

Strategic HR

**Why and How HPE created an
HR Transformation Office**

Mike Dallas

HPE's HR transformation began with the company's business transformation

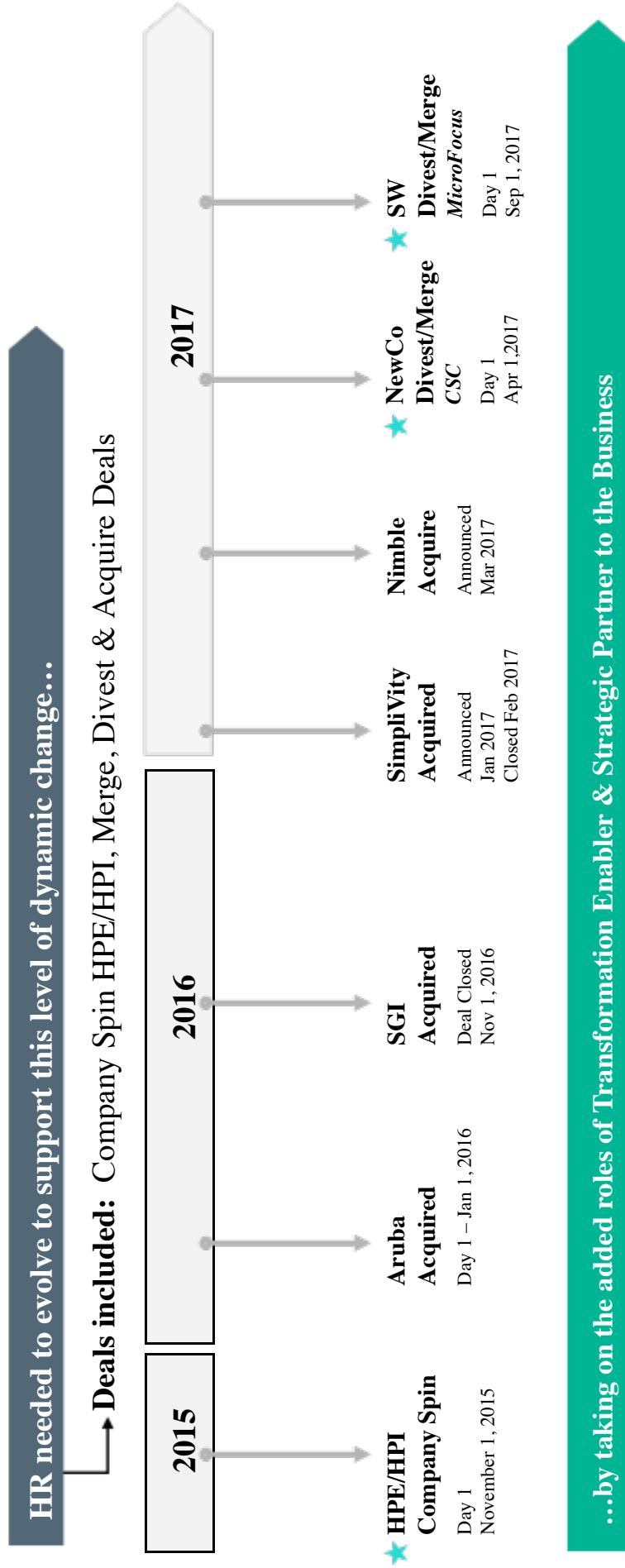


HPE's business continues to evolve as we place big bets on technology and partnerships to support customers in the rapidly changing world of IT.

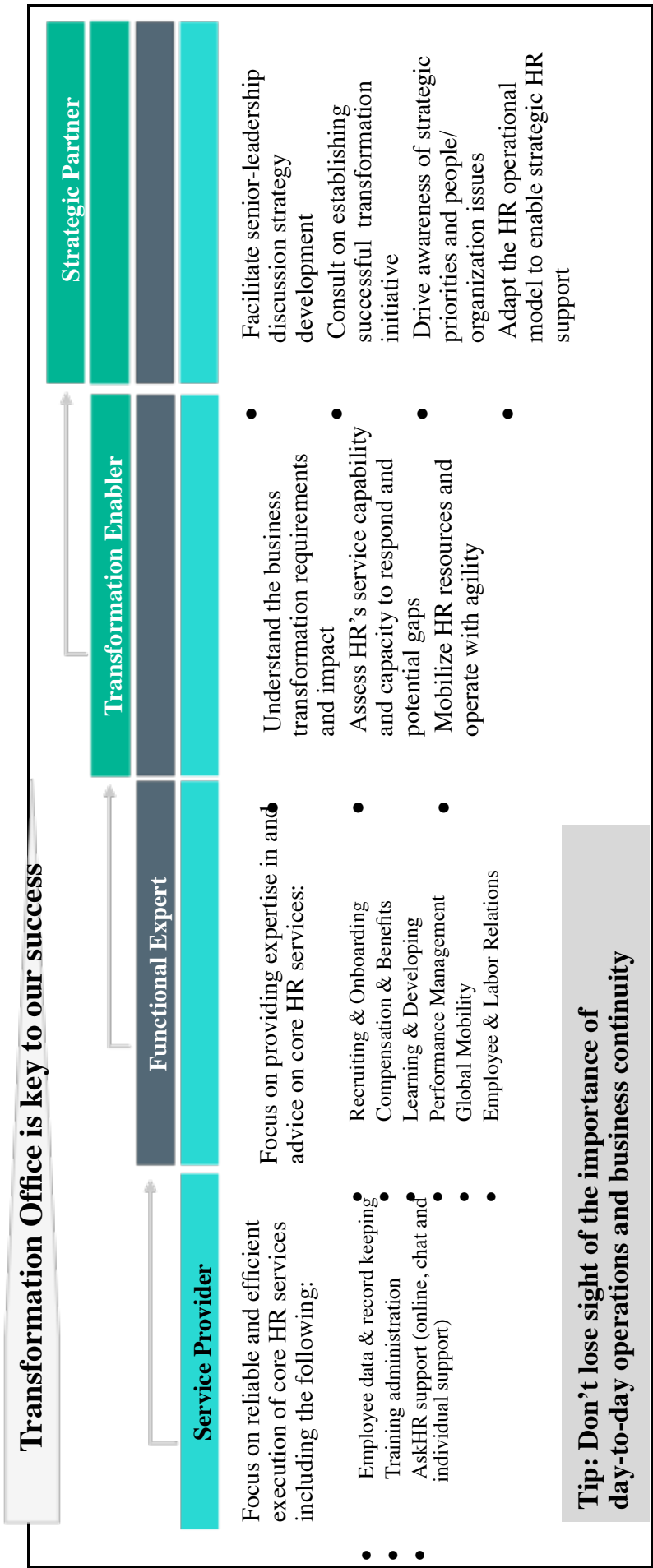
In the past 3 years alone, HPE has made a number of strategic moves via:

