

Strategic Workforce Management Drives Agile Decision Making at Northwest Pipe

How One National Manufacturer Improved Job Efficiency and Continues to Deliver On a 50+ Year Commitment to Quality

by Brianna Shipley, Senior Editor, SAPinsider

Technology is changing not only the future of work, but the workforce itself. Hiring models have moved from planning for a permanent workforce to instead hiring more contingent workers; scheduling has become more flexible in response to employee demands for work-life balance; and most recently, the global pandemic has put an increased focus on distributed workforces. As a result of this increased variability, it is essential for organizations to ensure effective staffing, forecasting, scheduling, and real-time adjustments to optimize productivity. Concentrating on strategic workforce management is one way that SAP customers, such as Northwest Pipe Company, are adapting to the future of work.



Spiralweld steel pipes created by Northwest Pipe are engineered for each project

Founded in 1966, Northwest Pipe is the largest manufacturer of engineered steel water pipe systems in North America today. To uphold decades-old expectations for excellence in engineering and manufacturing performance, the company relies on effective workforce management to guarantee on-time delivery and high-quality project performance. To increase its visibility into labor scheduling, provide real-time workforce data to the finance team, and improve decision making with data analysis, the company needed to update its technology ecosystem and streamline its human resources (HR) processes.

Northwest Pipe has been using SAP technology for its ERP system since 1999 — currently running SAP ERP 6.0. Its HR functions have run on SAP ERP Human Capital Management (SAP ERP HCM) on premise and been integrated with a number of disparate systems for timekeeping and attendance, payroll and accruals, leave management, tax reporting, and benefits. Bethany Johnston began working with these various systems when she was hired in 2013 by one of Northwest Pipe's manufacturing plants as an HR and safety manager in the field, and within just two years, she advanced into a corporate role.

Today, Johnston is Corporate HRIS and Payroll Manager at Northwest Pipe, where her natural

curiosity and hunger for progress have served the company well. Case in point: After attending her first SAP class to investigate ways the company could improve its workforce management, Johnston learned that SAP patches and updates that would have expanded the company's HR capabilities had not been applied over the years. She recognized a need for a more fluid process and for HR capabilities that would reflect the direction her company was taking in its digitalization journey. Having identified an area ripe for improvement, Johnston's next step was to find a solution that could meet the company's big-picture objectives for its current and future-state HR systems and processes.

Johnston met with Northwest Pipe's Vice President of HR to discuss how the company could systematically improve its processes and overall employee experience. "We saw two options: Bring our SAP systems up to date and continue to run HR using updated SAP ERP HCM technology, or consider an alternative workforce management solution," says Johnston. "After seeing a demo of HR and workforce management technology from UKG (formerly known as Kronos), a long-time SAP partner, Northwest Pipe's CFO, Director of IT, and Vice President of HR decided that this was the right route to take to make things easier and more cohesive for our team and our employees."





Women in SAP Tech Spotlight

Bethany Johnston, Corporate HRIS Manager, Northwest Pipe

What got you interested in the technology field?

My interest in the technology field stems from a desire to understand the “why” behind how things are done, continually improve processes, and make life easier for the end-user. Although my background is in HR I have always been curious about using technology to improve transparency and ease of communications within my team.

What specific skills have you found to be most helpful in getting you where you are today?

A mix of drive, desire to fix problems and learn from others, curiosity, and tenacity. Also, the ability to work when inspiration hits—a good idea might pop into your head when you are brushing your teeth or feeding the animals, for example, so you have to be ready to sink your teeth in at a moment's notice.

As a minority in the tech industry, what is it like to work alongside predominantly male colleagues?

I work at the crossroads of the predominantly female-led HR field and the traditionally male-dominated IT industry. I don't think about the gender, race, or specific orientation of my teammates; I look to the quality of work they complete and how they contribute to the team. Looking forward, there will be more opportunities for women in IT. This starts at a young age and with ensuring that STEM programing is available to all. I hope to see the playing field continue to level in the future.

What advice do you have for women who are just starting out in their careers in technology?

Ask questions, don't take no for an answer, find a mentor, and consider non-direct technology routes by identifying your passion and how it connects with technology.

The company began the project in March 2019, implementing implementing the UKG Human Capital Management module (for HR master data and benefits) in May 2019, Timekeeping module in November 2019, and Payroll module in April 2020. The UKG Dimensions application is built on a modern cloud platform with a fully responsive mobile design, an open API framework that provides extensibility and simplifies integration with other systems including SAP ERP, and delivers real-time business intelligence.

Northwest Pipe implemented the HR and workforce management solution across the company's eight locations (seven in the US and one in Mexico), including its capabilities for employee self-service, timekeeping, benefits, talent acquisition, payroll, and labor analytics. Johnston was intimately involved in the technical side of the implementation, and the evolution of her role from Corporate HR to Corporate HRIS Manager was an important step in her career

and a rewarding result of the project. “I love that I am able to live out my passions and pursue them to the benefit of both the company and myself. The transition project is an achievement that I am extremely proud of.”

Real-Time Data Improves Transparency Between HR and Finance

As a manufacturing company, Northwest Pipe must cost out the various activities that will be completed in any given job. These activities are estimated in SAP ERP, where the company continues to run its finance and accounting functions. The estimates are then forecasted and applied against the actual hours and work completed which are managed in UKG Dimensions.

