

CASE STUDY: Royal Mail HR Shared Service Centre, Sheffield



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Transforming Human Resources

Less than 5 years ago Royal Mail was losing over £1million a day; it had an inefficient operation, poor industrial relations and was failing its customers.

Today the picture is changing; last year quality of service was the highest ever, as was morale, and the company reported record performance. This was achieved by creating a shared service centre that provided a lean, flexible service delivery capability.

Royal Mail operates an expansive Human Resources Shared Service Centre in Sheffield, the largest of its kind in Europe. It has seen the whole approach to HR change, with costs reduced by over £50million and customer perception at a record high. In 2007 the HRSC won European Shared Services Organisation and SSC of the year.

Dermot Toberty, who previously led a successful transformation of the business's finance function headed up the project, and his vision was simple, "more for less- more value, less people". Here he explains why Sheffield has been such a crucial, and successful choice for the location of the SSC.



Dermot Toberty - head of HRSC at Royal Mail

"In 1994 Royal Mail began its shared services journey. I was an accountant by profession and had already established the Mail's Finance Shared Service Centre. We started the HR journey in Sheffield in 2001 with payroll and by 2003 we became a full service HRSC.

The HRSC employs 320 staff, a number which usually increases by 50 or 60 over the Christmas period. Royal Mail need to recruit 300 people a week just to stand still, and we are responsible for this happening. For general recruitment we use Job Centre Plus, who have an excellent service and for HRSC temporary staff recruitment we use Reeds. We have just used them to recruit 20 graduates for the centre in Sheffield, to work on a project that will last 6 months and there were

absolutely no issues, we always get good people in Sheffield without a problem.

Attrition is around 1-3% in the centre, which is very low and lots of staff have been at the centre from it's opening. We did start with around 500 staff but due to efficiencies that number has reduced naturally. My aim is to expand by bringing more work in from other areas.



The Sheffield labour market is very good, and it is not overheated like other cities. On top of this the city's transport is fantastic, some people travel over an hour get to work but the journey in Sheffield is just brilliant."