

# All in one?

nex**ON**BÉR

nex**ON**HR

nex**ON**TIME

at Exel Hungaria

(case study)

*Client* Exel Hungaria Kft.

*Sector* logistics

*Solution area* payroll accounting, HR

*NEXON solution* nex**ON**BÉR, nex**ON**HR, nex**ON**TIME

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# All in one?

## nexONBÉR, nexONHR and nexONTIME at Exel Hungaria

*In early 2005 Exel Hungaria introduced three NEXON products, nexONBÉR, nexONHR, and nexONTIME. As Gergely Zajkás, the company's human resources manager, explained, the decision-makers' primary goal was to make HR administration more flexible and transparent, and easier to manage.*



*- By way of introduction, could you outline what payroll accounting is like at Exel?*

Zajkás Gergely: - In autumn 2004 our company bought Tibbet & Britten, which likewise deals with warehousing and transport. As most of the current employees, including myself, came from the acquired company, it's worth taking this as the starting point.

At Tibbet & Britten's companies payroll

accounting was traditionally part of finance and was only transferred to HR in January 2004, shortly after I joined the company. After the transfer it became obvious that we had to confront grave problems in the area of payroll. Some of the difficulties arose from the fact that the wages program we were using didn't meet the company's requirements. The organisation had grown dynamically and the system, originally calibrated for 250 people, couldn't be expanded to match the developments that produced an organisation with 1,200 workers. This was compounded by the introduction of performance-based wages (TB<sup>®</sup>) affecting some 800 employees at that time.

*- Well, that in itself sounds like enough to give any HR manager a headache, but presumably the problems aggravated each other...*

G.Z.: - Yes, they did just that. We changed the basis for the payment of the employees' wages and they began to pay greater attention to what sums they were paid on their wage slips and why they were paid them. With performance-based wages employees know on a day-to-day level when and what they perform, and by adding together the data can see how much they should be paid at the end of the month. Our colleagues did the same thing and this heightened attention brought anomalies within the calculations to the surface.

*- Without naming the product, could you describe the type of problems that occurred with the system?*

G.Z.: - There were constant problems with taxation. Essentially the program didn't do the obligatory calculations. On top of this, it turned out that there were major discrepancies between the wages posting and the wages transfer files in spite of the fact that the data originated from the same place. This gave rise to the suspicion that something was not right with the program's parameters.

*- What were you able to do in this situation?*

G.Z.: - I simply paid attention. I started to look at everything thoroughly, treating the whole of wages accounting as my own problem. The first three months at the beginning of 2004 were critical. Accounting the payroll slipped and the introduction of performance-based wages made the job more difficult. And, in addition to the errors already mentioned, it came to light that the parameters of the wages accounting system we were using then couldn't be set easily - IT development was needed for almost all the settings.

*Exel Hungaria Kft. is the Hungarian subsidiary company of one of the world's biggest providers of logistics services, Exel, which has a presence in 135 countries around the globe. The firm operates numerous logistics centres nationwide, covering an area of some 100,000 square metres*

*and employing 900 people. With a sales revenue of HUF 10 billion in 2004, it is a dominant player in the Hungarian logistics market. It has many manufacturing and trading companies among its clients, such as Stollwerck, GSK, Tesco or Auchan to mention but the largest.*

Then there was a major change in the spring. The composition of my team altered. I took on a new payroll colleague, whose excellence greatly contributed to revealing and solving the problems. By the autumn we reached the point where a new, outstanding payroll accounting team had come together and the service provider had been persuaded to fix the system. So almost everything was going as it should. We could fulfil our obligations to provide basic data and calculating wages was also on track.

*- But today you use NEXON products - there must have been a reason to switch over...*

G.Z.: - That's right. We did switch over even though we had managed to fix the bigger errors. This was because we realised that we were trying to get the best out of the system in vain as it would never be perfect no matter how many errors we put right. We would have had to reconstruct everything from the basics but the background support of the service provider wouldn't have been sufficient. That's when we had the idea of calling for tenders for an integrated system that matched our expectations and, if we had to build from scratch, then we should do so with a new system.

*- You used the word 'integrated'. Would you tell us why you were looking for an integrated system?*

G.Z.: - Because on no account did we want to lose one important advantage of our existing system, i.e. that the wages and HR modules ran in the same database and were accessible on a single interface.

