

# SANOFI DEEPENS PAYROLL PARTNERSHIP WITH SPS

## Payroll in BPO full service



### Challenge



Ensuring high quality payroll processes with strategic realignment of the Human Resources department

### Solution



The proven, highly automated HR IT solution from SPS offers flexibility and constant process security

### Benefit



Process cost and resource savings through outsourcing of administrative tasks

Sanofi has been using SPS's SAP Payroll Factory as a software-as-a-service in Germany, Austria, and Switzerland for more than 25 years to prepare the payrolls of its employees punctually and correctly. Now, Sanofi has taken the next step.

Convinced by the consistently high quality and the deep understanding of the payroll needs of a pharmaceutical company with very complex collective bargaining and operational requirements, Sanofi has decided to hand over its payroll end-to-end in the BPO full service to SPS.

The cooperation between Sanofi and SPS began shortly after Hoechst Marion Roussel was spun off from Hoechst AG in 1997. At that time, the SAP HCM client was developed in the SPS Payroll Factory, which still forms the basis for the provision of services today. Stormy times followed. In 1999, Hoechst merged with the French chemical and pharmaceutical group Rhône-Poulenc to form Aventis. In 2004, Sanofi-Synthelabo acquired Aventis and founded the Sanofi-Aventis Group. Finally, in 2011 the name was changed to Sanofi. In addition, there were various acquisitions and sales of parts of the company during these years, which had to be implemented in payroll and time management, sometimes at very short notice.

The essential base for mastering all of these challenges and always delivering correct payroll accounting was the equal partnership between Sanofi and SPS. It is not enough to implement the customer's specifications "blindly" in SAP HCM, without asking and understanding the background. There is instead a requirement for cooperation of the service provider in such structural change processes, starting with listening and contributing its own ideas and ending with close coordination during implementation. Sanofi and SPS have always lived their partnership in this spirit over the years and found optimal solutions.

With the SAP Payroll Factory, SPS provided the HR IT environment in which these drastic changes could be implemented flexibly and Sanofi's complex requirements are best served. Many individual developments, numerous add-ons and the high level of automation of the system ensure that the work of the payroll officers can be carried out as efficiently as possible.

## Continuous further development for constant quality in process execution

The sophisticated internal control system of the SPS SAP Payroll Factory is particularly important to Sanofi. In order to check the accuracy and completeness of the payroll results and master data, SPS initially developed its own programs, which were integrated into the payroll runs and could also be started at any time by the payroll officers for individual case checks at any time. These self-developed tools have been replaced by standard solutions available on the market in order to facilitate the maintenance of the data. The philosophy of using standards wherever possible is another essential building block for the successful cooperation between Sanofi and SPS. Only through a permanent improvement process, which constantly reviews the new functionalities of the standard and consistently incorporates potential improvements, is it possible to meet the complex requirements of a pharmaceutical company like Sanofi in the long term and keep the system open and flexible for the next upcoming changes. The Sanofi client in the SPS SAP Payroll Factory today – unlike comparable SAP HCM systems that have grown historically – is no longer the same as it was in 1997 in that modifications that were once required have been consistently replaced by available standards.