- Separation
- Merger
- Divestiture
- Acquisition

Strategic deals drive major business model changes

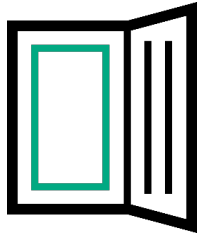


Dynamic change drove the need for a more strategic HR organization



HPE/HPI company separation - Why did we separate HP?

Separation created Hewlett Packard Enterprise



Target innovation in go-to-market, business models, products & solutions
Increased executive and customer engagement

Tighter set of metrics to drive the business

More focused and defined strategy
Increased focus on growing revenue
Performance management
More competitive cost structure

HR made a significant contribution to separation

Organization Design & Selection

53K+ employees placed & open positions identified worldwide L1-L5

Employees “mapped” worldwide
L6+ ~209K+

Benefits & Mobility

435K+ Current/former employees with benefits

Allocated Pension Assets  **\$29B**

Separated **1,370** benefit programs
358 vendors and **700+** POs globally

HR Systems

24/7 Global HR Command Center with **135** Employees in **3** Global Locations

Enabled **8/1 &** ContactHR
11/1 cutover for. Workday
all core HR systems • Taleo
• Saba

HR Global Services

14K+ Offer letters distributed worldwide
235K+ Notifications delivered worldwide
18 different languages across all countries

Labor relations and HR Compliance

200+ meetings in
23 weeks to close
I&C in **22**
countries

30 Global HR policies reviewed

1,300+ country HR policies & programs reviewed

MOC & Employee Experience

90 Get Ready for Day 1 Briefings Released
12 Videos & **150+** Emails



The Strategic HR Transformation Office was created in 2015



The HR Transformation Office provides the structure and support required to manage and enable business or technology change while continuing to provide the day-to-day HR support.

