

Believe in Better

Transforming HR at Sky

ORION CASE STUDY



ORION
Transforming HR

“We’d looked at outsourcing, we’d looked at stripping stuff back, we’d achieved all the operational efficiencies we could by streamlining the service. We needed to do things differently. And that’s what we’ve managed to do, by partnering with Orion.”



Patrick Flannighan
HR Operations Director, Sky

1. THE CHALLENGE

**“We were duplicating services.
There was overlap and inefficiency.
We were diluting expertise.”**

Sky is flourishing. In 2015, the business generated revenues of £11.3bn, almost double the figure of five years earlier. As the company has grown, the size and shape of its HR function has, of course, changed. But much of that change wasn't strategically planned.

In theory, it was designed along the lines of the Ulrich model – with Business HR teams, an HR Services function and discrete centres of expertise – but the model had been diluted and teams built up over the years leading to some inefficiency, overlap and duplication.

This meant that, for example, two line managers from different parts of the business but with an identical HR issue would end up approaching two entirely separate HR teams for an answer.

It was an untidy set-up that led to too many generalists and not enough depth of expertise. Some processes were not intuitive or user-friendly, and work was often being done at the wrong level, meaning the organization was not getting full value from their investment in the HR function.

Ralph Tribe, Sky's Director for People in the UK & Ireland, explains: **“We knew the HR model that is the most efficient but we weren't sticking to it.”**

“We were diluting expertise. Our business partner teams were doing quite a lot of relatively low-level transactional work. For example, we had business partners looking after discipline and grievance cases, work that doesn't have to be done by someone at that pay level. Expensive.”

“And often it wasn't being done to the best quality, because they weren't dealing with these issues often enough to become expert. That's when you start to get inconsistent decisions.”

Tribe adds: **“We needed to tidy things up. Run our HR Service better, more efficiently. Put things where they should be.”**

2. WHY ORION?

“We could have gone to one of the big consultancies. But we knew we needed a specialist HR consultancy.”

Ralph Tribe says: **“We could have gone to one of the big, full-spectrum consultancies – all the obvious big names do this work – but we wanted a boutique agency. A consultancy where HR is their main line of business, not just one of many things that they turn their hand to.”**

Patrick Flannighan, Sky's HR Operations Director, says: **“I've worked with Orion Partners before, when I was at Transport for London, and they'd been great. I knew they would understand what we wanted to achieve at Sky. Sometimes with the big consultants you feel there's a process and a formula – but it's their process and their formula, and you follow that rather than something that is specifically right for you. I knew that wouldn't happen with Orion.”**

“Some consultancies impose change on the client. We help the client do it for themselves.”

Sky first asked Orion to work on a small scale project mapping out some initial suggestions of how a new HR structure might look.

This landed well – so much so that soon afterwards they commissioned Orion to carry out an 18-month, three-stage programme to fully research, design and implement a change programme that would bring clarity to their HR function and enable the HR teams and the business they worked with to focus the right level of support on the things that mattered most.

The aim was to take them from their “untidy” HR model to a set-up that would work better for everyone – from the day-to-day problems of front-line staff who answer the phones at Sky’s call centres to the long-term strategic aims of the Board.

The change programme was called Morph.

And the approach was clear from the start. Rather than an army of consultants marching in – people who some weeks were working for Sky, other times had their minds on another client – Orion embedded a small team of consultants into the heart of Sky’s business, working side by side with Sky people, day in, day out, for 18 months.

Ralph Tribe says: **“The Orion people were very engaged. Very engaging. We like them as people. During the project, it was quite difficult to see who was an Orion person and who was a Sky person.”**

“I’ve worked with the big agencies, and the approach is pretty different. Often the consultants pile in, they sit in a separate area. It’s very ‘them and us’. With Orion, it wasn’t like that at all.”

Jane Chesters, founder partner at Orion, says: **“Some consultant companies would have brought in a big implementation team and done all the change for the client. Almost impose it on them. We go for a different approach. We helped Sky do it for themselves.”**

“We have almost 15 years’ experience as a firm of delivering change programmes such as this. We know what needs to be in place. We provide the clients with the tools, the template, but also the experience – the potential pitfalls they need to watch out for – and we coach and support them through the process.”

4. THE PROCESS

The work was split into three parts: firstly, a discovery phase; then Orion helped to draw up the change programme; then implementation.

