

Nova Scotia's Outsourcing of SAP Services to IBM

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Major Government Announcement

- November 8, 2012
- Government, IBM Canada, universities & community college to create hundreds of jobs
- Was to be a ten-year deal to create up to 500 new jobs earning a total of over \$130 million over 8 years
- Key requirement was outsourcing the government's SAP services at a cost of \$8.4 million; also \$12.4 million in payroll rebates

SAP Services

- SAP is German-created software system to assist in planning and managing finances.
- NS government SAP services were provided by a team of 110 employees of which 73 were NSGEU members who were highly trained IT experts.
- They provided services not to just to provincial government but to municipalities and other government agencies. It was a model service.

What Happened

- When we learned government in talks with IBM in summer of 2012, we began to work closely with our members and set up a joint working group
- Did research, provided regular updates
- Organized info pickets and rallies
- 90% of members signed letters not accepting a job with private employer and met with Minister of Finance. Went public regularly

After Announcement

- We denounced government for being taken in and breaking fundamental principles and earlier commitments to us
- Challenged Premier about NSGEU being fully involved in discussions about this deal.
- Learned on Nov. 8, positions of 61 members to be transferred to IBM effective March 4. 2013
- As of March 2, 43 member chose not to go with IBM, 9 opted to resign or retire, and 34 placed in other positions.

What is new?

- Part of a mega announcement about supposed new investment and job creation
- The outsourcing was a key requirement for this deal to go ahead.
- Our members' services were very successful, served as a model
- Government seemed to think if members had placement rights and if they were looked after, not a form of privatization somehow

How Do Fight This New Form?

- Start as early as possible
- Fully involve the members all the way through the process
- Must demonstrate widespread opposition e.g. over 90% not agreeing to go to new employer
- Have strong job security language
- Do everything possible to win broad public support.

In The End

- Privatization did go through but most members not willing to move to IBM
- No apparent significant increase at IBM
- No hundreds of jobs being created nor millions of new investment monies to NS
- Dexter government soundly defeated in next election
- But new Liberal government most anti-labour and anti-NSGEU in recent NS history