



## The mapping and merger of Crédit Agricole SA



### How the Human Resources Department of Crédit Agricole SA managed its merger with LCL Le Crédit Lyonnais, thanks to its Process Repository



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Philippe MEHEUT, HR Information Systems Manager at Crédit Agricole SA

**At the end of 2002, the merger between Crédit Agricole SA and LCL Le Crédit Lyonnais resulted in the largest bank in France. The new group employs more than 60,000 people and this led to an in-depth reflection on the way the Department of Human Resources operated.**

A merger has multiple impacts in various fields - legal, financial, organizational and social. In order to reduce costs, it is important to optimize company organization and the information systems that support it, to efficiently manage the common functions of the various structures and to harmonize their practices.

Like all departments in the company, Crédit Agricole SA's HR Department reflected on this in order to rethink its organization and its information system. *“As a result of the merger, we had to implement the reorganization and reconfiguration of IT systems in many areas. We used the dynamics of the merger in order to build and share a common Process Repository, which assists communication and facilitates change,”* explained Philippe Méheut, Crédit Agricole SA Group's HR Information Systems Manager.

Crédit Agricole SA used MEGA consultants and tools in order to manage the whole process and particularly to guide the new structure arising from the merger. *“Becoming a team means that we have to innovate. MEGA is helping us to effectively identify and share our best practices,”* said Philippe Méheut.

As the merger progresses, each section of the organization will have its HR models put into the Process Repository. The DHR has to face a variety of challenges: redefining and supporting the organizations, improving productivity in IT management, and conjoining operating modes in order to most effectively capitalize on the merger.

### Merger and HR activities: redefining and supporting the organisations

There is a “before” and an “after” in mergers. Crédit Agricole SA and LCL had both formalized their own processes for action implementation. At the time of the merger, the company's internal



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HR procedures worked in two ways. “The after-merger period” consisted of reconfiguring the processes to suit the organization’s new priorities. In many cases it was a matter of distinguishing between the functions carried out by the bank’s HR department and those that were to be handled by subsidiaries. The activities of each company were therefore formalized, the nature and conditions of exchanges were defined and in the case of recruitment, the process was provided with quality certification.

Detailed mapping of the two companies’ processes permits critical appreciation and redesign of these processes in order to establish a repository which brings together all the HR activities of the group. All concerned company employees can access the HR functions that concern them via an intranet site generated automatically from the MEGA repository. Called the “HR Process”, it centralizes all information on HR processes for all of Crédit Agricole SA’s entities and subsidiaries while maintaining the previously identified best practices in both companies. The result is a common management tool for all of the company’s business and activities.

## Merger and convergence: reconfiguring and optimizing the information systems

At group level, the merger also means a reconfiguration of the HR information system, with three important objectives: controlling the applications, guiding conjoined projects and optimizing developments. Hence it is necessary to know one’s resources in order to eliminate losses in efficiency and to define new application fields following reorganization (project management, new service agreements between users etc.).

### Measuring the impact before reconfiguration

*“We established an inventory in advance. Which is often the raw material used when uniting systems. Such description of the various applications allows one to determine at what level the application is used in implementing a process which may be common to both entities”*, emphasized Philippe Méheut.

### MEGA OFFERING

A pioneer in the field of modelling, MEGA is the architect for companies which organize their management around mechanisms of value creation. MEGA solutions use specialized consulting services and software tools to help managers build a company repository in order to anticipate and assist with complex decision-making which has an impact on the organization and on information systems; this is done by providing a clearly constructed vision of the architecture of the activities and resources for which they are responsible.

The robustness and flexibility of the MEGA repository and its automatic document generation mechanisms (Word, Office, intranet sites etc.) effectively supports the description and optimization of organization and information systems, such as the initiatives to make companies comply with regulations and regulatory constraints.



+ “This description is a valuable tool measuring the organizational impact of any modification to the information systems”.

The mapping of the information system lists these existing applications and positions them in relation to the business processes. *“This description is a valuable tool when reconfiguring systems, precisely defining the functional perimeter of the project, describing the corresponding specifications and measuring the organizational impact of any modification to the information system,”* says Philippe Méheut.

The repository is also useful when analysing the impact of reorganization projects on information systems as it permits the estimation of costs before any organizational or technical change.

The exact description of the operation of each application and the responsibilities at both project ownership and management levels also provides a direct support for systems’ documentation.

