

A Case Study In Payroll Effeciencies

by Dennis Miller

Cal Poly Pomona Foundation

Classic Phone



iPhone



Benefits

- Easy to use
- Intuitive
- Powerful
- Multiple capabilities
 - Smartphone and email
 - Internet and map
 - Camera, videos, photos
 - Games and music
 - Video calling
 - Applications

Changing the Way We Do Business

The Phone



80's

The Beeper



90's

The Blackberry



2000's

The iPhone

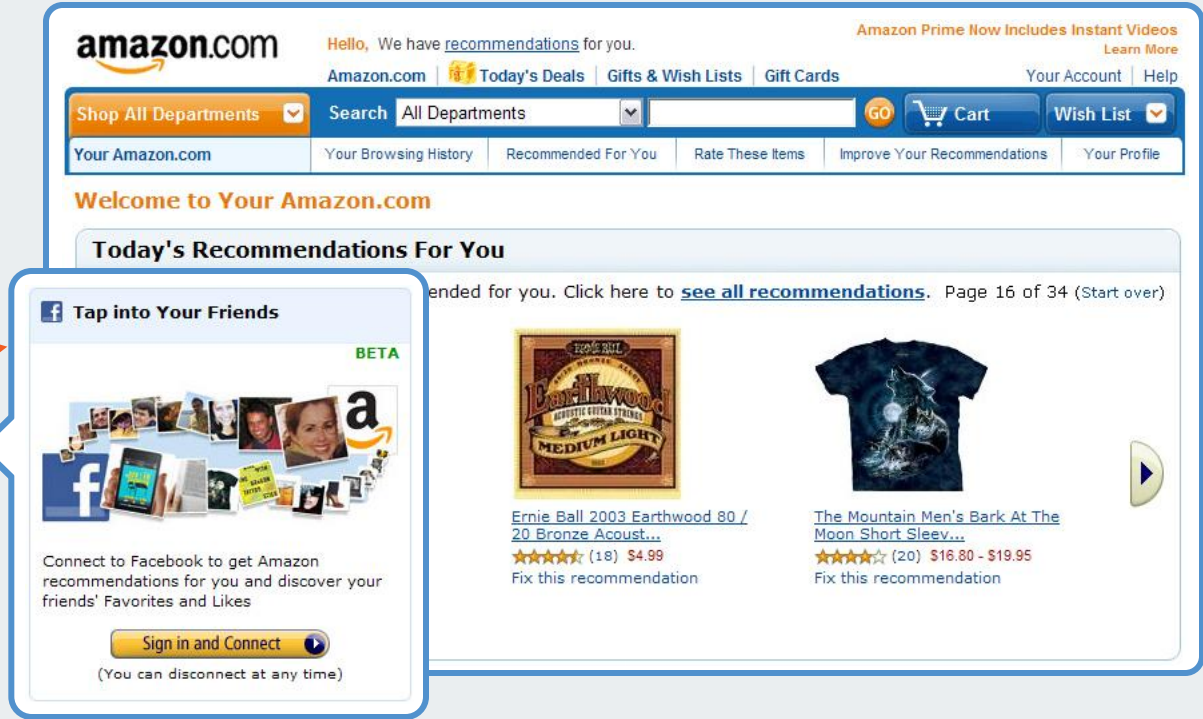


2010



**Technology Empowers and Enables Us
To Be More Productive – Embrace It!**

Revolutionize the User Experience

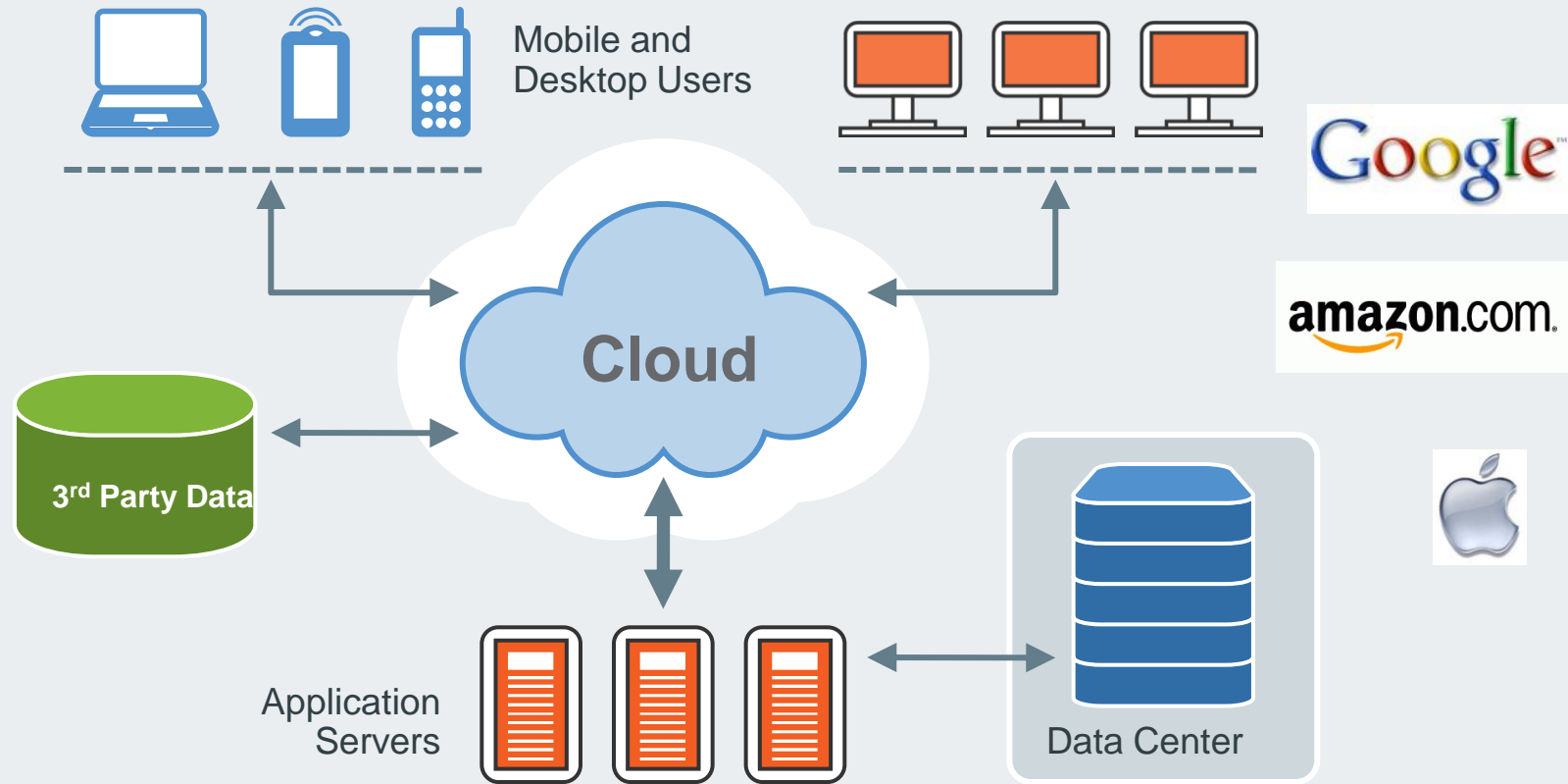


The screenshot shows the Amazon.com homepage. At the top, it says "amazon.com" and "Hello, We have recommendations for you." Below the navigation bar, there's a "Welcome to Your Amazon.com" message. The