



SAP Fieldglass 

Leveraging **SAP Fieldglass** in China for Complex Pay Rate Calculations and Legislative Requirements

A Manufacturing Company Case Study

Various patent acquisitions and company mergers formed a globally recognized manufacturing organization that operated 25 wholly owned subsidiaries by 1972. Today it has operations worldwide with approximately 55 percent of its revenues generated outside the U.S. Approximately half of its products and solutions provide energy efficiency benefits.

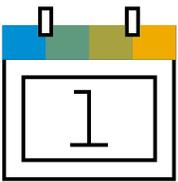
The company established its first franchise in Shanghai in 1935. Today, all four of its strategic business groups are represented in China. They have all relocated their Asia Pacific headquarters to China, establishing subsidiaries and joint ventures in more than 20 cities across the country. As of today, the company has invested CNY \$1 billion in China and employs more than 12,000 people there.

The organization needed a solution to help manage its global external workforce program, with very comprehensive and complex pay calculations that are specific to China's laws and regulations.

The Goals

The company's program in China was implemented in a phased approach. The initial implementation phase focused on business process and external labor headcount. The second phase leveraged the SAP Fieldglass platform to achieve the following specific goals:

Ensure control and visibility into workers' shift schedule management



SAP Fieldglass helped the company streamline and formalize contingent recruitment processes in China by creating a standard procure-to-pay methodology that was implemented across all locations in the country. SAP Fieldglass implemented this solution to support the

company's external workforce management through onboarding, timesheet functionality and reporting, process confirmation, and supplier and expense management controls.

About This Case Study

SAP Fieldglass provides streamlined timesheet and reporting functionality to help a global manufacturing company have greater management and visibility into workers' shift schedules, allowances, bonuses and social burdens.

About SAP Fieldglass

SAP Fieldglass, a longstanding leader in external talent management and services procurement, is used by organizations around the world to find, engage and manage all types of flexible resources. Our cloud-based, open platform has been deployed in more than 180 countries and helps companies transform how work gets done, increase operational agility and accelerate business outcomes in the digital economy. Backed by the resources of SAP, our customers benefit from a roadmap driven by a continuous investment in innovation.

Simplify timesheet submissions



SAP Fieldglass automates complex and multi-component pay rate calculations. The time-based rate schedules significantly reduced difficulties experienced by workers, administration personnel and suppliers when completing worker's timesheets. The automated timesheet logic will now calculate monthly, overtime, shift premiums, absence deductions and other worker allowances.

Solution Functionality

The organization now leverages the following SAP Fieldglass functionality to achieve its primary goals:



Hourly based rate schedules

Two rate schedules are being used across all work locations, enabling greater flexibility for managing direct and indirect external labor. The time-based rate schedules configured within the VMS support the calculation for all of the company's necessary pay components. For example, paid and unpaid leave entitlements were a difficult, manual and time-consuming assessment activity required each month. This calculation has been automated and worker leave status is now simple to generate and accurately report.



Unit type rates

SAP Fieldglass worked with the organization to help manage allowances, bonuses and social burdens. This approach mirrors the Chinese hukou system which is a code of laws, regulations and programs designed to formally differentiate residential groups as a means to control population movement and mobility and to shape state developmental priorities. Worker social burden and housing funds differ depending on the worker's birth city. Allowances and/or bonuses also differ depending on the work location and the hiring manager's discretionary spend.



Hourly and monthly timesheets

The platform is configured to enable specified site administrators, suppliers or workers to manage timesheet completion. The timesheet completion process allows the user to enter either the number of hours worked per day or per month.



Forecasted Benefits

The company looks forward to the following benefits:

- Improved business processes and better accuracy for worker pay rates and supplier invoicing
- Demonstrated compliance with complex company policies and local legislation
- Ability to identify when non-compliance occurs and the specific nature of the non-compliance
- Better expense and approvals management based on pre-determined amounts
- Substantial cost savings through greater control of its external workforce
- Hiring process alignment with procurement, financial and HR reporting
- Improved spend management and financial and business intelligence capabilities
- Increased organizational productivity

The Results

SAP Fieldglass and the company have worked together to define procure-to-pay business processes, improve resource engagement and identify potential significant financial savings. SAP Fieldglass will continue to provide critical global support to manage the organization's external labor-related transactions, controls and reporting. The SAP Fieldglass solution compliments the human partnerships required to facilitate the complexities and nuances of managing a dynamic and growing workforce.

Learn More

The world of work is changing, and SAP Fieldglass is leading the way with innovative solutions that harness the power of the external workforce in driving the digital economy. Explore additional resources on www.fieldglass.com/resources to learn more about the external workforce and the way work gets done.

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