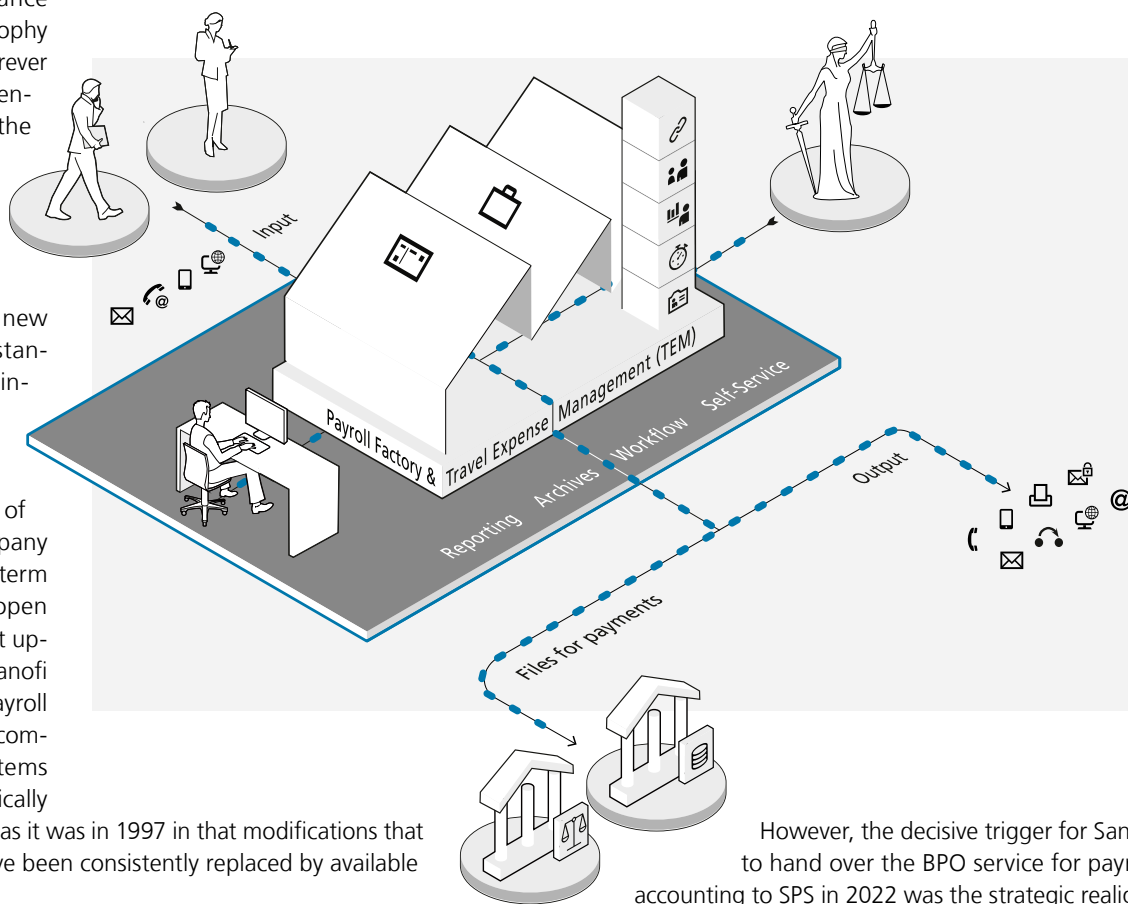
Thanks to the flexibility and up-to-date technology of Sanofi Payroll in the SPS SAP HCM the last major challenge for the time being was successfully overcome – the connection of the local SAP payroll systems of the DACH region and the global personnel management system Workday.

### Learning from best practice with the factory concept

After the decision was made at Sanofi's headquarters in 2015 to deploy Workday as the leading HR system worldwide, payroll with SAP HCM was also put to the test, because it is well known that Workday and SAP are not directly compatible. The SPS experts were involved in the process at an early stage, and critical points were quickly clarified and the automatic interface to Workday was

implemented on time and with the required functionality.

For Sanofi, this project also revealed another significant advantage of working with SPS: the factory concept. Thanks to the experience gained in projects with other customers, SPS provides best-practice procedures from which all customers benefit. For example, SPS has now developed standards for the interface of a Workday HR system to SAP Payroll, which makes it possible to quickly connect additional customers.



However, the decisive trigger for Sanofi to hand over the BPO service for payroll accounting to SPS in 2022 was the strategic realignment of the HR department. The focus is on finding the talent for the future and driving forward the digital transformation. The handling of purely administrative and time-consuming processes hinders this development and disturbs the focus on core tasks. In addition, it is becoming increasingly difficult, even for large companies, to find suitable payroll employees on the labor market.

So what could be more obvious than to hand over these administrative tasks to the long-standing partner, who has already proven that it can handle Sanofi's requirements and who is already fully familiar with collective bargaining agreements and operations. Sanofi also secures SPS's human resources, since it is easier for a service provider specializing in payroll accounting with a large team



of employees to recruit new payroll officers on the market. In addition the economic advantages of the SPS Shared Services Center in Hungary are used.

After a 4-month transition project, in which all processes and responsibilities were precisely defined and documented, and the billing activities were taken over, processes have been running smoothly since July 1, 2022 to the satisfaction of both parties.

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For over 20 years, we have been working with SPS in the managed payroll service. We have been able to make intensive use of this time to build up a very good partnership and to build a foundation of mutual respect and trust. This base has supported us beyond the usual measure and enabled us to go many extra miles and even accomplish critical projects together. We can rely on SPS, feel involved and benefit from the great expertise, which we are also happy to put to use for Sanofi. We have therefore recently decided, for the first time in Germany to establish a payroll administration outsourcing with SPS and to introduce SAP Fiori. This scope extension is certainly the best and clearest proof that we are looking together and successfully into the future.

– Michael Nink, Head of SBS People Services Cluster GSA  
Sanofi-Aventis Deutschland GmbH

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**sanofi**



## About Sanofi

Sanofi is an innovative global healthcare company, driven by one purpose: to chase the miracles of science to improve people's lives. Sanofi, across some 100 countries, is dedicated to transforming the practice of medicine by working to turn the impossible into the possible. The company provides potentially life-changing treatment options and life-saving vaccine protection to millions of people globally, while putting sustainability and social responsibility at the center of its ambitions.