main section is titled "Today's Recommendations For You". On the left, there's a widget titled "Tap into Your Friends" with a "BETA" label. It features a collage of photos and the Amazon logo, with the text: "Connect to Facebook to get Amazon recommendations for you and discover your friends' Favorites and Likes". Below this is a "Sign in and Connect" button and a note: "(You can disconnect at any time)". To the right of the widget, there are two product recommendations: "Ernie Ball 2003 Earthwood 80 / 20 Bronze Acoust..." priced at \$4.99, and "The Mountain Men's Bark At The Moon Short Sleeve..." priced at \$16.80 - \$19.95. Both have star ratings and a "Fix this recommendation" link.



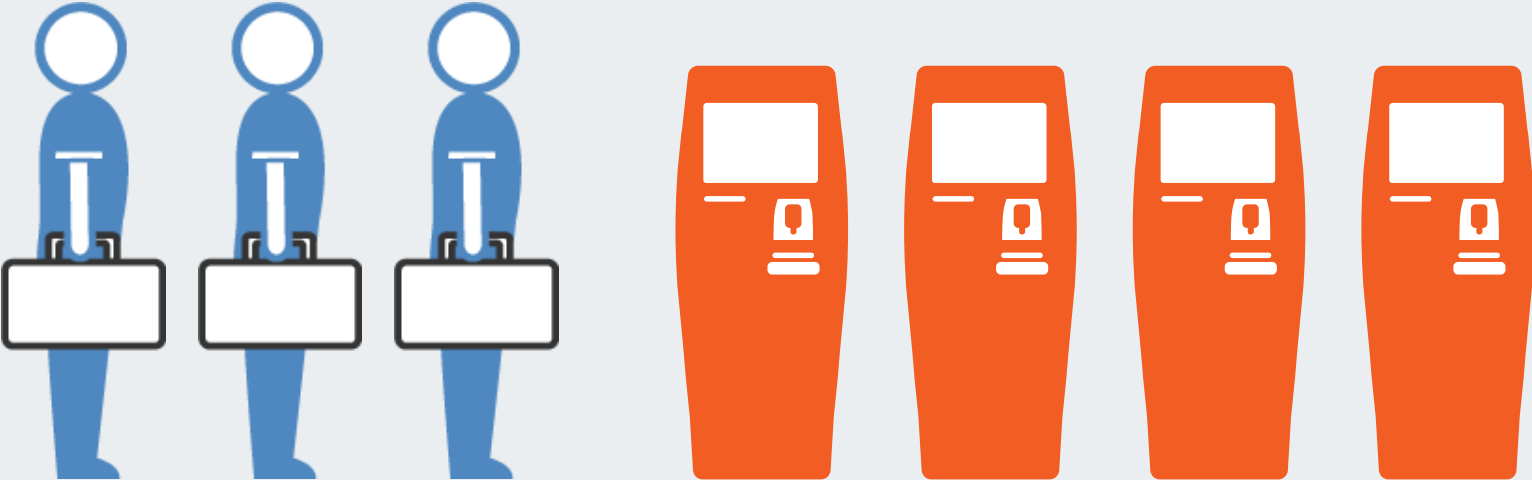
Over 1 Billion People Shop Online and
800 Million+ Facebook users as of 7-1-2011

