

Faster ability to react - strategic advantage

(case study)

nexONBÉR and **nexONHR** at the OBI store chain

Client: OBI Franchise and OBI Store Chain
Sector: commercial (DIY)
Solution area: Integrated wages and human resources management
NEXON solution: **nexONBÉR, nexONHR**
Date of case study: 1 March 2005



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nexONBÉR and nexONHR at the OBI Store Chain

In September 2004 the company management decided to change the payroll administration system and their service provider in order to resolve the problems until then and effectively support dynamic growth. nexONBÉR was introduced throughout their network in Hungary and in conjunction with this nexONHR guaranteed up-to-date human resources management. The project due for the end of 2004 had to be realised within tight deadlines, presenting a tough challenge for both NEXON and OBI. We asked Zsolt Gavallér, personnel manager at OBI Hungary Franchise Center Kft, about the details of the project.



- Overseeing the management and administration of such a large staff, especially at a time of dynamic expansion, as the personnel manager is certainly not an easy task. What IT solutions supported your work prior to the introduction of the new system?

- In the 17-member OBI store chain and franchise centre supporting them there are at present, in early 2005, over 1,300 employees.

And this number is growing from year to year by several hundred. It is indeed a fairly tough task to provide the existing workforce with appropriate services while having to deal with taking on, inducting and regularly training new employees to cater for growth. This is a constant challenge for those working in the field of human resources and payroll accounting, but also in general for every member of staff as our stores have to be planned, built, arranged and duly run to meet customers' requirements. In 2004, for example, we opened 4 new stores within 62 days, which was a tremendous burden. As regards the software aid, before we introduced the NEXON payroll and human resources solution, HR did not have IT support worth mentioning. There was an entry and working time registration system, which now, too, provides the basis for the integrated solution,

It was over 30 years ago that Dr. Emil Lux and Manfred Maus dreamt up OBI - a DIY store where shoppers could get everything they needed in one place from a broad selection to expert advice: instead of going to many specialist shops all needs could be satisfied under one roof. The first OBI store opened in Hamburg in 1970 and today - using a franchise system to expand the network - it has become the most successful player in the DIY market with over 510 stores in

Germany and Europe. OBI has been in Hungary, where stores work in a franchise system but for the time being with central management, since 1994. The chain in Hungary with a turnover of over HUF 40 billion has 17 stores at present and is growing dynamically. Annually 4 new stores are planned to open and the number of 1,300 active employees in early 2005 is set to grow by several hundred each year.

and there was another wages accounting application, but we weren't at all satisfied with it.

- What did you expect from the new program and the new service provider?

- Firstly our requirements concerned quality and standards of service. I believe the customer is always right in every situation and if the customer has a problem, then it must be solved. If this doesn't happen, then the standard of service is impaired. Every business has customers - if not elsewhere, within the organisation - who have to be served at the right standard. Here at OBI all my colleagues are "internal customers" of HR as we prepare their salaries and pave the way of their careers. This is likewise true outwardly as we are traders, so every day we meet our customers. If our external and internal customers demand that we pay attention to them, we too can expect our suppliers to pay attention to our needs and be sensitive to our problems. If this is not so, then you have to draw the conclusions that follow. Unfortunately, we didn't always see eye to eye with our previous service provider, so we decided to part ways with them.

- What other reasons were there in favour of introducing the new system that moreover had a much greater functionality than the previous one?

- A crucial consideration for us was that the new solution could be integrated into our existing IT system as well as that to be introduced in the future. The basis of everything is payroll accounting with an HR system, as the basic information, personnel and salary data are disseminated from there. Leading on from this, we wanted to introduce services supporting the work of HR that could be integrated with the payroll accounting solution. This all tallies with our notion that we wish to do good HR and be a good service provider for our colleagues.

- So one of your objectives was to introduce integrated HR systems. Was there, however, an effort to integrate from another aspect, from that of a corporate management system?

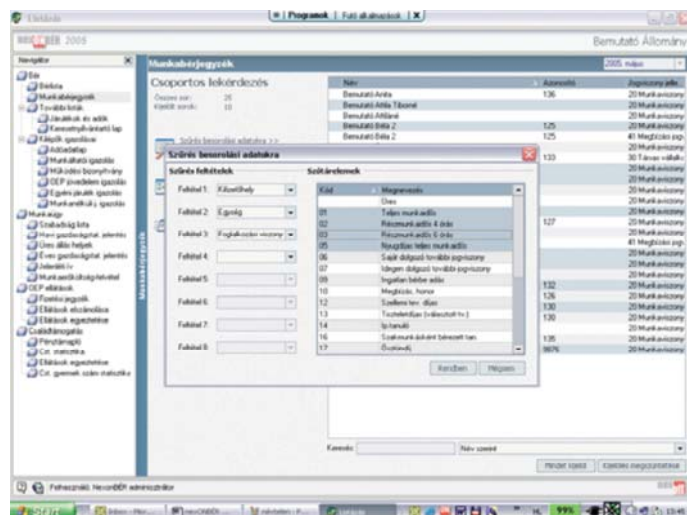
"A crucial consideration for us was that the new solution could be integrated into our existing IT system as well as that to be introduced in the future."