*- I see. So, you invited tenders and NEXON emerged as the winner. Would you mind explaining what the specifications you set out were?*

G.Z.: - Compared to the other half a dozen tenderers, NEXON had one clear advantage in that they presented a system whose modules were able to handle all the subsidiary tasks of both payroll management and HR. Besides this NEXON stood out from the others as the most convincing: they offered a more user friendly, easy-to-manage, integrated system and what's more the prices of

**“they offered a more user friendly, easy-to-manage, integrated system and what's more the prices of NEXON's systems were good”**

*- So that was the basis of your decision to buy NEXON's payroll management system, nexONBÉR, and their HR system, nexONHR. What happened next?*

G.Z.: - The project ran into a snag immediately. It turned out that the data files produced by our TB<sup>®</sup> program for recording employees' working hours which we had developed ourselves was incompatible with nexONBÉR's import mechanism. As the invitation for tenders stipulated that the new solution should be able to accept these files, we insisted that NEXON altered nexONBÉR's import mechanism to be able to accept them in the format produced by our system. NEXON set about doing so and, to our great surprise, in a trial run using the data it worked without any discrepancies. In this way the difficulty immediately became a pleasant surprise as, after suffering for a year with the previous service provider, it was good to have a partner that could react straight away and effectively to problems.

*- What is so special about your performance-based wages system that demands the development of an individual solution?*

G.Z.: - The system is about pure performance-based wages. We agreed on hourly rates and established the norms for activities performed by employees. For instance, we defined how many units a warehouseman should get ready in an hour. If he meets this standard, he receives the hourly rate. If he falls below it or exceeds it, the hourly rate alters accordingly.

To cater for this we devised an IT system that records the hours worked and employees' performance compared to the norms in percentage. The system automatically calculates the performance of an employee in percentage for a specific day and gives the wages of the employee for that day, thus it performs the most basic payroll accounting calculations. What is imported into the payroll system is not time data but payroll data. This meant that nexONBÉR had to be able to accept

**“it was good to have a partner that could react straight away and effectively to problems”**

this individual format and it shouldn't do the calculation again but be able to add missing data, such as data on absence, to the calculated figures. This really was an individual solution, which nexONBÉR had to be customised to deal with.

*- So the introduction was under way and nexONBÉR overcame the first hurdle, handling the individual import files. What was the situation in other areas?*

G.Z.: - A problem arose when it turned out that in addition to nexONBÉR and nexONHR selected on the basis of the original call for tenders, we also had to buy NEXON's working time registration system, nexONTIME, in order to achieve the functionality we had imagined. You see, some of our colleagues still work in a time-based wages system and for their payroll accounting the simplest solution is the introduction of NEXON's clocking system.

*- How did this omission occur? Why wasn't nexONTIME included in the original tender?*

G.Z.: - Well, I think there were two things we might have done differently. Firstly in our call for tenders and the subsequent negotiations we laid too great an emphasis on consistency in payroll accounting and paid less attention to other areas. Then we didn't examine the functionality of the programs in sufficient detail, assuming they contained the necessary solutions.

But this didn't help us at the time. Moreover, when we showed NEXON what sort of cafeteria system we wanted, we learnt that it would only be possible if we ordered the NEXON Cafeteria system as well. Fortunately, we're through this now and NEXON gave us a discount on the price of the subsequently purchased systems and I must add that by the end of the project they tailored their HR system for us in a way that exceeded all our earlier expectations.

*- Allow me to clarify this. When you invited tenders, you didn't have a cafeteria system and you only began to plan this later without involving your colleagues from NEXON?*

G.Z.: - Exactly. When we bought nexONBÉR, we asked whether it could handle cafeteria elements as well and the answer was yes, it could. Well, the system can indeed handle cafeteria elements but in a way that the

elements each employee receives must be recorded and these recorded elements can't really be changed easily. We, however, had begun thinking in fixed benefit packages and nexONBÉR was not enough to deal with this.

*- That's right. Now you're through this drawn-out procurement, what do you think the advantages of NEXON systems are?*

G.Z.: - They're user friendly, fast, logical and easy-to-understand. In the old days, to modify a single item of information about an employee, we had to open a dozen windows. Today, in nexONBÉR everything can be done simply and logically with a click or two.

