

A New Way of Working

Scaling Up

for Growth



Overview

Over the last four years, Europe's number one electrical and telecommunications retailer and services company, Dixons Carphone, has undergone a huge period of change and growth. Dixons Carphone now has more than 40,000 colleagues across nine countries, including the UK and Ireland.

Our Journey with the client

Ahead of a planned period of growth and acquisitions, Capita designed a payroll solution for Carphone Warehouse in response to dialogue with the client's leadership team. They wanted to onshore their payroll service from India, due to the incumbent falling below contractual service standards resulting in payroll errors and poor colleague feedback. The Capita solution delivered a higher level of service for the same cost.

Carphone Warehouse transitioned its full HR service for 6,500 employees to Capita in 2013, when a team of 32 based in Belfast took on all HR administration, onboarding, vetting of new employees and payroll.

One year after contract Go-Live, Dixons Retail and Carphone Warehouse then merged to create Dixons Carphone plc. Following this merger, Capita supported with several successful TUPE and Transitional activities whilst maintaining Business as Usual services and continued to develop a strong strategic partnership. The terms of the initial contract were reviewed to add an employee relations advisory service plus other HR contract services for all of Dixons Carphone. The team size more than trebled to approx. 100 FTE.

Our support

Dixons and Carphone Warehouse merger

The Dixons Retail and Carphone Warehouse merger resulted in the payroll increasing from 6,500 employees to 11,000 employees and new joiners from 200 per month to 450 per month, with immediate effect. Capita quickly up-scaled the team to cope with this peak in activity and hosted 20 assessment centres around the UK to interview and on-board successful candidates.

In early September 2014, Dixons Carphone announced that their biggest competitor Phones4U had gone in to administration and that they would transfer (TUPE) all of their staff to Dixons Carphone with immediate effect. The Capita team was responsible for ensuring that all additional 796 employees were recruited, on-boarded and paid within a matter of days.

To facilitate all new employees being paid on time and so as not to jeopardise the existing payroll payments for Carphone employees, the team used the Capita next day payment system to pay employees. From October onwards Phones4U employees were part of the main monthly payroll.

The merger of Dixons with Carphone Warehouse, followed by the transfer of Phones4U employees, meant an uplift in work-load in addition to business-as-usual activities which included:

- On-boarding activities for 3900 hires within three months
- Issuing of 8000 employee discount cards in 10 working days
- Hosting of 20 assessment and induction centres around the UK at 24-hour notice
- Increasing payroll from 6,500 to 11,000 within a three-month period
- An increase in monthly call volume from an average of 4,000 to almost 20,000 overnight
- A 500% increase in HR queries
- Dealing with more than 200 change requests with short lead times
- 100% increase in staff turnover

Our Journey with the client

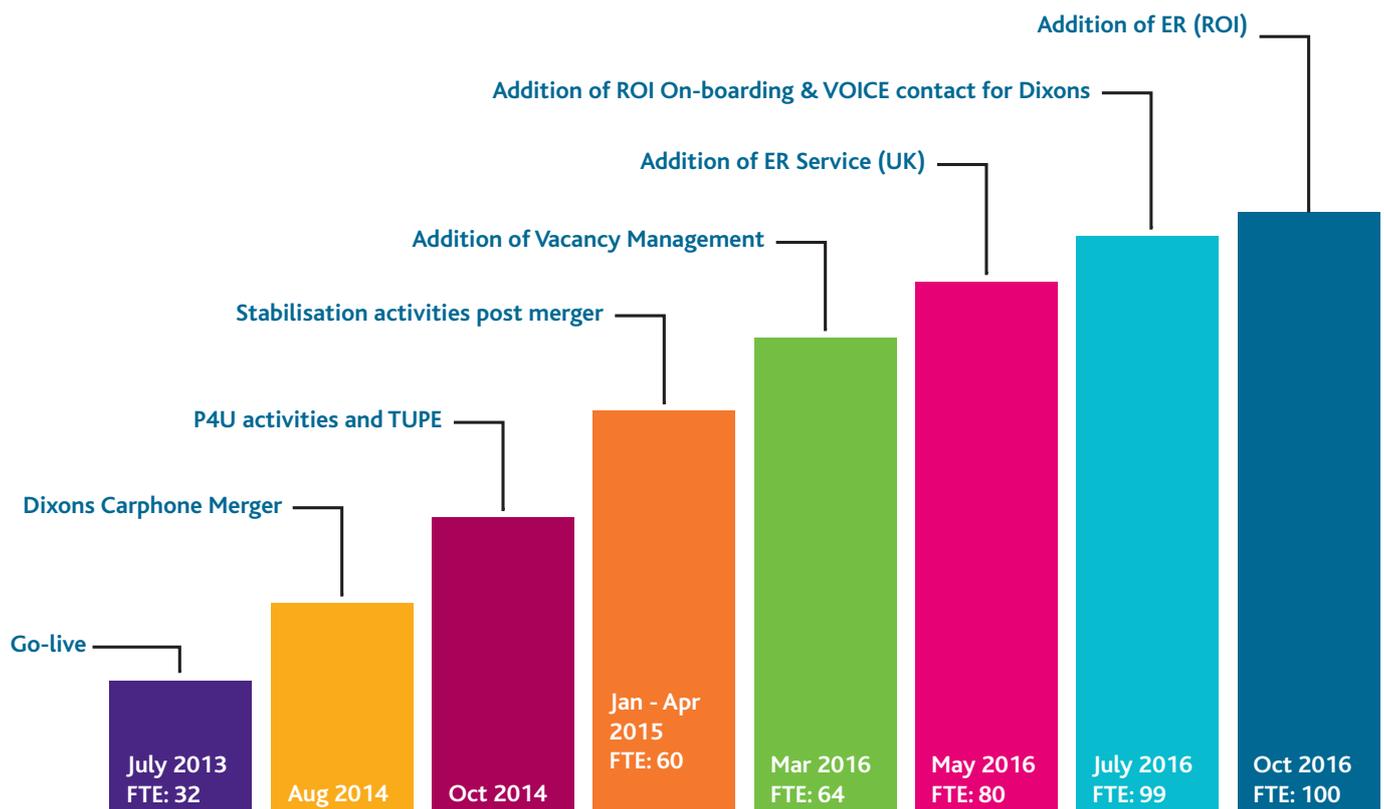
Over time Capita's HR service had grown to incorporate more complex and high-risk areas of HR. Employee relations support from Capita originated during the Dixons Retail and Carphone Warehouse merger when, as a result of the merger, employees could be working in the same retail outlet but for a different store manager and under a different contract.