### **Optimizing the development of IT systems for each entity**

Human resources are generally interdepartmental functions that facilitate unity. In order to optimize common IT developments in different departments of the company, it was important to be able to identify the necessary adaptations as soon as possible from a common initial basis.

So, for the implementation of the HR guidance system, *“Above all, we want to organize the information and define data-interrogation tools so that requests can be shared as much as possible. It is necessary to rapidly share the content of the requests with the different departments as well as to identify the developments and the adaptations necessary to respond to their needs”*, said Philippe Méheut.

The common repository allows service agreements to be made between users and to identify the minimal adaptations necessary to take account of various department’s specific needs.

## **Managing transversal sites**

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The repository is a powerful tool since it provides an overall vision of the company’s processes. This is valuable not only for HR activities, but also interdepartmental projects managed by the company, in the areas of quality, management control and management of operational risks.

Today, the Repository is a valuable tool for implementing conformity with the new Bale II directive: from the description of the processes, the various business managers can assess and manage operational risk.

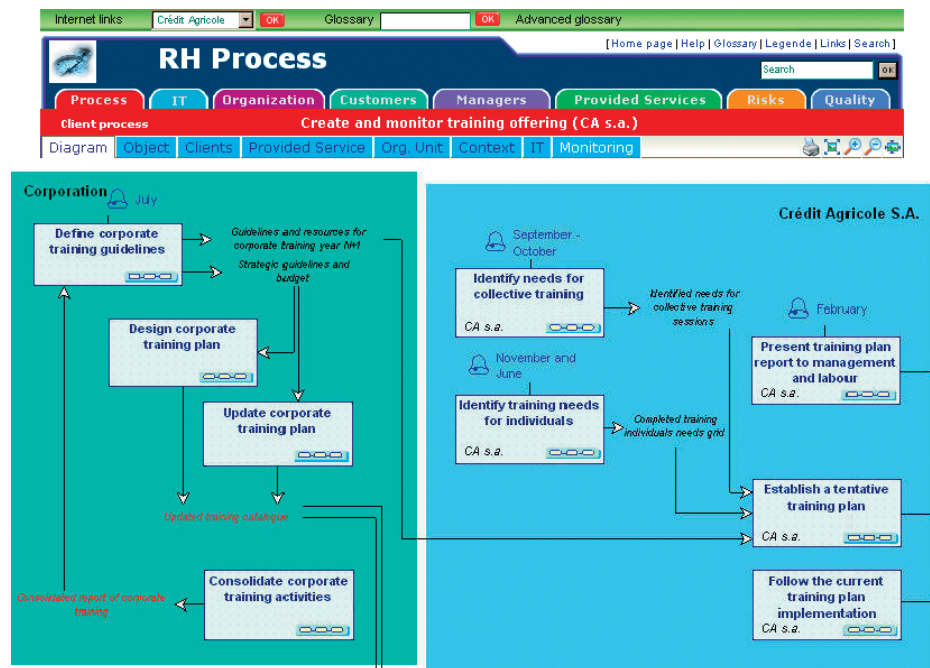


+ “The mapping system offers a common language”.

For Philippe Méheut, “The mapping system offers a common language. It is essentially a dialogue tool for developing risk prevention strategies as well as monitoring operations.”

## A centralized intranet, a communication and management tool

The mapping as well as the MEGA repository capitalize on previous work carried out within both Crédit Agricole SA and LCL Le Crédit Lyonnais. The HR repository represents more than 80 processes and 120 applications used in the Crédit Agricole SA group.



### A POWERFUL GROUP: LEADER IN FRANCE WITH A EUROPEAN DIMENSION AND GLOBAL AMBITIONS

Crédit Agricole is the largest high street banking group in France, with 43 Regional Banks all strongly anchored in their respective geographical areas. The acquisition of LCL Le Crédit Lyonnais in 2003 has strengthened the Group’s positions in all its business activities. It is now among the European leaders in terms of domestic market position, and among the largest in the world in terms of capital. As a result of the Group’s desire to embrace the market while strengthening its mutual identity, Crédit Agricole S.A. was floated on the stock market in December 2001. Crédit Agricole S.A. represents all Group business lines and entities, and serves the entire spectrum of customers from personal customers’ right through to large international groups. With operations in 60 countries, it has a targeted international expansion strategy.

Credit Agricole SA is today the foremost high street bank in France, the leader in asset management, the leader in specialised financial services, the front-ranking European player in corporate and investment banking.