I must also mention how well-prepared our colleagues from NEXON were. The introduction was managed by Győző Barancsi, Valéria Kassa, István Pálfi and Péter Ángyán for the service provider. Valéria literally managed us, organising the people in payroll's time and telling us when to do what. This is just the support I expect from a supplier. But István also deserves special mention as NEXON's officer responsible for nexONHR. His work was likewise outstanding. In

nexONHR the mapping of our entire performance-based system was realised in a way that I would never have dreamt of at the beginning of the project! Like this in future we can print out in an instant how close we are to achieving the goals we set ourselves. This is a giant leap forward for us as until now HR staff compiled the necessary information separately from different premises.

*- Lastly, I'd like to end our conversation by asking what lessons you have learnt from the experience...*

G.Z.: - I think it is very important to buy the right payroll management and HR systems from the right service provider as payroll accounting is a sector of HR management which fundamentally affects the satisfaction of employees.

We are very proud of our results and the fact that another two Exel subsidiaries dealing with car part logistics and transport will join us shortly and raise the number of employees handled by NEXON systems by about 450 is a proof of our acknowledgement.

*“In nexONHR the mapping of our entire performance-based system was realised in a way that I would never have dreamt of at the beginning of the project!”*

## Hungary's top service provider in human resources management

**NEXON** was founded by three people in 1989, and developed together with Hungary through the change of political system to become today the country's market leading service provider of information technology for human resources management. With over 150 employees, the company's net sales revenue exceeded HUF 1.6 billion in 2004. Its most important product is **nexONBÉR** (formerly BERENC) providing a full payroll administration service, which is continually developed. Due to 10-15 updates each year it always complies with Hungarian regulations, and is reliable and current. **NEXON**'s other products are **nexONHR** human resources management system ensuring the successful use of human capital, and **nexONTIME** entry and working time registration system. In addition, the company provides a full payroll accounting outsourcing service under the brand name **nexONSOURCE**.

**NEXON** has had ISO 9001 certification since 1996, and in 2002 received the title Microsoft Gold Certified Partner in recognition of the highest professional expertise, the first such award in the software products category.

Today **NEXON** serves the needs of 2,400 clients and over 1 million employees at its ten premises in Hungary.

### **nexONHR** human resources management system

**nexONHR** is a sophisticated tool in conscious labour force management. It helps in making well-founded decisions for every person involved in the company, be they employees or applicants, and contributes to companies successfully exploiting their human capital.

**nexONHR** combines the experience of global companies with special domestic features. The basis of its development is Best!HR, the market leader in many European countries, with over 40,000 references worldwide.

The system complies with Hungarian legislation and requirements, and can be integrated with **NEXON**'s payroll accounting and working time registration systems. **NEXON**'s staff support the introduction process with customised advice on implementation.

The modules of the system are recruitment, personnel records, training and development, reviewing organisational structure of a chosen date, planning organisational structure, and career and succession planning.

### **nexONBÉR** payroll accounting system

**NEXON**'s leading product is **nexONBÉR** (formerly BERENC), offering full payroll accounting services. Currently over 1 million employees' wages are accounted using the different versions of the software in Hungary. **nexONBÉR** can be integrated into many company management systems including BAAN, EXACT, MFG-PRO, IFS-AVALON, Microsoft Business Solutions Axapta and Navision, ROSS, SAP, TŰSZ, rEVOLUTIONS Office++ and Zenit. Due to its modular system, scalability and high performance, it offers a truly efficient payroll accounting solution for clients. The program's modules, such as labour, National Health Fund provisions, family support, general queries and cafeteria, comprehensively cover all the areas of payroll accounting.

### **nexONTIME** Entry and working time registration system

The **nexONTIME** entry and working time registration system is not simply designed to clock employees and to control security technology equipment. It is truly unusual in that, as opposed to traditional systems, it is able to fully process the working times recorded and collected according to the needs of payroll accounting and planning work, and displaying these for management and employees.

The **nexONTIME** system makes employees' performance analysable, immediately filtering out problems in waging and resource management, and significantly reducing overtime and wage costs. Thanks to the web interface, even remote premises can easily be linked to the central register and employees can follow the processing of their own time data self-service style, allowing them to see exactly, for instance, their assignments, balance times, leave arrangements, and to administer or possibly correct their own electronic time sheets or directly indicate their leave requirements.

Besides the integrated handling of working time registration, **nexONTIME** naturally can do everything expected of a traditional entry system: the entry of employees, the monitoring and potential prevention of movements between buildings and floors, and the control of doors, barriers and other security devices.

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