We started with some guiding principles



Maintain momentum & “One HPE” until deal completion

Balance personnel and talent decisions

Ensure seamless Day 1 by starting with the end in mind

Drive cost management and speed over elegance

Acknowledge the importance of culture and communications

We selected a strong program leader and PMO lead

HR Executive Program Leader

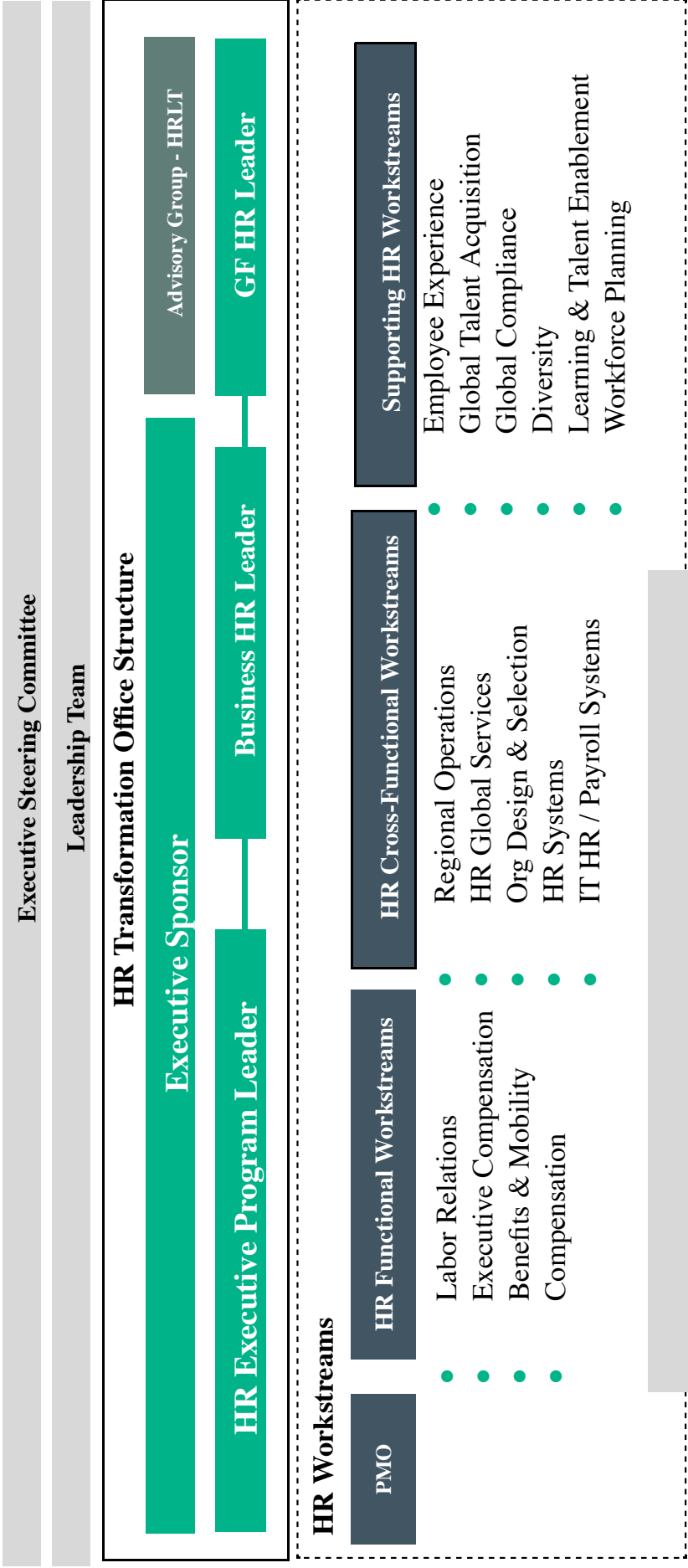
- Provide Leadership for all HR TO Workstreams
- Provide HR Transformation Office (TO) governance to include work plans, status reporting, metrics
- Report results and status updates to Corporate TO and Executive Steering Committee
- Drive coordination & implementation of process, programs, policies & systems
- Facilitate, train HR/Managers and track OD&S process
- Work closely with HR TO Leads to provide support for OD&S process
- Drive Labor Relations consultation & employee consent required for separation for all countries
- Ensure NewCo & HPE have all HR processes, programs, policies and systems in place aligned to day one
- Ensure HPE has an HR operating structure in place aligned to day one

HR PMO Lead

- Serve as primary point of contact for all HR workstreams to drive closure to issues and to mitigate identified risks
- Ensure HR TO workstream deliverables are aligned and integrated with Corporate TO deliverables
- Support HR TO initiative resourcing requirements and manage TO program budget
- Ensure governance processes are followed for communications, status reporting and critical decisions
- Participant and support TO initiative operational cutover and command center meetings/reports
- Facilitate the weekly HR TO meeting cadence ensuring key topics including all Leads call and workstream 1x1s
- Represent HR Executive Program Leader in meeting the leader is not able to attend

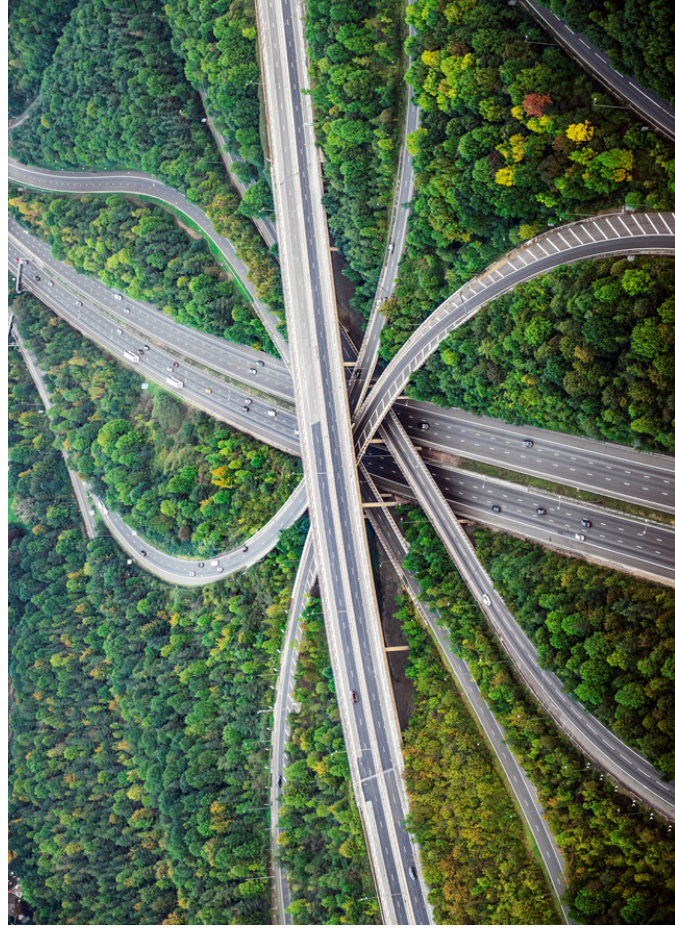
Tip: Recommend selecting HR PMO lead with business operations experience

We organized workstreams with strong leaders and clear roles



Tip: Requires active TO & Business Workstream Leader engagement in weekly status call to be successful.

