

ADP's Payroll and Time and Attendance Applications are a Good Fit for Innovative Footwear Company, Crocs, Inc.

Company Background

Crocs, Inc. is a designer, manufacturer, and retailer of innovative footwear for men, women, and children. Headquartered in Boulder, Colorado, and with regional offices in Europe and Asia, Crocs sells its unique brand of shoes not only through traditional retail outlets all over the world, but also directly to consumers, online. The rapidly growing company has approximately 1,250 employees.

The Challenge – Modernize and Accelerate Time Collection

Switching from a Paper-Based to an Automated Solution was Essential

Using paper timesheets was a comfortable albeit “old fashioned” solution for Crocs employees, until administrative changes – necessitated by company growth – had to be quickly and seriously considered. “As we continued to expand our business, the practicality of using paper timesheets was becoming less and less practical,” explains Adriann Spinato, Payroll Coordinator for Crocs, Inc. “In payroll, it’s all about getting things done on a timely basis. There is only so much time you have to review and input pay data. As your employee population grows, at some point you have to consider an automated time and attendance solution – preferably one that interfaces with your payroll solution.”

The Challenge – Multi-Jurisdictional Tax and Regulatory Compliance

Complying With Tax and Other Payroll-Related Regulatory Requirements is Key

Faced with the growing complexities of filing payroll taxes with the federal government and upwards of 20 separate states, Crocs was looking for a comprehensive administrative solution that would minimize its tax liability while maximizing compliance. “Our prior

service provider wasn’t too helpful,” recalls Spinato. “It seemed that everything was our responsibility in one way or another. As our company continued to expand, so did the potential for a huge problem. So we decided to change to a provider that did more for us.”

The Solution – ADP's Payroll and Time & Labor Management

Crocs, Inc. switched to ADP's market-leading payroll and Web-based time and labor management solutions. In place of outmoded paper timesheets, Crocs employees now use their personal computer to clock in and out. The time and attendance data, which can be easily reviewed and confirmed by supervisors and managers, flows to payroll in a seamless and automated fashion, ready for processing.

“The Web-based time collection system is already being used by Corporate and is being implemented at our retail locations,” says Spinato. ADP's time and labor management solution enables Crocs' employees not only to record their time with ultimate accuracy, but also allows them to track their overtime and time off. In turn, managers spend less time verifying employee time-worked through convenient online access, instead of thumbing through a handful of paper time cards. In addition, ADP provides Crocs with an automated path to feed payroll information into the general ledger.

“Compliance involves more than payroll taxes. It also involves labor cost-related items, such as how overtime is calculated by one state versus the next,” notes Spinato. “ADP knows all the state requirements as well as federal payroll laws and regulations. That constantly updated knowledge keeps their solutions current. As a result, we never have to



“ADP is about reliability. We know we can rely on ADP to process our payroll and file our federal and state payroll taxes in a timely and accurate way.”

Adriann Spinato
Payroll Coordinator
Crocs, Inc.
Boulder, Colorado



About ADP

ADP has more than 50 years of experience providing employers with business solutions such as Payroll, HR and Benefits Administration. ADP solutions focus on making businesses more productive by reducing costs, increasing productivity and, most importantly, standing ready to grow with your business. With the widest range of powerful, cost-effective solutions, only ADP can offer your business the flexibility it demands to grow and prosper – whether you have one employee or hundreds of thousands. And you can count on ADP for unparalleled compliance support and the most qualified and accessible customer service in our industry.

ADP's Major Accounts Division was created to address the unique business needs of mid-sized companies. We offer accurate, convenient and reliable solutions that can help you to:

- Control Benefits Costs
- Improve Employee Retention
- Reduce Labor Costs
- Improve Tax and Regulatory Compliance

ADP. The business behind business.

worry about things like ‘is our overtime being calculated correctly for this state or that?’”

ADP essentially provides Crocs with a suite of payroll-related solutions to enhance accuracy, timeliness, savings, and compliance – from time collection through payroll processing to the filing of payroll taxes:

Reduce avoidable overtime: An ADP Web-based time and attendance system gives you greater control over your labor costs. With real-time access to up-to-the-minute labor reports, you can identify employees who are approaching their maximum hours, and adjust scheduling and staff coverage to avoid overtime. Some companies have reduced their overtime by as much as 60% with ADP's help.*

Reduce inaccurate PTO payments and overpayments: ADP's Web-based time and attendance systems capture and track PTO data across the enterprise. Since managers, HR, and accounting staffs have access to the same up-to-date PTO information, communication is improved, and payout errors are reduced. With ADP's solution, your management team will also have timely reporting that will reflect real-time vacation liability.

Streamline and automate workflow processes: ADP offers industry-leading payroll management solutions that can help you gain greater control over this major cost center. Many companies find that they are able to increase efficiency and reduce indirect costs for payroll and HR-related processes up to 50% with ADP's help.*

Reduce administrative hours, materials, production, and distribution costs related to payroll: Your organization is not in the printing business so ADP removes that burden from your staff. By offering

the convenience of direct deposit, we can eliminate up to 90% of the “live” paychecks that are currently produced. For those employees that forego direct deposit, we will provide checks sealed in envelopes that are postage-ready.

Minimize tax liability and maximize tax savings: For more than 55 years, ADP has been helping employers mitigate their compliance risks. More than 500,000 companies currently use ADP tax and compliance services to assure their operations comply with regulatory and tax codes, while decreasing the administrative burden on their staffs.

Real Success Managing the Process Instead of Handling Repetitive Tasks

“Because we use ADP, our three people in payroll spend far less time performing redundant, repetitive tasks. We have more time to audit and manage the payroll process,” explains Spinato. “Identifying any issues or problems before the payroll runs is huge for us.” Turnaround time between receiving approved employee time and preparing the payroll is very tight for the Crocs payroll department – just one workday.

Return on Investment

“When you save time, you save money, and one of the biggest savings we realize from using ADP has to do with *time*,” notes Spinato. “With ADP's solutions, we save time when our employees spend less time punching in. We save time when our managers no longer have to review manual time sheets. We save time – hours of time – when we prepare our payroll.” She concludes, “ADP is about *reliability*. We know we can rely on ADP to process our payroll and file our federal and state payroll taxes in a timely and accurate way. Because we aren't overpaying or underpaying anybody, that means we're saving both time and money.”

* ADP PricewaterhouseCoopers Study, 2004.



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