Trend 1 – The “Cloud”



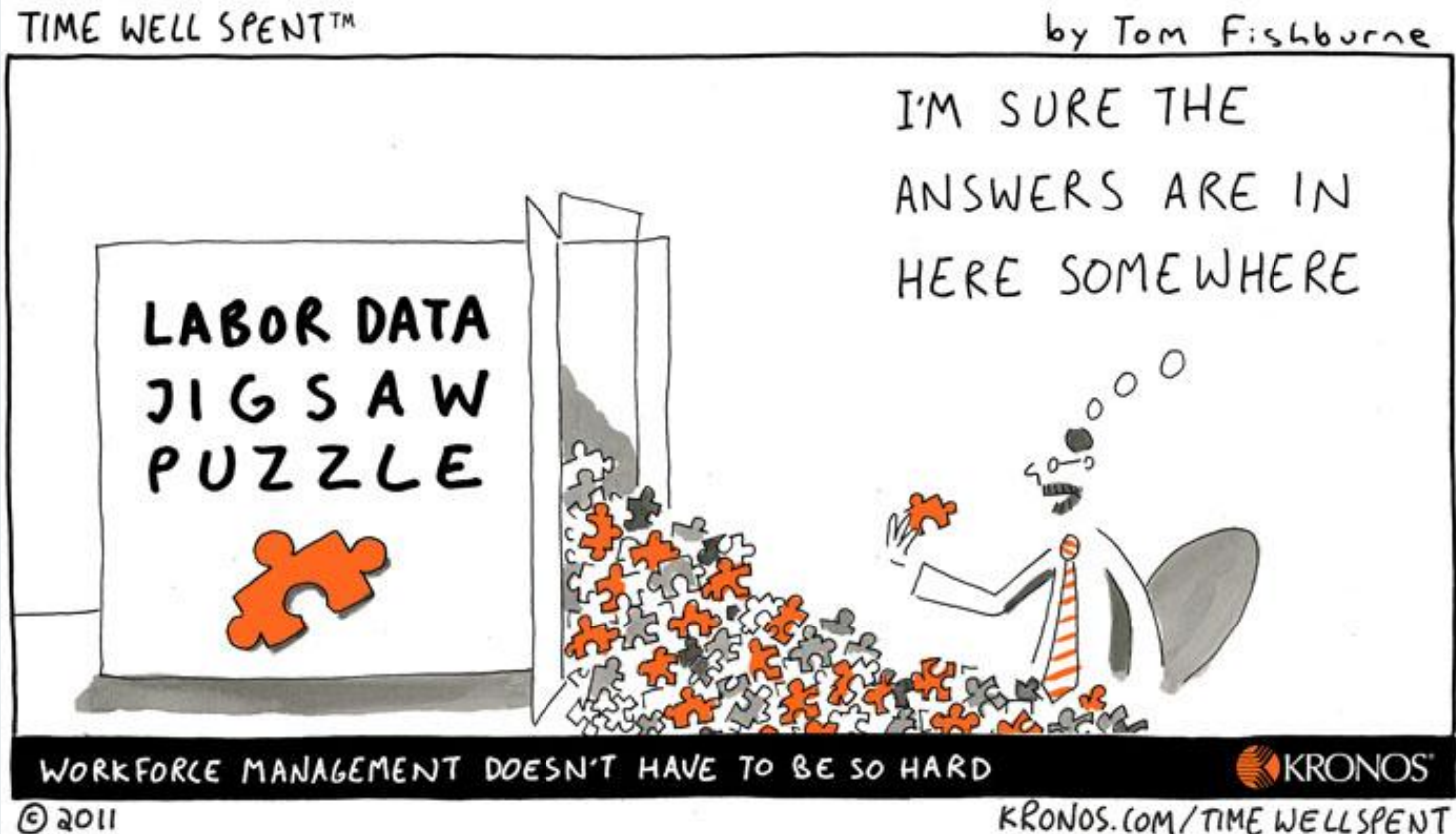
Trend 2 – Self-service

➔ Quick Check-in



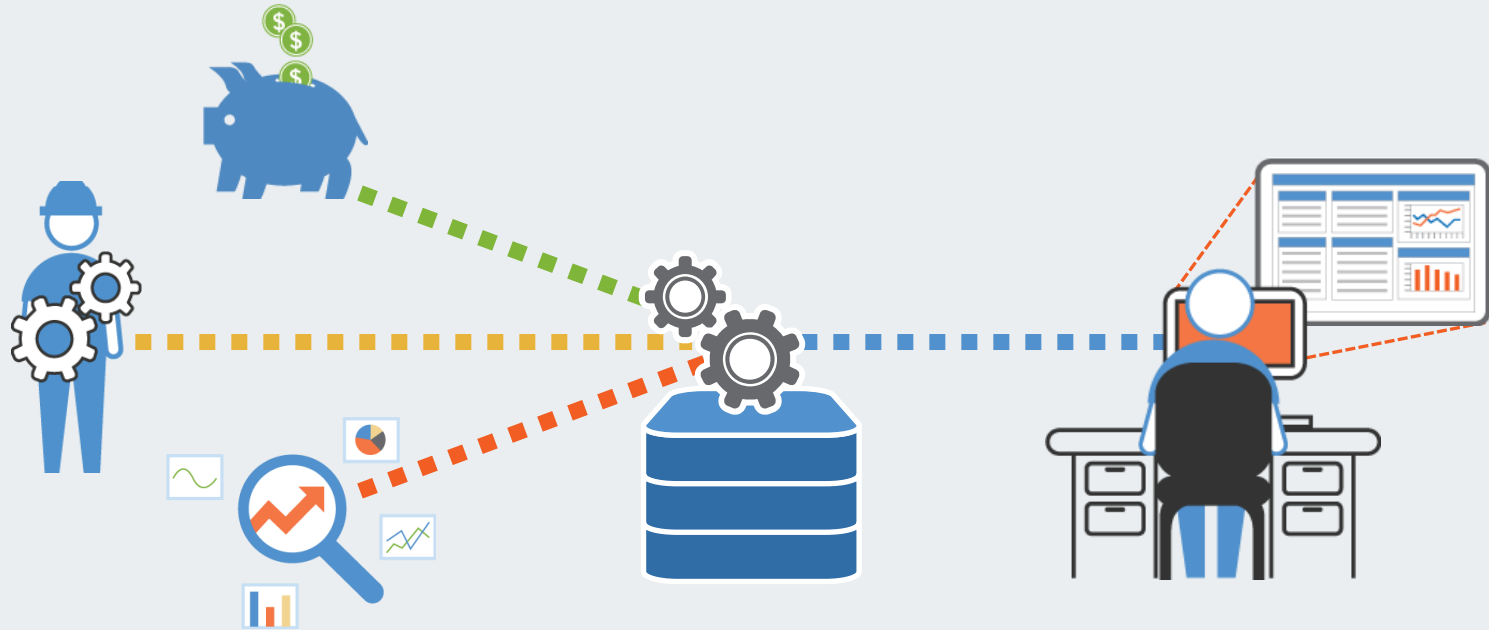
Empowerment, Paperless and Lower Costs

Trend 3 – Easy Access to Data



90% of data have been created in last 2 years

Trend 4 – Automation Drives Business Process Improvement



Business Process Improvement = Integration