HR workstreams leads are critical to our success



Provide the direction and blueprints required for the transformation journey

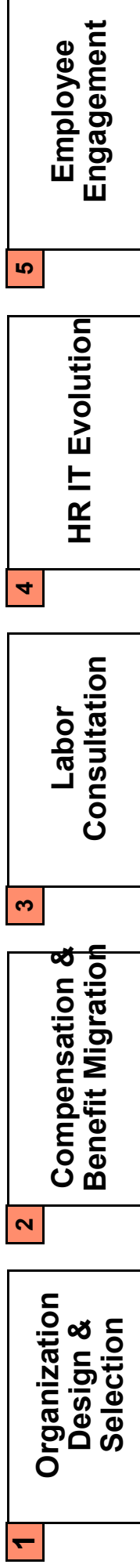
Foster the right interconnection and partnership along the way so we are set up to succeed on Day 1

Why the workstream leader's role is so important

- Set the tone, and actively engage cross functional teams
- Provide **direction, leadership, and decisions** for planning and execution effort
- Identify **coordination needs** and funnel approvals through corporate transformation office
- **Actively participate** in required meetings and workshops
- **Adhere to Legal Do's and Don'ts**
- Manage function level resource conflicts and **provide appropriate** resources to initiative
- Escalate **critical issues and decisions** and help resolve cross functional issues
- Complete **functional initiative and workstream deliverables** (e.g., blueprint, workplan, weekly status report)
- Participate and present in **Steering Committee** meetings as needed

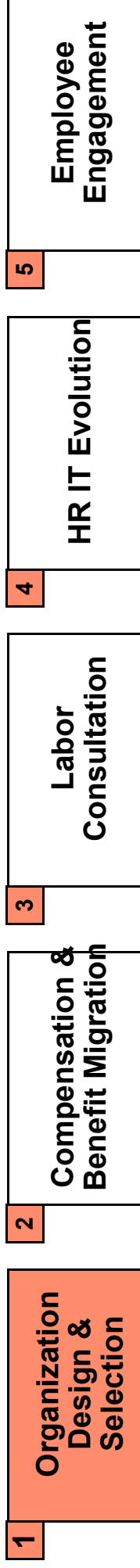


5 Key HR Areas Integral for Deal Success





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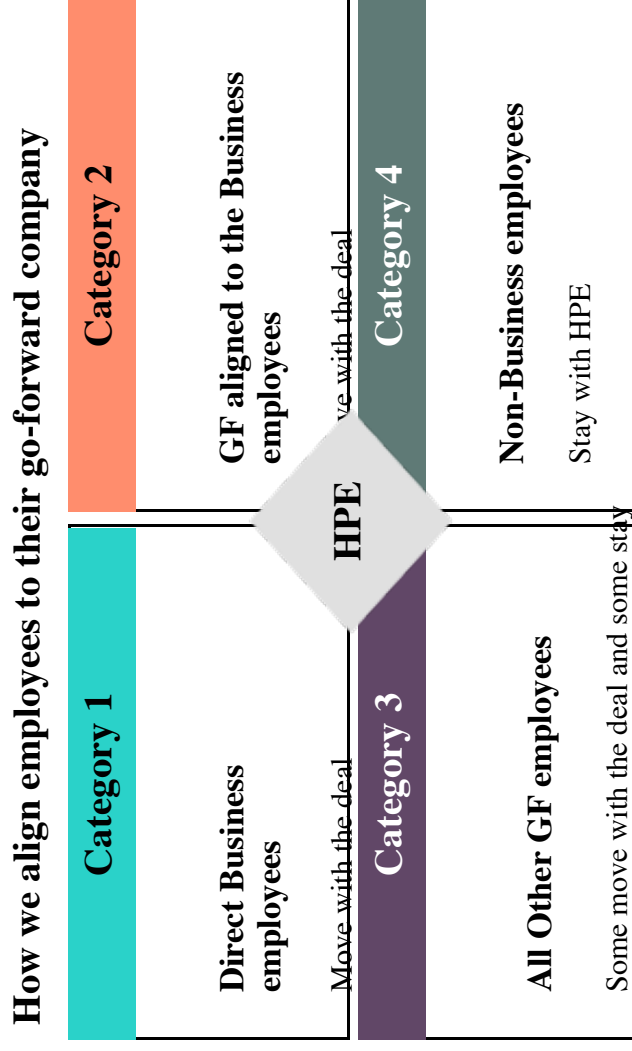
Organization Design & Selection (OD&S) process is integral

In the OD&S process, each employee will be categorized into one of the 4 categories.

