

Severn Trent Water
taps into
MidlandHR
expertise



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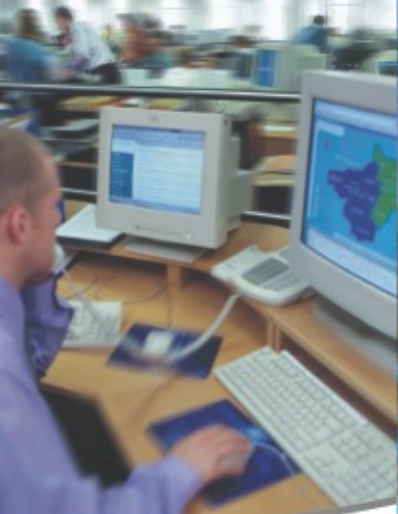


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Severn Trent Water



MidlandHR helps cut development costs at Severn Trent Water by £1.5 million

Severn Trent Water taps into MidlandHR Expertise

Severn Trent Water serves over eight million customers across the heart of the UK, bringing nearly two billion litres of drinking water a day to homes and businesses, and taking waste water away to be cleaned and safely returned to watercourses throughout the Midlands.

The company provides a broad range of water and environmental services to organisations throughout the UK, from taking care of water quality standards to protecting onsite water and wastewater assets. It also works to create an environment that can be enjoyed by all, by maintaining footpaths, planting trees and improving access to recreational sites. Severn Trent Water is the world's fourth largest privately owned water company. It provides payroll services to companies across the ST Group and has over 7,000 people on its payroll.

Critical challenge: reducing cost

Severn Trent Water previously used an Oracle payroll and human resources solution to pay their employees, but the system was extremely costly to maintain and the management team felt that by eliminating this cost, they could put the money to better use elsewhere and provide greater value for their customers.

Chris Blakesley, Pay and Benefits Manager, comments: "We seemed to be constantly investing capital in the upkeep and upgrading of the system. Working in a highly regulated industry, we needed a solution that could provide the full range of payroll and HR functions, but at a greatly reduced maintenance and support cost. We also had to ensure that the company we selected had a satisfactory development plan so we could see where the product was going."

A flexible approach reaps rewards

Severn Trent Water began a procurement exercise to find a new payroll and HR system, which resulted in the selection of Trent from Midland HR. "We liked the modular approach, which meant that we could implement different parts of the system in our own time," said Chris. "Initially we selected the people management, payroll, absence monitoring and administration functions, which went live in April 2002. This flexibility also meant that we could

outsource some elements to MidlandHR in a partially managed contract, which compared favourably to other providers where the system offered was either in-house or fully outsourced. MidlandHR hosts our system and takes care of our payroll printing, BACS processing and Inland Revenue reporting and also provides product support. We handle the rest."

Soon after implementing the system, Severn Trent Water wanted to include the processing of expense claims, primarily for business mileage. "MidlandHR worked with us to determine our exact requirements and develop a tailored expenses module, which was ready in just eight months. I was impressed with their flexibility in meeting our exact requirements."

Self-service helps curb workplace absence

Since, Severn Trent Water has rolled out other parts of the Trent system including recruitment and training in April and July of 2004 respectively. Most recently, in March 2005, they added a manager self-service function for 850 managers. "The key benefit of the self-service module is that managers can record absence online, meaning that information is more current," comments Chris. "We currently have an absence reduction initiative to increase employee attendance. The system is helping us to work towards reducing absence levels by 0.7% and subsequently offering a higher pay package for 2005/2006."

Self-service also allows line managers to look at employee records, taking strain off the HR department that would have previously sourced these files."

"Our cost savings since using Trent have been fantastic, and MidlandHR has shown their capability to be flexible and meet our needs, however they change along the way."

£1.5 million savings over five years

Over the five-year period to 31st March 2005, the Trent HR and payroll system has cut development costs at Severn Trent Water by around £1.5million, which is a 60% saving in capital investment.

"We have also been able to take more control over recruitment by creating a central team to handle the function, instead of each department recruiting for its needs," says Chris. "This means that we can focus on creating a Severn Trent recruitment brand, which encourages people to work for us. Our human resources team has more time to focus on core HR issues and is not caught up in administration."

Employee self-service available for all

During 2006/07 Severn Trent Water plans to roll out self-service to 4,500 employees. "Initially they will be able to look at their employee record and change basic information such as bank details, address and marital status," says Chris. "Within 18 months, we plan to enhance the function so that people can input overtime and expenses, book courses and apply for jobs internally."

"We would like to see employees using the system to its full potential. We are in the process of training a range of staff to use self-service, from office workers to off-site labourers, all with differing levels of IT Knowledge. We hope to make the system more widely available by offering remote access from home, a laptop or a PDA. We are also considering kiosks, where non office workers can use self-service, so that everyone can see the benefits."

Chris concludes: "Our cost savings since using Trent have been fantastic, and MidlandHR has shown their capability to be flexible and meet our needs, however they change along the way."

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