Strategic HR and Efficient Payroll



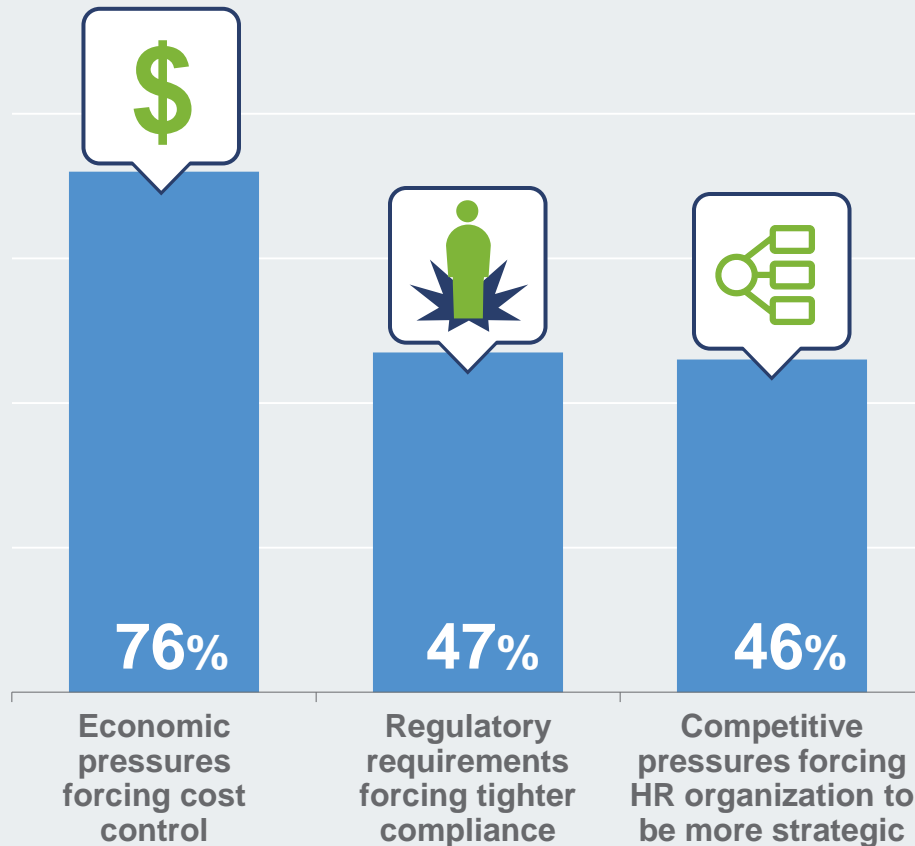
At Best Buy, the value of **0.1%** increase in employee engagement at a particular store is **\$100,000 in the store's annual operating income.**



October 2010

External Pressures

ECONOMIC EFFECTS ON HR



Economic Pressures

Drive HR/payroll to manage costs, ensure compliance, and be more strategic.