While the OD&S approach may vary by category, the guiding principles are the same:

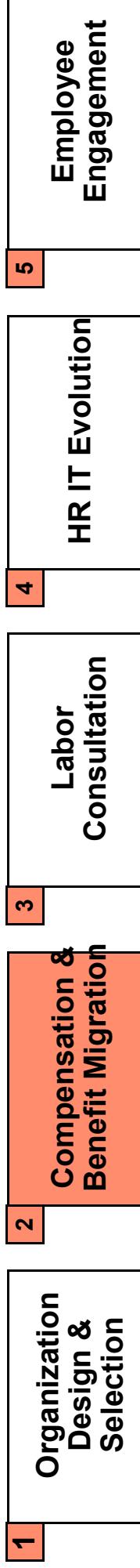
- All employees are HPE employees until any deal is finalized
- All employees keep their current roles, responsibilities, goals, and supervisors

Tip: OD&S approach may need to be refined based on deal-specific requirements



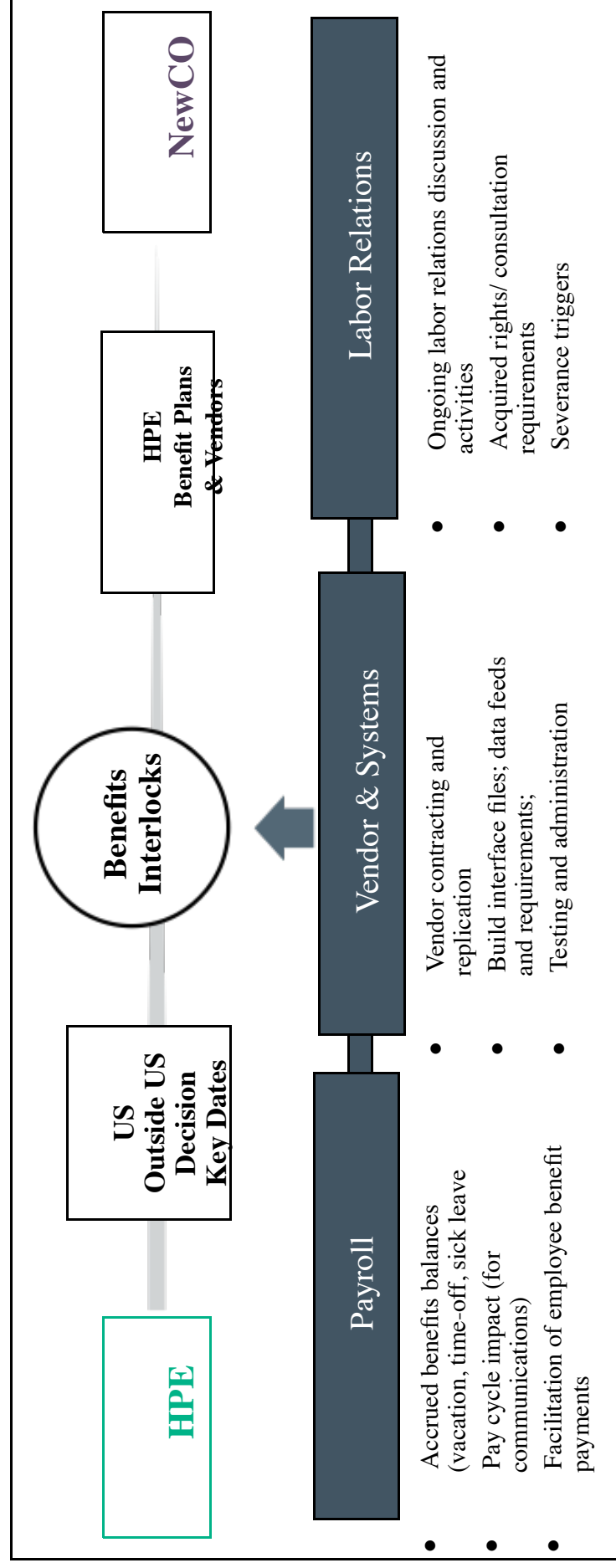


5 Key HR Areas Integral for Deal Success



Compensation & Benefits migration approach

The need to coordinate with other **complex work streams** and the **volume of plans** drive key decision dates and lead time needed for replication