A 20-strong “change programme” team was established, led by Sky’s Patrick Flannighan, and also incorporating a technology team, who would implement a new People Service for Sky. For the discovery phase, Orion conducted one-to-one interviews and group discussions with representatives from every area of the business – from the Executive Editor of Sky Sports News to financial controllers and rights lawyers to people leading engineering teams installing Sky products out in the field. They also spoke to HR people in each area. They then carried out detailed activity analyses.

All of which enabled Orion and Sky to agree a detailed change programme.

5. THE NEW SERVICE

The new service model is built around five separate teams:

- **HR OPERATIONAL EXCELLENCE**
An expanded new central contact centre (“People Plus”) for all everyday HR queries from anyone, anywhere in the company. The aim is to solve 80% of enquiries at the first contact. The operations centre is supported by specialist delivery teams, providing support to managers in areas such as recruitment, employee relations, occupational health and learning and development. (Orion helped Sky to introduce new state-of-the-art case-management technology to deal with People Plus enquiries.)
- **PEOPLE EXPERIENCE**
A 20-strong team of experts in learning and development, organisation development, talent management, etc. Previously this strategic work planning was scattered across the HR function. Now it’s been brought together under one umbrella, with the synergies and better performance that brings.
- **REWARD**
Designing the right reward strategies.
- **BUSINESS HR**
Now consisting purely of Business Partners, this is the business face of HR – accountable for working with the business to define and deliver the people plans for each business area. This part of the function is much slimmer than its processor – reduced from 130 people to around 30 – since in the old world, it had its own local operations function, which has now been absorbed into the central Operational Excellence department.
- **STRATEGY, INSIGHT AND PLANNING**
A small, tight team that works directly with Sky’s leadership team to act as “air traffic controllers” and helps the company to determine which projects deserve the highest priorities.

**“Going live should be the biggest anticlimax.
You need it just to happen.
And to work.”**

Sky broadcasts some fantastic TV programmes. But drama is precisely what they were not looking for when the new HR function went live one Monday morning in May 2015.

It was a big change, involving new structures, people in new positions and a sizeable reduction in headcount. The newly-structured HR teams needed to be fully operational on day one. The technology needed to work. Employees in the wider business, from the front-line to the boardroom, needed to know how the new structure would serve them.

“Going live should be the biggest anticlimax,” says Orion’s Jane Chesters. **“You need it just to happen. And to work.”**

It was. And it did.

But there was one small – happy – surprise for the new, strengthened Operational Excellence team.

Patrick Flannighan says: **“Before Morph, the admin team had felt a bit like a neglected tribe. After Morph, they’d gone from 20 people to 100 people. We wanted them to understand that they were now at the heart of the new operating model.”**

How to demonstrate that? Patrick and his senior team armed themselves with furniture polish and feather dusters.

“We wanted the service centre to look and feel like a new environment. So we went to Livingston and all the managers and senior team worked over the weekend hoovering, dusting and cleaning and getting everything ready for the team.”

“We provide a much better service to the organisation. For £2 million less every year.”

Today, Sky’s HR function works better – for less. As a result of Project Morph, Sky’s HR function costs £2 million less per year on a like-for-like basis.

Patrick Flannighan says: **“We’d looked at outsourcing, we’d looked at stripping stuff back, we’d achieved all the operational efficiencies we could by streamlining the service. We needed to do things differently. And that’s what we’ve managed to do, by partnering with Orion.”**

But cost-saving was not the main driver. Service was.

“We now provide a much better service to the organisation. There’s a single point of contact. We’ve got better technology for the business, clearer policies and processes. Roles are better defined. Everybody knows what we should do and how we operate.”

“If you’re not duplicating stuff it gets done quicker, better – and the end result is that we’ve got experts in particular tasks and processes rather than 20 people bumbling through it. And it’s easier to make experts. It’s easier to get things done right first time than it ever was before.”

“We are completely delighted with Orion.”

Ralph Tribe, Sky’s Director for People, says:
“We are completely delighted with Orion. They’re good at their job. They’re good at helping you think differently.”

In fact, after the success of Morph, Sky has now embarked on a the next phase of their HR journey – integrating new territories for Sky in Italy, Germany and Austria underpinned by a wholesale replacement of their HR technology transformation – and has called in Orion to partner with them once more.

“A lot of it is down to the Orion people,” says Ralph Tribe. **“On a personal level, consultants quite often are not very engaging. These guys are. They employ strong people who are good to have around.”**