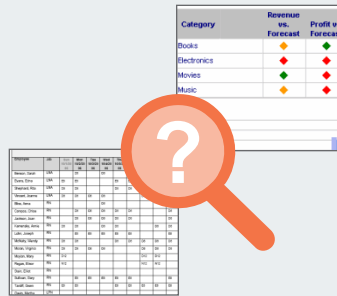
Internal Pressures Makes it more difficult

Lack of Efficiency



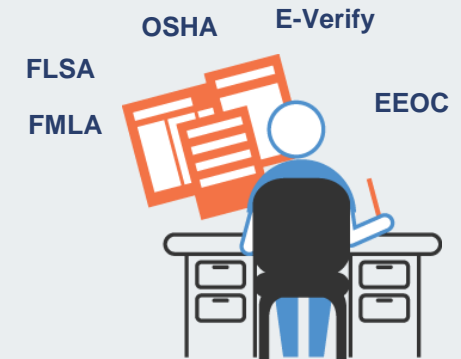
- Too much time spent on manual processes
- Slows down organizations

Poor Information



- Silos of critical data and information
- Unguided decisions by executives due to poor information

Myriad of Regulations and Rules



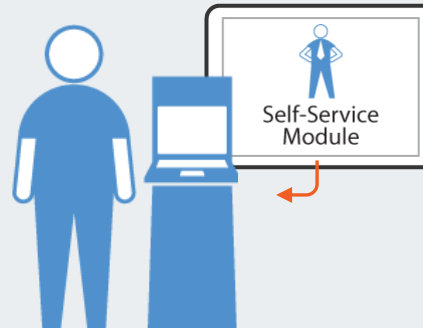
- Higher risk of non-compliance
- Fines and penalties
- Increased resources/costs

HRM Technology Utilization Drives Best-in-Class Performance

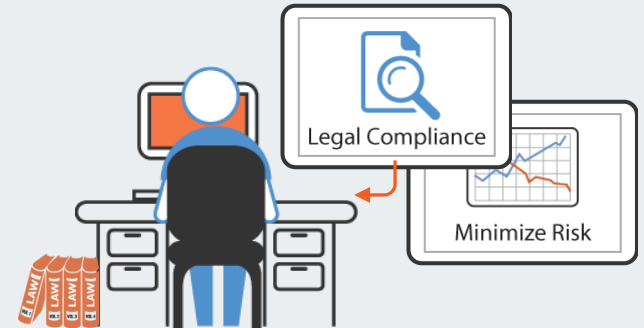
Business Process Improvements



Self-Service



Access to Information



Achieve Operational Excellence
through **Automation and Integration**

Unified HRM Technology Drives Best-in-Class Performance

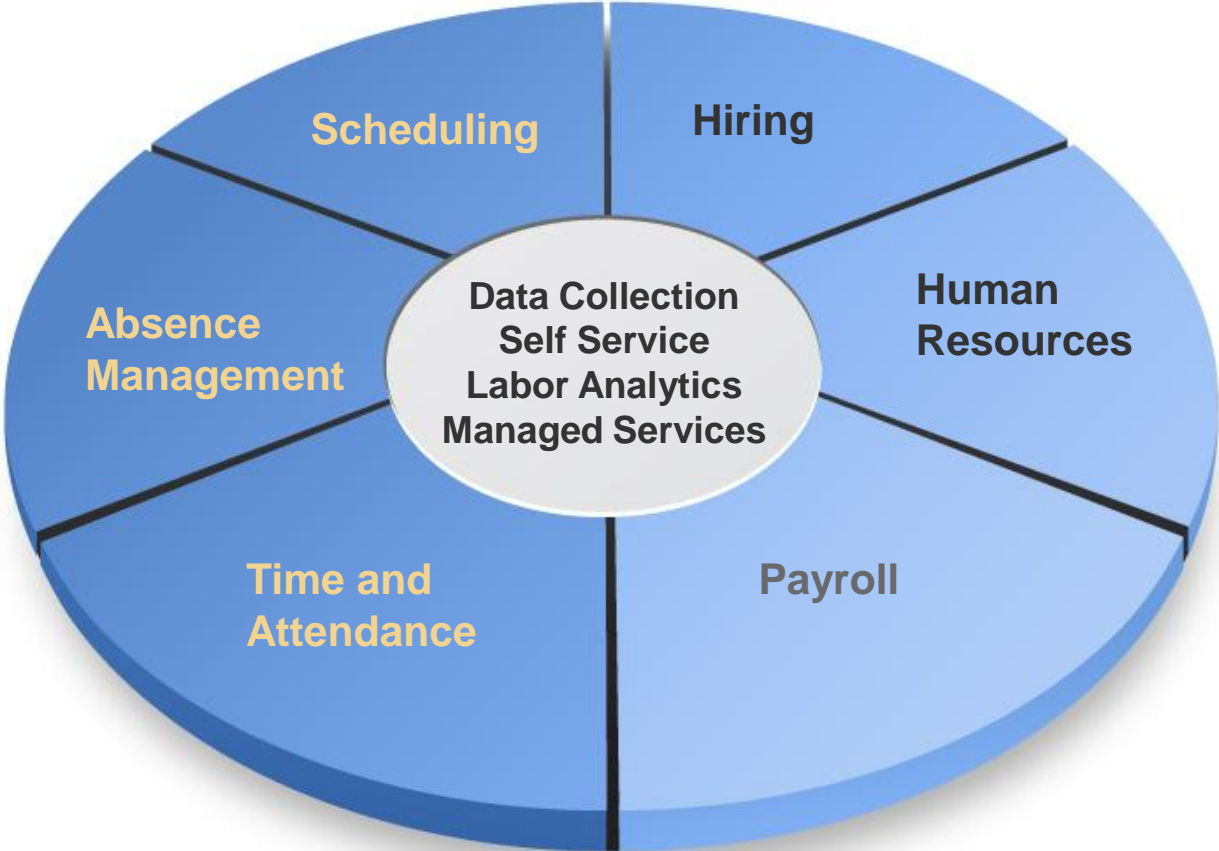
	No Automation	HRIS, Automated Payroll and Workforce Management	% Increased
HR/Payroll functions are efficient	62%	78%	16%
HR/Payroll service delivered is of high quality	38%	71%	33%
HR/Payroll functions are cost-effective	46%	73%	27%
Satisfaction with core HR/Payroll solution	36%	82%	46%