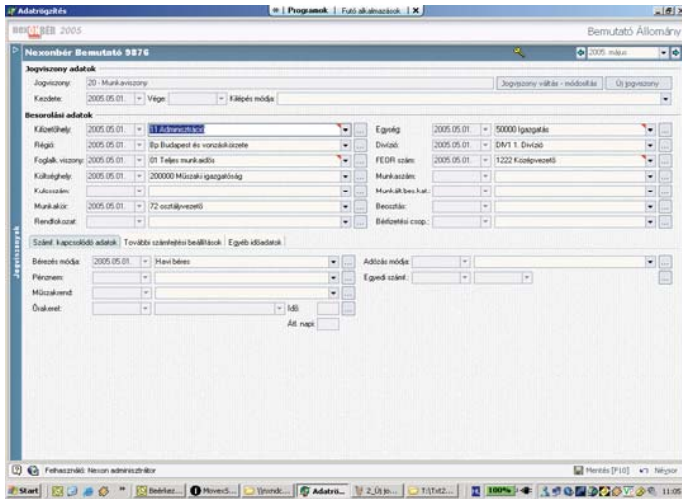
- Yes, as on the financial side the SAP corporate management system operates. This means that we wish to realise integration not just downwards to the payroll module but upwards as well, the way information flows on. Creating a link with SAP was also part of the

project as it made switching over from manually handling salaries to doing so automatically possible. This solution worked perfectly in my last job in a similar system where SAP and NEXON solutions were used and NEXON was able to provide this for OBI as well.

- Going back in time a little to September 2004, when you decided to invite tenders to select a new system, how - apart from the criteria you've already mentioned - did you come to choose NEXON?

In autumn 2004 we looked around the market thoroughly, then called for tenders to introduce and support a payroll accounting program, and to anticipate the later introduction of an integrated solution placing our human resources management on technological bases. The most important aspect was that the system had to be able to connect several different services by building on modular elements in an integrated manner, thereby placing payroll accounting, well-founded evaluation of performance, the selection of people, the training system and an easy-to-query information base into the hands of top management. Another important aspect besides the integratability of systems was quality. I had very positive experiences of this about





NEXON in my previous job as operation was smooth.

Of course, price was also a consideration, but we didn't look at it in isolation; rather we concentrated on the link between price and value. A system may be cheap when you buy it but then the secondary problems that emerge can nevertheless make it more expensive in the end. Introducing the SAP HR module was discussed, but today in Hungary it's uncertain whether it could offer the flexibility we expect from such a solution for a similar price. From the perspective of minor details, too, NEXON won the selection procedure, so in mid November we signed a contract with them. First we bought nexONBÉR but indicated that we were interested in several nexONHR modules as well. In retrospect, I must admit we set a pretty tight deadline - which was clearly visible in how busy my colleagues were - as we wanted to do the payroll for January with nexONBÉR. What's more, our interest in the HR modules meant another project running in parallel with the introduction of nexONBÉR.

- So, to summarise, you introduced nexONBÉR at the close of the year, a hectic time anyway, and on top of that, contrary to earlier plans, started on nexONHR, too?

- That's right. That's exactly what we did. We drew up the project plan together, which was a great burden to both parties, but it seemed tenable and so both parties took it on. Then training colleagues began in conjunction with entering the data, introducing the system and creating the integrated connection. There

were a few small hitches but the project turned out well. It was good to see that the NEXON specialists were always accessible unlike in some bad experiences we had. For NEXON János Purcsi introduced nexONBÉR, while Tünde Hadnagy and Marica Réti oversaw the HR modules. We were highly satisfied with all three, not simply professionally but on a personal level, too. During the projects, particularly the two ladies almost became part of the OBI team, which I believe is very positive. This strong unit was indeed needed as in December it came to light that our previous service provider had not updated the tax and national insurance contributions system for 2004. This behaviour, however, did not surprise us especially...

- How did you manage to overcome this unexpected problem? What sort of a partner did NEXON prove to be in this situation?

- We told the NEXON experts about the problem and they were very responsive and immediately offered a helping hand. We began to load the data manually into the new system straight away and this took a good few days. At the time my colleagues were under great pressure. They had to do the monthly calculations, provide the tax authority with data and at the same time learn the new system. On 28 January, as the tax deadline approached,

tension grew so we told NEXON we needed extra help. By then we had done the payroll for January, but we were hard pressed by the annual tax returns. Mr Purcsi came over from NEXON and he managed to solve the problem. At half past seven we were still searching for a 3 forint discrepancy, but in the end we found it. Three times we were 1 forint out with the salaries of three employees on our first payroll. So at 8 pm on 31 January we handed in our tax return for 2004, which moreover was faultless.

- How did OBI's life change following the introduction of the NEXON solutions? Did information, for example, become available that you didn't have until then?

