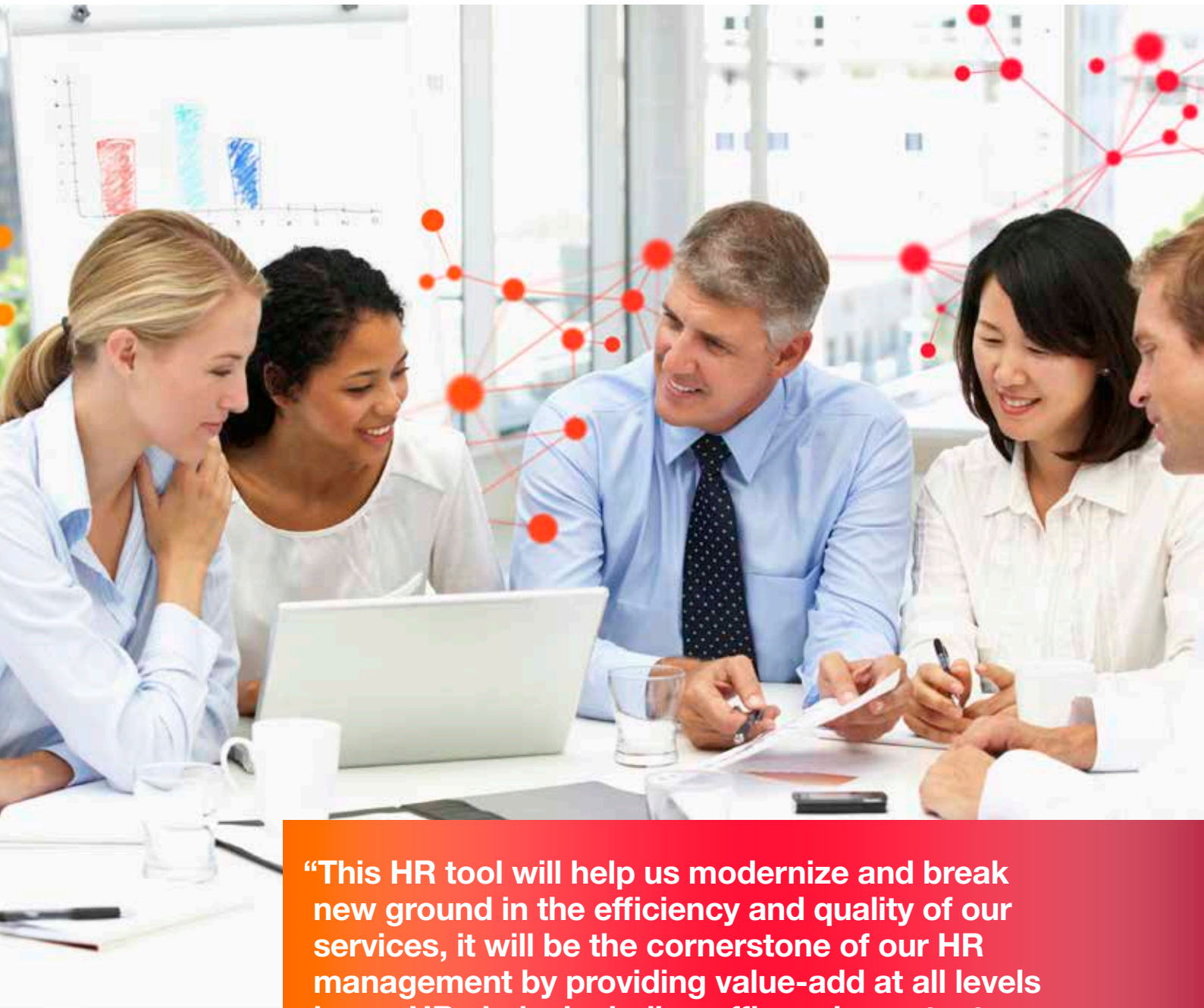
Benefits: We took over the HR call center and supporting information systems, and now provide personnel & payroll administration for 17,000 employees. A standard payroll system operates seamlessly across KPN's sites.

Client: The French Ministry of Defense

Challenge: merge five existing HR systems used by 300,000 agents into one.

Scope: based on SAP HCM, the HR information system will help increase economies of scale by streamlining and pooling HR resources across the Ministry.

Benefits: improve the service for 300,000 officers in the Department including dematerialization and relief acts management, global payroll and the deployment of tools and training.



“This HR tool will help us modernize and break new ground in the efficiency and quality of our services, it will be the cornerstone of our HR management by providing value-add at all levels in our HR chain, including officers in contact with the administration and those responsible for local management at headquarters.”

Controller General of the Army Jacques Roudière, Director of Human Resources at the Ministry of Defense



“CGI helped us drive significant cost out of the business by creating self-serve technologies that put control into the hands of employees who are the source of information ”

Robert Turner, Senior Director - Employee Services,
Bell Canada

Client: An independent facilities and telecommunications consulting and training firm

Challenge: improve their quality of service to get better results.

Scope: a new SAP back office; use agile technology to develop functionality. Our international experience with mobility fitted the client's need to innovate the way they supported their internal and external customers.

Benefits: optimized time writing process - what was done in five steps is now achieved in just two. Cost has been reduced due to paperless, automated processing. Teamwork and partnering with the best: that's how we build solid relationships. We can choose the best breed of partners to find the solution that works best for you.

Client: Bell Canada. Canada's largest supplier of telecommunications services.

Challenge: The employee self-serve solution was part of a larger project by Bell to migrate its legacy HR system to the SAP HR solution. Bell was looking to provide all of its employees with a tool that would allow them to access, view and in some cases update many of their HR records. CGI was asked to develop the self-serve solution and integrate it into Bell's new SAP HR system. Bell called on PricewaterhouseCoopers to assist in the design of the accompanying business processes to ensure they were aligned to best industry practices.

The Results: Bell has provided its employees with a state-of-the-art application reflective of the company's reputation for technological excellence, and employees are delighted with their new tool. They have access to view and maintain their employee records, and they can also see their pay stubs online in a secure, user-friendly manner.

Bell has realized substantial savings in the cost of printing and distributing paper documents to its employees, while making the same information available in a more timely and efficient manner. Bell has also seen a reduction in the number of calls to its HR office, as employees can now obtain answers to many of their administrative questions online. A year after implementation of the employee self-serve tool, many employees say they can't believe they used to receive their pay information on a piece of paper every two weeks. A detailed history of their pay stubs is now at their fingertips.

Finding the right partner for HRO





We believe you are looking for us. As your trusted partner, we'll combine innovation and technology smartly to deliver real business benefit to you.

According to Gartner, our market understanding of HR issues - as well as buyer wants and needs - is above average. It's the kind of understanding and knowledge that has come to us with more than 40 years of solid experience. At the same time, we understand the trends in the industry and the complex demands on your workforce. We work locally across Europe and know the landscape well. When it comes to execution, we are both quick and dependable. And we are happy to share our knowledge and capabilities to help build sustainable HR into your organization.



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With over 70,000 professionals in 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of on-time, on-budget projects. Our high-quality business consulting, systems integration and outsourcing services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our average client satisfaction score for the past 10 years has measured consistently higher than 9 out of 10.

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