Achieve Best-in-Class through Automation and Integration

Source: Aberdeen, Core HR System research study

Kronos Suite Offering



Kronos Workforce HR and Workforce Payroll

HR and Payroll



- Applicant tracking
- Employee management
- Benefits administration
- Performance management
- Compensation management
- Training tracking
- Payroll
- Self-service (employee/manager)
- Reporting
- Compliance
- Attendance administration

What Companies Have Realized



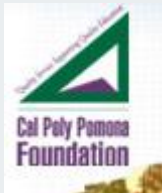
\$2,660,000 in cost savings
and cut payroll processing and errors **by 90%**



\$600,000 in cost savings
and take **minutes** to get reports versus **weeks**



57% Reduction in Costs
by eliminating service fees and going paperless



Reduced FTEs from 3.5 to 1.5
And ROI in less than 26 months

Goals and Objectives

- Change the perception and culture
- Align people to goals and objectives
- Improve processes to increase efficiency
- Optimize technology to scale



Tagline = Evolve HR/Payroll from administrative to strategic

Cal Poly Pomona Foundation

Dining Facility, 20+ venues

Student Housing

Bookstore

Hotel & Conference Center

Grants / Contracts

Administration

- 21,000 students
- Average # of employees is ~ 1000
- Process ~ 2500 W-2's Annually



Main Challenges We Had

- ◆ Deeply Institutionalized Culture
- ◆ Process (70% manual)
- ◆ Technology (4 systems)
- ◆ Lack of information



Challenge 1 - Culture

- ◆ Changing the perception & addressing obstacles
 - ◆ Employee entitlement mentality
 - ◆ “We’ve *always* done it that way”
 - ◆ Auditors
 - ◆ Too busy to make changes



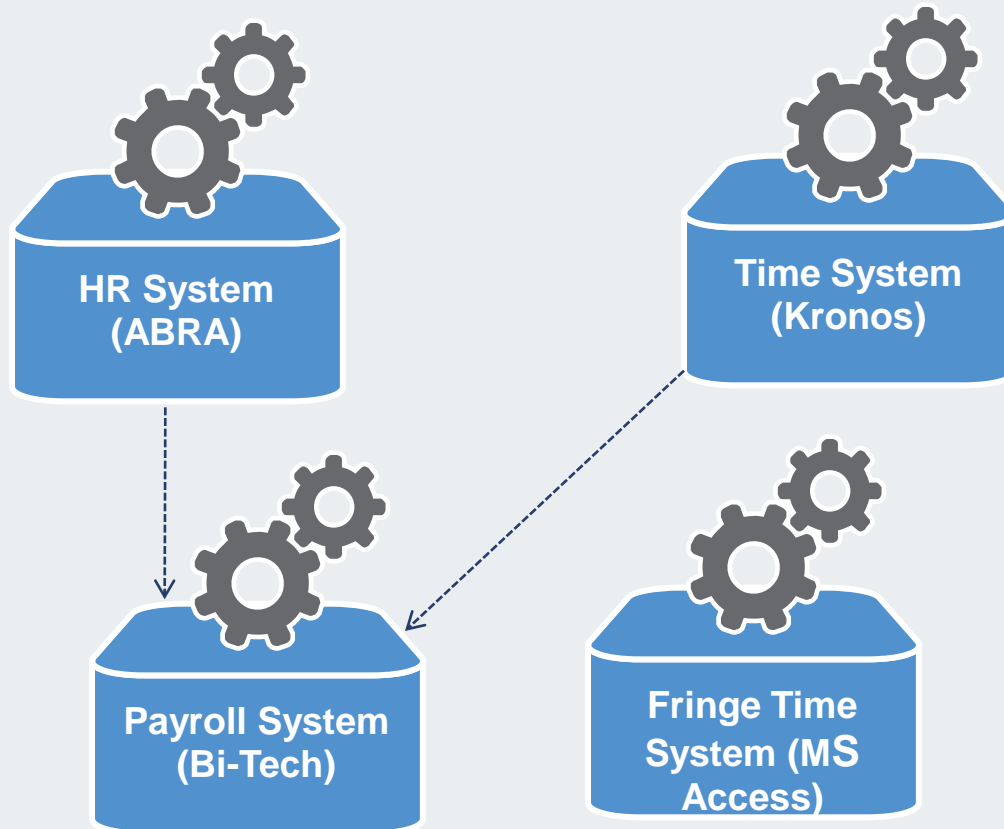
Challenge 2 - Process

- ◆ Manual and inefficient
- ◆ Unscalable model
- ◆ 4 systems
- ◆ Duplication of work
- ◆ High risk of errors
- ◆ “Triple checks”