A team of two managers, nine ER advisors and four coordinators manage all employee relations for the business. Specialist advisors deal with complex matters and provide managers with advice and guidance on a range for Employee Relations topics.

The Capita team handles disciplinary hearings, misconduct proceedings, long-term absence issues, sickness, performance improvement and many other specialist areas of ER for Dixons Carphone. All managers have access to self-service resources and support materials via the intranet, as well as email and phone guidance – with an always-open phone line for urgent help from Capita's ER experts.

Dixons Carphone's employee relations advisory service is supported by Microsoft Dynamics, meaning full management information and reporting is readily available and provided every month by the Capita team. Dixons Carphone's HR community has a full understanding of the status of its workforce via a dashboard of key HR metrics that includes open HR cases, sickness, probation, disciplinary activity, absence, attrition, and performance statistics.

Growing with our client



Project: Downsizing

During summer 2015, the Capita team delivered a redundancy exercise relating to the integration of the Carphone Warehouse and Dixons business. This involved:

- A redundancy exercise for 2000 colleagues due to the closure of both Carphone's logistics and repairs site and Dixons head office building.
- Business support for the HR teams, production of redundancy schedules and back office HR administration support.
- Close partnership with Dixons Carphone team ensuring effective project delivery and communications.

Agility and response time were key to meet commercial and contractual requirements and this was underpinned by robust governance, ensuring a full audit trail with all changes formally documented.

Creating better outcomes together

To date, Capita has delivered on all service level agreements on time, and has achieved 100 % compliance rates. For staff, new systems and processes have improved pay accuracy, reducing the risk of being incorrectly paid, with our payroll accuracy averaging 99.92%.

For Managers, we have improved the response times for payroll support and queries. DC identified that delays to managers' payroll enquiries under the previous supplier had resulted in delays to payroll changes, and had a negative impact on staff. Our implementation of an IVR system and CRM for tracking queries have streamlined the service for managers. We answer 99% of email queries in 48 hours against a target of 80%.

A core element of the service is responding to payroll queries from employees and managers. We are measured on calls answered within 20s and achieve 98% against a target of 80%.

Capita now onboards 450 people per month on average for Dixons Carphone and the scale of our business, and flexibility of our service, means we regularly handle peaks in demand; we on-board more than 2000 employees per month in the run up to the Christmas season.

Our aim is to make HR work more effectively, efficiently and at a lower cost and risk for our clients. KPIs around service delivery have improved candidate experience for Dixons Carphone's large volume of new starters, efficiencies through new systems mean that 89% of new contracts are returned within three days (up from 14%), and a new process for signing contracts reduced headcount by one full-time employee.

Having demonstrated the flexibility required by a large retailer Capita was appointed as the strategic HR service provider for Dixons Carphone in 2016.

Contact us:

To find out more about how we can support your business growth through HR, please contact us:

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