



IN THE BUSINESS OF YOUR SUCCESS®

What ADP® clients are saying



MANUFACTURER & DISTRIBUTOR OF INDUSTRIAL GASES & CHEMICAL PRODUCTS

ADP's global solution aligns Air Products' global business support services and Human Capital Management strategy

Air Products and Chemicals, Inc. provides atmospheric, process, and specialty gases – as well as performance materials, equipment, and services – to clients in more than 50 countries worldwide. Headquartered in Allentown, Pennsylvania, USA, Air Products operates 600 production facilities worldwide, over 600 miles of industrial gas pipelines, and 130 hydrogen-fueling stations in 19 countries. Its products serve a wide range of industries from steelmaking to healthcare.

Geographically, Europe is one of Air Products' largest markets, and where many of its employees reside.

Local "silos" replaced by global shared services

Faced with the need to grow the business, company leadership discovered many of its support systems and processes impeded efficient expansion, due to their decentralized nature and a lack of standardization across the business. Local systems had become isolated "silos" of solutions that were never designed to serve the company as a whole. The company had 34 different order-entry systems and separate payroll solutions in every country where it had employees.

Senior management arrived at the conclusion that efficient, long-term growth depended on a company-wide strategy that focused on standardization in every location where the company did business. To address that business need, Air Products created a shared services organization, Global Business Support Services (GBSS) in 2009. GBSS was established with the explicit goal of delivering high-value, scalable, global support services that allow the business to stay close

SNAPSHOT

Client:

Air Products and Chemicals, Inc.
Allentown, Pennsylvania, USA

Description:

Supplier of atmospheric gases, process and specialty gases, performance materials, equipment and services

Workforce:

More than 21,000 employees
in greater than 50 countries

Website:

www.airproducts.com



to both internal and external customers and provide the ability to employ best practices globally. The result would be consistently improved service levels – through better global processes, product innovation, and centralized processing combined with local support.

“ADP has proven to be a great partner for our Global Business Support Services. Both of our organizations have strong service cultures that focus on great service and continuous improvement.”

Shared services centralization drives standards and quality

Air Products identified a number of critical requirements for processes and applications that would migrate to the shared service model. Among them, workload and workforce scalability to drive economies of scale, standardization and the utilization of industry-leading practices, continuous improvement in process, and the deployment of key performance indicators and success metrics.

Among the early targets for centralized administration were invoicing, collections, contract management, information technology – and global payroll. Air Products centralized its European payroll operations at its Global Business Support Services shared services center in Barcelona, Spain, replacing individual country payroll centers.

Under the company’s previous payroll operations model, local payroll specialists and semi-manual solutions drove the processing of Air Products’ European payrolls. Some specialists processed payroll in-house, while others partnered with local service bureaus to ensure monthly payroll processing. Accuracy and timeliness of payroll output was erratic, and data and formats of reports were not aligned, making it virtually impossible to use information to drive business decisions.

Breaking away from established ways of doing things was an inevitable challenge that Air Products recognized, and squarely and proactively addressed. “Avoiding the use of legacy tasks that cannot be standardized globally can be difficult, but *must* be done if your global strategy is going to succeed,” notes Ferdinand Dragtstra, Global Manager of HR Services for Air Products.

Today, the ADP Human Capital Management (HCM) solution combines people, process, and technology to meet the unique and evolving needs of Air Products. Using ADP GlobalView® and its multilingual, multicurrency payroll outsourcing capabilities with ADP Streamline® helps to ensure a consistent level of service through a centralized global approach for Air Products’ largest and small-population countries.

Continuous improvement and compliance is a key driver

From a payroll perspective, Air Products established service improvements as its top goal through high-quality delivery of accurate and timely pay to employees, and accurate and timely adherence to government compliance requirements, which have become very complex throughout all of Europe. Each country has its own employment and tax laws. Moreover, many of Air Products’ employees in Europe are union members, especially those who work at production facilities and drive transports. As a result, union contracts add another layer of complexity to payroll. “One of the key reasons we went forward with our Global Business Support Services strategy is to improve our level of quality for the administrative services we deliver,” says Dragtstra.

He acknowledges that compliance requirements that vary from country to country are one of the most pressing issues facing Air Products. “In Belgium, for instance, you must pay your employees on the 25th day of every month. In other countries, the social security payments for employees must be paid by a certain date – and, of course, the dates vary from place to place,” he says. “Lateness and inaccuracy cause penalties to be paid.”

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ADP® is a proven strategic partner

“ADP has proven to be a great partner for our Global Business Support Services. Both of our organizations have strong service cultures that focus on great service and continuous improvement,” Dragtstra adds. “In Europe, we were able to get a new system and processes up and running fast. We have done mergers and divestitures and ADP supported us.” That experience, in turn, gave Air Products the confidence to extend ADP’s global payroll solutions to its operations in Asia, where implementation has commenced.

“The bottom line is that we implemented transformative capabilities in 10 countries within the relatively short span of 18 months with ADP,” he notes. “That is quite an accomplishment by any method of measurement.”

His advice to other companies that are looking to implement a global shared services vision is simple: To achieve the best results when it comes to implementing an effective global strategy, your goals, processes, and expectations must be aligned. “If you are going to centralize your payroll operations within a global shared services structure, as we have, ADP is a very good resource. They will be ready for you when you are ready to implement your global solution.”