Challenge 3 - Technology

- ◆ Four systems = too many moving parts



Challenge 4 – Lack of Information

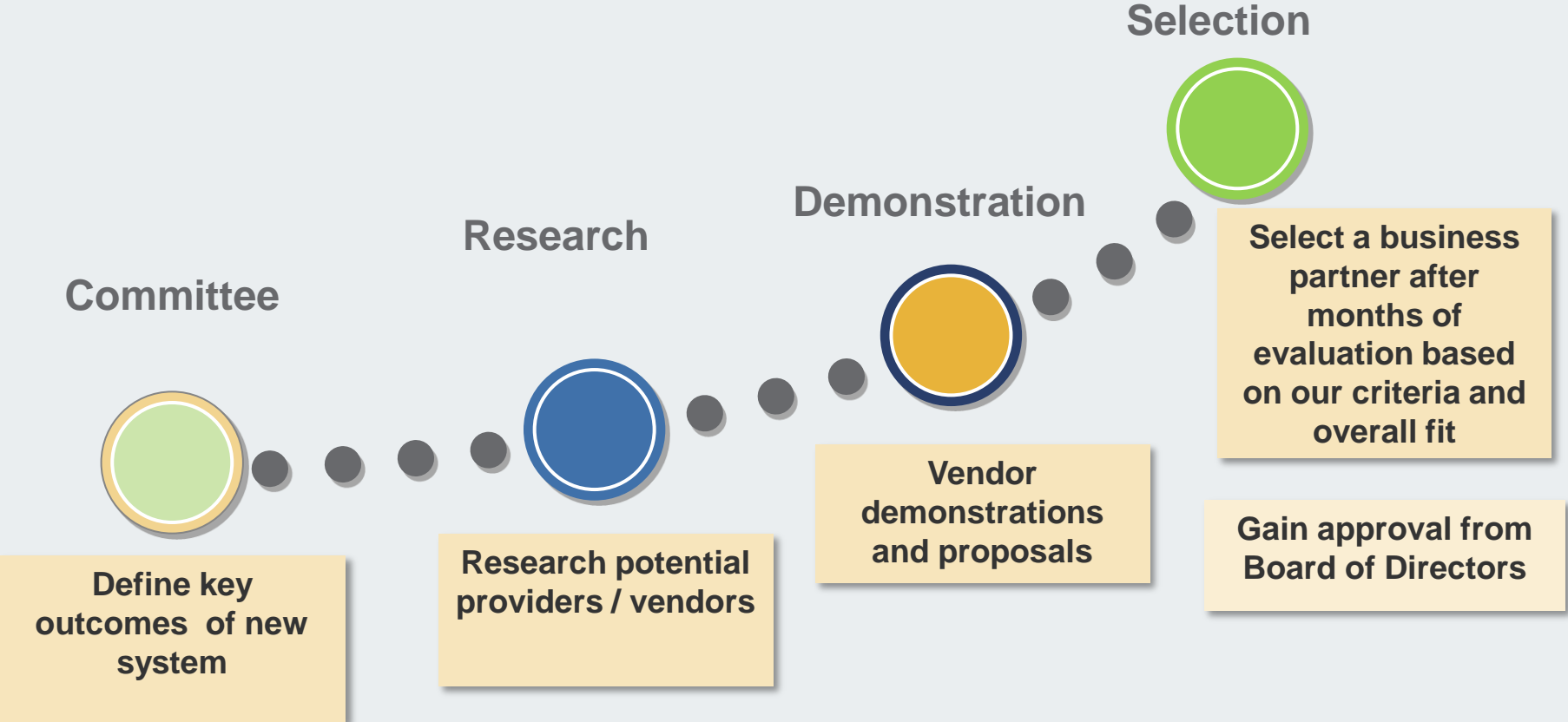
- ◆ Plethora of data
- ◆ Little information

Category	Revenue vs. Forecast	Profit vs. Forecast
Books	◆	◆
Electronics	◆	◆
Movies	◆	◆
Music	◆	◆

Employee	JOB	01/15/02	02/15/02	03/15/02	04/15/02	05/15/02	06/15/02	07/15/02	08/15/02	09/15/02	10/15/02	11/15/02	12/15/02
Benson, Sarah	USA	01	01			01							
Evans, Edna	USA	01	01				01	01	01				
Shepherd, Rita	USA	01	01				01	01	01				
Mason, Joanne	USA	01	01	01	01					01			
Bliss, Rena	NI				01								
Conroy, Grace	NI		01	01	01	01	01						
Jackson, Juan	NI		01	01	01	01	01	01					01
Hammond, Anne	NI	01	01			01	01				01	01	
Lewis, Joseph	NI		01	01	01	01	01						01
McNulty, Wendy	NI	01	01				01	01	01	01	01	01	
Moran, Virginia	NI	01	01	01	01				01	01	01	01	
Morton, Mary	NI	01							01	01			
Pagan, Elmer	NI	01								01	01		
Dean, Elton	NI												
Sullivan, Gary	NI		01	01	01	01	01						01
Tarant, Owen	NI	01	01				01	01	01	01	01	01	
Olsen, Martha	UPI												