Due to UKG Dimensions' open platform, Northwest Pipe's finance and HR functions can easily exchange essential information. Key data — including

labor and activity codes — are fed from Northwest Pipe’s SAP systems to UKG Dimensions each night, allowing the data to be assigned to specific employees and locations. Then, on a daily basis, the employees’ completed hours (including direct, indirect, and overtime) are transferred from UKG Dimensions to the SAP ERP system so accounting and finance can use this accurate labor cost data in near real time to allocate payments.

“We are very specific and detailed in the journal entries,” says Johnston. “With UKG Dimensions, we have taken about 70,000 rows of data that are split out between regular and overtime premiums and different general ledger (G/L) codes, cost centers, and profit centers, and turn it all into exactly what we need for SAP ERP so that it is a smooth and easy process for our payroll and accounting department at the end of the month,” she says.

Data related to benefits, hiring, talent, accruals, attendance, leave, and recruitment is managed in UKG Dimensions, and information including employee

name, cost center, and position is transferred to SAP ERP each night to support accurate payroll and expense processes.

Labor Analytics Drive Decision Making and Talent Acquisition Efficiency

Automation of workflows and real-time data with UKG Dimensions helps Northwest Pipe develop strategy and create efficiencies from recruitment to on-the-job planning. Previously, the company had a paper process for hiring that involved posting jobs online and having interested candidates email to a general inbox; then someone would review each inquiry and email a fillable PDF to the candidate, according to Johnston. Once the completed application was returned (via email) it would be reviewed, printed, and distributed internally. If the candidate made it to the interview stage and was hired, an HR manager would manually enter his or her information into the SAP system. “We missed out on some good opportunities because our hiring process was not as streamlined as it could have been,” says Johnston.

COMPANY SNAPSHOT

Northwest Pipe Company

Headquarters: Vancouver, WA

Industry: Manufacturing

Employees: 900+

Revenue: 2019: \$279.3M

Company details: The largest manufacturer of engineered steel water pipe systems in North America, Northwest Pipe Company provides solution-based products for a wide range of markets including water transmission and infrastructure, water and wastewater plant piping, trenchless technology, and piping rehabilitation. www.nwpipe.com

SAP solutions: SAP ERP



Now, the company has one place online where candidates can find open jobs, click apply, and then be taken through the different stages of the recruitment process. “Automating the recruiting process with UKG Dimensions has resulted in possibly the biggest savings on time and staffing. We have a much faster turn-around time of getting people hired,” says Johnston.

Once employees are onboarded, the company’s production operations groups closely monitor their hours and percentage of direct vs. indirect, and overtime hours, and they use that data on a regular basis. For example, a plant manager may be asked by finance or senior level operations management for a report once a week, which previously had to be done manually, says Johnston. “Now, they can use the real-time data views within UKG Dimensions, which cuts down on the guesswork and helps the managers plan and manage the week without having to wait for the HR managers to pull the information for them.”

Intuitive Technology Creates a Better Employee Experience

The self-service capabilities of UKG Dimensions empower employees to better manage their time and personal information, according to Johnston. Employees are now able to perform tasks like submit requests for time off, update their address, choose direct deposit, and update dependent life change events using the self-service kiosk or mobile app. Allowing employees to make updates to personal information in real time and enabling managers to approve employee time cards and hours on a daily basis without manual steps or additional resources has led to increased productivity, faster response times, and more accurate data.

“The streamlined process really cuts down on time and frustration and improves safety because if an employee is unable to work on a job, that information can be communicated in real time and decisions can be made to accommodate last-minute changes,” says Johnston. “Managers, supervisors, and members of the field team also can access this data to pull meaningful reports for the operations team.”

Lessons Learned

Johnston advises for companies to stick to the implementation timeline and process recommended by your

technology partner, if at all possible. At the time of Northwest Pipe’s implementation, the business wanted to have employee self-service in place in time for the company’s open enrollment period. “We decided to break the project plan in half, essentially, and complete the HR and benefits portion first, and then circle back and complete timekeeping and payroll,” she says. “That extended the length of the project and added some complexity, but we were able to go live with benefits in May in time for open enrollment in June, so overall it was successful.”

The company underwent several other HR-related changes in 2019 that affected the implementation timeline, including moving from a July 1 to June 30 plan year to a calendar year (January 1 – December 31) for benefits, which impacted elections for FSA and HSA benefits. “We also changed our dental provider during this time, so we had a lot of changes occurring while implementing new technology. Ideally, it would have been great if we could have completed the project during a quieter time. For us, that would have been between August and November, rather than March to July,” says Johnston.

She also recommends that other companies undergoing a similar implementation designate a strong project team and project manager to assist with communications between the internal team and the solution provider. “It’s important to have someone internal driving the project so that you can effectively communicate the company’s needs to the solution provider.”

Due to a recent acquisition, Johnston is currently bringing three more locations into UKG Dimensions this year. She is also focused on fine tuning the application and ensuring the company is leveraging it in the most efficient way to meet everyone’s needs. “We’re always looking for ways to improve our process and operations,” she says.

To support the drive for continuous improvement, Northwest Pipe is already taking advantage of the analytics capabilities of UKG Dimensions, according to Johnston. “We’re just dipping our toes into the analytics side at the moment,” she says. “The company is excited to have access to real-time data and the ability to ask different departments what kind of information they want to see. To be able to provide that information in organized reports and charts is important to our growth.” ■