What does a successful Day 1 look like to the employee

**Day 1 -
November
1, 2015 –
HPE/HP
I Separati
on**



5 Key HR Areas Integral for Deal Success



Labor consultation required interconnection with other functions

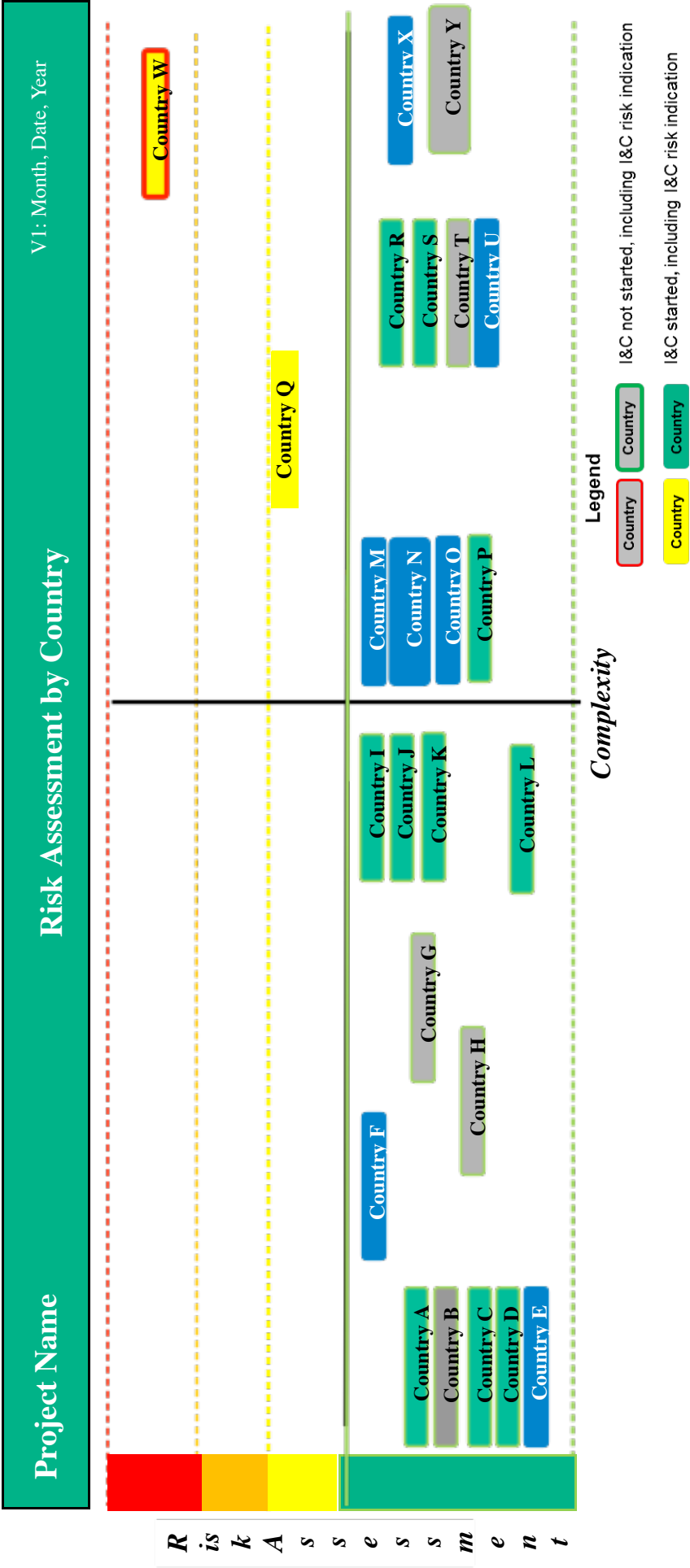
Global Labor Relations

AMS	APJ	EMEA
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Information & Consultation Milestone	Co unt ry A	Co unt ry B	Co unt ry C	Co unt ry D	Co unt ry E	Co unt ry F	Co unt ry G	Co unt ry H	Co unt ry I	Co unt ry J	Co unt ry K	Co unt ry L	Co unt ry M	Co unt ry N	Co unt ry O	Co unt ry P
Headcount, incl. Global Functions)	51	225	958	240	506	38	183	164	2	107	22	202	4	34	62	716
I&C Start Date	1/17	1/20	2/1	12/13	11/1	1/20	3/2	2/1	tbc	12/13	9/19	1/10	1/10	1/9	2/1	1/20
I&C End Date	4/30	4/1	5/30	3/15	2/28	5/31	3/27	5/30	tbc	1/31	1/31	2/24	6/1	3/31	3/15	5/31

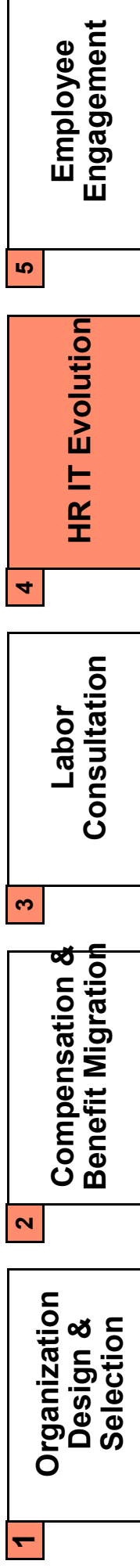
Compliance	Procurement	Legal	Global Real Estate	Finance	Compensation & Benefits	Employee Experience
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Risk assessment by country highlights complexity of consultation