Search for New Platform



Key Outcomes for New Platform

- Ease of Use
- Self-service functionality
- Minimal customization
- Improve payroll process by reducing complexity, reducing errors, use technology process instead of paper process, eliminate triple checks, etc.
- Allow HR to evolve from clerical to strategic

Changed Perception and Culture

- ◆ Automate – Automate - Automate
- ◆ Manual to Self-service
 - ◆ Employees
 - ◆ Managers
- ◆ Other functional areas witnessed the transformation and began their own initiatives

Empowered People

- ◆ **Accessibility**
- ◆ Employees take ownership of *their* personal information and can access it at anytime in **real time**
- ◆ Decentralized on-boarding process
- ◆ Units have **control** over hiring process
- ◆ Less administrative and more **strategic for Payroll and HR teams**

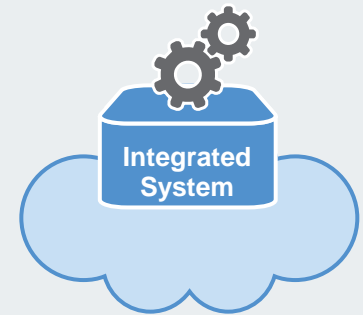


Process Automation

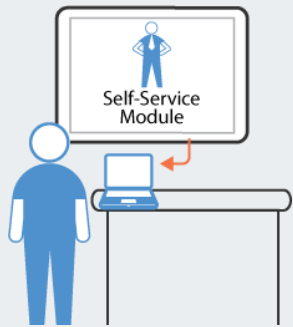
- ◆ Economies of scales
- ◆ Payroll process from 4 days to 1 day
- ◆ Paper transactions are minimized or eliminated
- ◆ Employee satisfaction has increased nearly 40%
- ◆ Garnering “information” from data is now a reality
- ◆ Save time, money, and resource use

Technology

- ◆ Integrated system
- ◆ Scalable
- ◆ Single system of record
- ◆ Self-service
 - ◆ Lower cost
 - ◆ Improved transaction handling
 - ◆ Data access in real time



Self-service



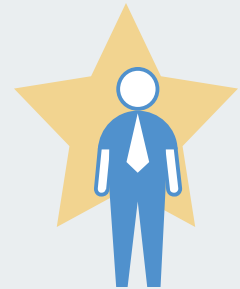
**Personal
Information**



**Benefits Open
Enrollment**



**Payroll (online
statements &
W-2)**



**Performance
Reviews**



Employees are empowered

Employee Self-Service



EMPLOYEE SELF SERVICE

Welcome, Dennis Miller

[Go To Manager Home Page](#)

Additional Notifications

- [Actions List](#)
- [Inbox](#)

Company Information

- [Company Directory](#)
- [Suggestions and Awards](#)
- [Job Openings](#)
- [E-Verify Employer](#)

My Information

- [Direct Deposit](#)
- [Employee Goals](#)
- [Life Events](#)
- [Performance Reviews](#)
- [Tax Withholdings](#)
- [Training](#)
- [Labor Management \(Applets\)](#)

Personal Information

- [Personal Information](#)
- [Address and Phone](#)
- [Change Password](#)
- [Email Address](#)
- [Emergency Contacts](#)

Reference

- [Current Benefits](#)
- [Personal Profile](#)
- [Paycheck Calculator](#)
- [Kaiser](#)
- [Cigna](#)
- [EyeMed](#)
- [Blue Shield](#)
- [AFLAC](#)
- [W-2 Explanation](#)
- [2008 W-2](#)
- [2007 W-2](#)
- [Earnings History](#)
- [2009 W-2](#)
- [2010 W-2](#)

Manager Self-Service

MANAGER SELF SERVICE

Welcome, Dennis Miller

[Go To Employee Home Page](#)

- No Birthdays
- No Pending Time Off Requests
- 33 Verifications of Time Taken
- No Note Follow-Ups
- No Anniversaries
- No Training Requests
- No Upcoming Training Events
- 5 Employees with Required Training Courses

Additional Notifications

- Actions List
- Inbox

Employee Management

- Compensation
- Employee Goals
- Employee Profile
- Employee Notes
- Performance Reviews
- Training
- Labor Management (Applets)

Recruiting

- Job Requisitions

Reference

- Emergency Contacts
- Employee Notes
- Event Schedule
- Organization Outline
- Phone List

Other Changes

- ◆ Moved from semi-monthly to bi-weekly
- ◆ Eliminated most deadlines
- ◆ Check folder / sealer machine
- ◆ Continuously push direct deposit
- ◆ Removed “sign-off” requirement for supervisors
- ◆ Modified requirement of supervisory “approval”
- ◆ Decentralized E-Verify process
- ◆ Use of Applicant Manager for all new hires
- ◆ Automated vacation and payroll accruals

Lessons Learned

- ◆ Have a clear vision & communicate often
- ◆ Set expectations and follow through
- ◆ Involve HR/Payroll members early
- ◆ Create realistic plan, and be open to minor changes
- ◆ Choose the “right” implementation team
- ◆ Constantly look for ways to improve system and the various processes
- ◆ Always question “why” a task is needed until the answer is understood

Key Takeaways

- ◆ **Remain focused on the outcome**
- ◆ Technology is an *enabler* and not the solution
- ◆ Manage the process and software – do not let the process manage you
- ◆ Remain open to change, and drive change whenever possible

Questions