- To give you a short answer, I'd say our life has become much easier. Beforehand we could extract the information that was important to us, but now it's a great deal easier, more transparent and manageable. As we didn't have an HR system before, getting

information on a certain question meant a lot of manual work. Of course, the HR system has to be uploaded which assumes entering the data manually, but then in effect you have information at the touch of a button. If, for example, for some reason I want to know how many job applicants there are in the network with three language exams, one of which must be Swedish, I can get the answer in a few seconds. In the old days it would have meant a long search. Part of our strategy is that some of the employees for a new store are chosen from existing staff. Clearly there are several reasons for this - it provides an opportunity for furthering careers, and we employ people in the new stores who are already familiar with OBI. And if in the first round we prefer in-house applicants, I have to know which people it is possible to choose from. If, for example, we advertise for a new store, every post has a profile listing the requirements. Now we are able to decide quickly who the right applicants are for each profile.

- Would you say this faster ability to react is a strategic advantage for your organisation?

- Certainly. We can find the right people for our stores more efficiently and faster, and due to this in a cheaper and more organised way. Efficiency at the same time means that we don't have to look around manually for people as the required information is available within a couple of minutes. This makes days freer and more time can be devoted to ensuring that the actual choice is of the best quality, that is the best people fill the positions in question. With nexONHR we are able to find applicants in house for any position. To put it in a nutshell, the NEXON solution



has supported our dynamic growth, engaging 300-350 new employees annually, training, career planning and payroll accounting very well.

- How easy was it to learn how to manage the system?

- I believe that every system has its own logic, a different way of thinking, so a certain amount of energy is absorbed by learning them. As regards the actual training days, for nexONBÉR it took 3 days and for nexONHR 8 days. Overall I would say learning the

systems wasn't hard - my colleagues like them and openly praise them. A great variety of information is available, many queries can be made and it's obvious that the programs are consistent, flexible and created for Hungarian conditions.

"...the NEXON solution has supported our dynamic growth, engaging 300-350 employees annually, training, career planning, and payroll accounting very well."

- Over recent months using the systems has become routine for you. What experiences would you share with others who are considering introducing similar solutions?

- Obviously every firm knows its own needs best, so I won't give advice, but rather sum up those key circumstances that we paid attention to in order to make the project successful.

For a start, a business must be clear what it needs, what it wants to achieve, and how that can fit into corporate strategy. In our case, for example, the new system participates in supporting a change of corporate culture. Apart from that, you mustn't bite off more than you can chew and great emphasis should be placed on choosing the right partner. For us NEXON offered a superb solution and what's more at unforeseen, critical moments it has so far proved to be a good choice.

Bálás László 453569876
Értékesítési vezető - nyugati régió S290 VRA Kereskedelem Rochester

Teljesítmény terv szerkesztése (Mentés) (Törlés) (Mégse)

Érvényesség kezdete: 01/01/2003 Státusz: * Értékelendő
Érvényesség vége: 31/12/2003 Státusz dátuma: 01/02/2005

Készítette: Bálás, László; Benton, Sámuel
Változó fizetés: Igen

Összeg (ha 100%):	2,500.00 USD
Konvertált összeg:	2,874.22 EUR
Min. ért. köv.(%):	75.00
Max. változó(%):	150.00

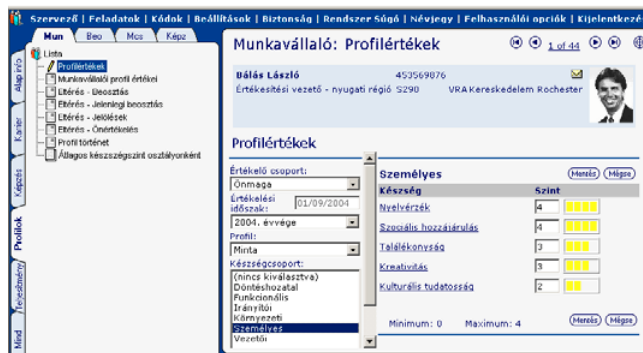
Megjegyzés: Ez a teljesítményterv optimalizálja Bálás egyéni hozzájárulását a vállalat és az értékesítési osztály egészére 2004-re kitűzött értékesítési célok eléréséhez. (Mentés) (Törlés) (Mégse)

Célkitűzések

Kategória	Összefoglalás	Súly	Érvénytelen
▶ Egyéni	Értékesítési hívások: 4 sikeres / nap	30 %	
▶ Osztály/terület	Ajánlatok időben történő küldése	30 %	
▶ Vállalati	Értékesítési forgalom	40 %	

- In the spirit of progress, what expansions do you plan in the future ?

- As a first step - for the time being to be introduced at an unspecified date - we wish to broaden the functionality of nexONHR by adding the career and succession planning module. We also intend to make our interfaces accessible via the Internet, so that with the appropriate authorisation we could enter our internal network via the web and upload, modify and ask for data. We believe the NEXON solutions yet to be introduced will afford us major development options in the future.



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, TUSZ, 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.

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