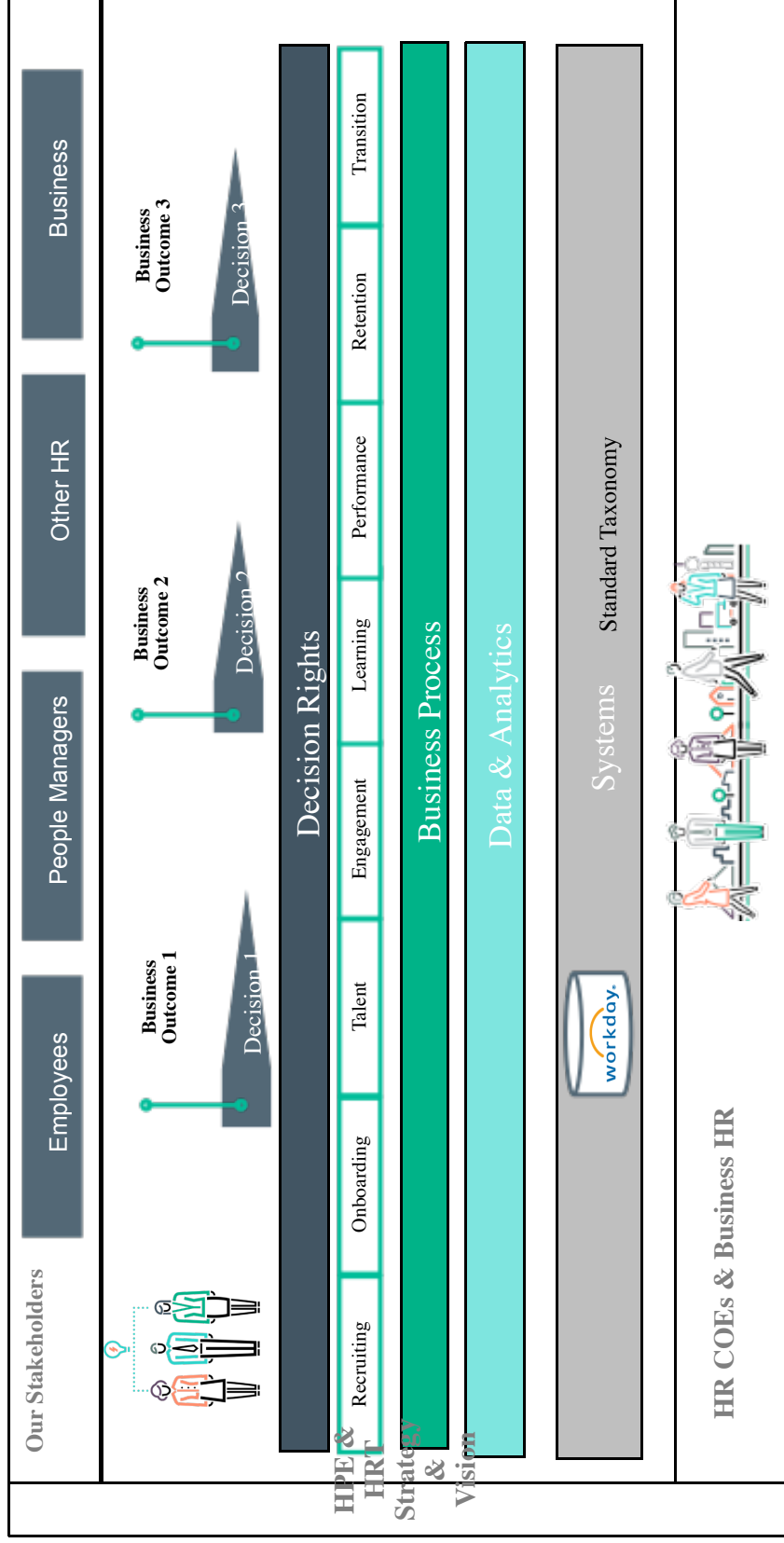




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Continued HR IT Evolution requires focus across the stack



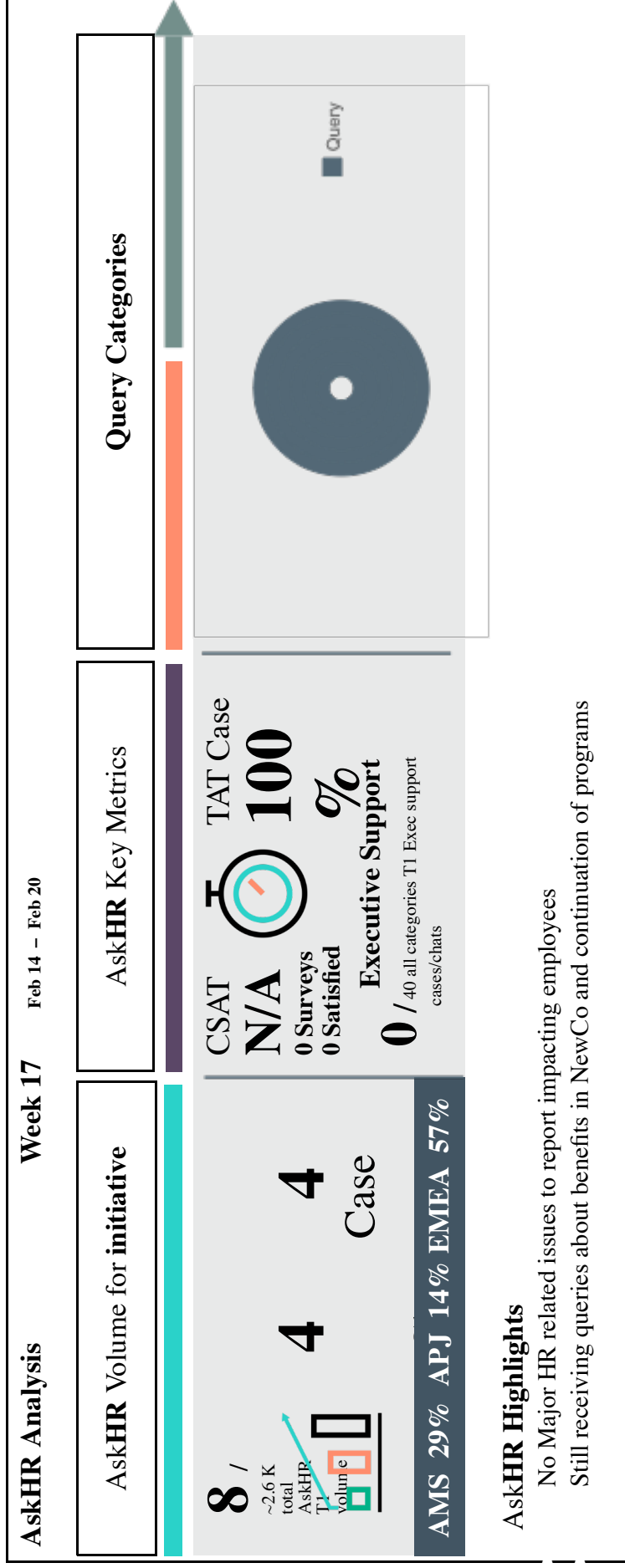
Best Practice:

Standard definitions for HR/Payroll Application Evaluation & Disposition

Disposition Type	Description	Criteria
1 - Retain	Minimal work needed to prep for separation (e.g. Re-IP, Interfaces)	Applications exclusively used by RemainCo No shared data Shared applications that are planned to be Sunset for NewCo
2 – Give & Go	Application moved into NewCo network compartment	Dedicated NewCo applications that will be transferred Scope of work may include branding changes, Re-IP, access and interface changes
3 – Clone & Go	Clone complete application; no sensitive data No Data Cleansing required	Shared Application Application can be cloned without a data cleansing requirement TSA can't be done due to technical considerations
4 – Extract and Retain	Transfer required non-sensitive data only	Shared application Has sensitive data that cannot be transferred due to legal/regulatory/business requirements Extract data relevant to NewCo and provide to Buyer for integration (One Time)
5 – Transition Service Agreement (TSA)	Logical separation by configuration without physical separation Single instance on Day 1 shared by NewCo and RemainCo	Any shared application that does not have any technical considerations that warrants a clone will be TSA'd Finance applications, including applications that are critical to financial close - Financial data extracted and data feed is loaded on necessary applications for the purpose of financial reporting (Recurring through TSA period) All Infrastructure/ITIO applications will be TSA'd and hosted in the dirty network, with the exception of Tidal Scheduler and related applications
6 – Clone, Cleanse and Go	Clone should	Tip: Maximize TSAs for shared applications where possible, base on guiding principles risk use, have high complexity and could not be TSA'd for prior transaction

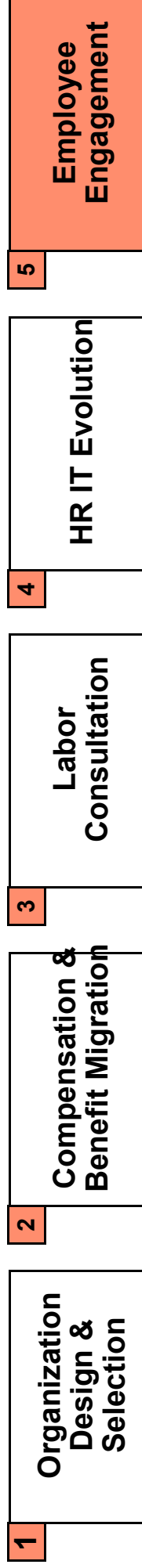
Best Practice:

Provide daily reports on end user statistics & any HR IT issues during cutover





5 Key HR Areas Integral for Deal Success

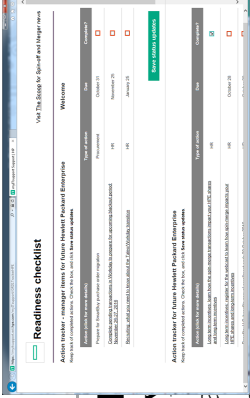
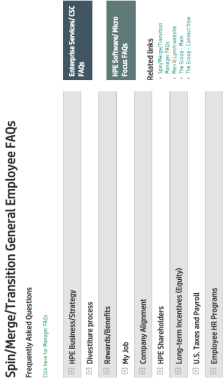
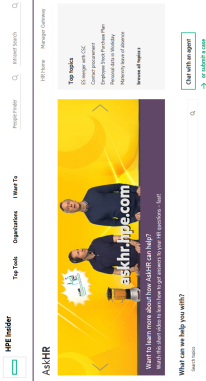
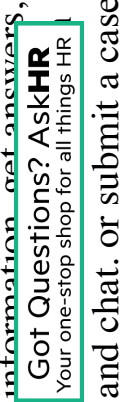


Employee engagement is critical: From announcement to Day 1



Our employees are more engaged, and more satisfied with the HR support they receive because we focus on the employee experience from announcement to Day 1

We provide information and resources via multiple channels

				
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Best practice:

Have one look and feel for all transition-related email communications



**Stay informed.
Take action.**

- ☑ Things I need to know
- ☑ Things I need to do

Action: Review updated resources about company alignment

To: All HR Business Partners & Country HR Leaders

We are continuously updating key resources as needed to keep you informed and help you support people managers in your organization. To support company alignment conversations, three resources have been updated:

- Company Alignment Communication table
- Company Alignment Conversation guide, which includes additional scenarios to support managers
- Frequently asked questions for managers

In countries where company alignment conversations have not already started, Country HR will send an email informing managers of the updated resources. Please use these resources and let managers know they have been updated, as needed.

If you have questions, [AskHR](#) is available to assist you.

Standard template for readiness activities; leverage lessons learned

Differentiate between transition-activities and integration/get ready activities

Leverage existing and known mailboxes, e.g., HR, Payroll to avoid always creating “new”

HR Transformation Office is a proven success



- Accelerates sustainable change
- Directly supports business and corporate strategy
- Facilitates strong interconnection and partnership
- Expedites decision-making for information and consultation process
- Streamlines PMO processes and reporting/dashboards
- Supports world-class employee experience

Key learnings from our experience



Start with the end in mind ~ Day 1

Select experienced PMO and workstream leaders

Understand expected business results from the deal

Don't lose focus on ongoing HR operations

Engage employees early & often with communications

Recognize change is the one constant for the future!



Thank you.