

## Farmers & Merchants Prepares for Growth with Automated Time and Attendance Management Solution from ADP

Headquartered in Archbold, Ohio, The Farmers & Merchants State Bank serves the financial needs of individual consumers, farmers, businesses, and industries in six Ohio and two Indiana counties. Founded in 1897, the bank offers traditional, online, and phone-based banking products at 18 offices, as well as electronic services around-the-clock at its 30 ATM locations. The Farmers & Merchants State Bank has approximately 260 employees.

### Bank Turns to ADP to Improve Productivity, Lower Costs, and Improve Access to Labor Data

The Farmers & Merchants State Bank has long been committed to a prudent growth strategy, adding new branches and services to meet the banking needs of the markets it serves. One of the leading community banking institutions in Northwest Ohio since its inception over a century ago, The Farmers & Merchants State Bank expanded into Butler and Auburn, Indiana in 2007, with another full-service office in Angola, Indiana in 2008.

Expanding the number of offices and establishing a presence in an adjacent state has helped Farmers & Merchants to boost key banking metrics such as the number of customers and accounts and funds on deposit. With its growth strategy came the need for a new vision and alignment of administrative systems to curb expenses related to time and labor management and payroll – ongoing costs that were taking a real bite out of the bottom line.

“Expansion and growth meant taking a long look at how you did things – and how you can do them better,” says Payroll Administrator Lynnette Hibbard at The Farmers and Merchants State Bank. “Years back we were a business that used time cards and punch cards. Managers would manually review and approve them and send them to payroll where we would manually tally up approved hours, and provide the pay data to our accounting firm that did the payroll, paid the payroll taxes and so forth,” she adds.

“The process took time – several days, maybe a week – from the point time cards were approved and checks were in the hands of our employees. Because it was all handled manually, problems happened along the way. On occasion, time cards got misread or lost, among other things,” she notes. “Pay-related issues in turn meant more phone calls from employees and their managers to payroll and, over time, a cumulative loss of productivity.”

The bank’s manual system created an environment of stale labor information for management. Spreadsheets contained information that was more historical than actionable for the bank’s decision-makers. The bank’s geographic growth was clearly making the manual time collection and processing system incrementally more difficult and time-consuming. It wasn’t long before the bank realized that an automated time and labor management solution could help the bank improve productivity and reduce operational expenses.

### IT Department Drives Farmers & Merchants Bank to Outsource Payroll and Time and Labor Management to ADP

After evaluating different ways to improve the collection of employee time and process payroll, the bank began outsourcing its payroll to ADP in 2001, and subsequently chose ADP’s Enterprise eTIME Web-based time and labor management solution in 2008.

“The big catalyst for change in the way we handled time collection came from our IT group,” Hibbard recalls. “As we were adding offices, it was becoming a real hassle to install time clocks, gather the pay information from each branch, and then input it into payroll. That would have left us with some of the old problems we had with manual processing. Everybody could see that, including our IT department. After doing extensive research, IT made a big push for Web-based services. They

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Lynnette Hibbard  
Payroll Administrator  
The Farmers & Merchants State Bank

### Objectives for The Farmers & Merchants State Bank:

- Streamline administration
- Increase employee and manager productivity
- Lower operational costs
- Utilize better tools to make decisions

### ADP’s Solution:

- Enterprise eTIME®
- HR/Benefits
- ADP PC/Payroll for Windows®



The business  
behind business®

also concluded that for us, ADP's Web-based, hosted solution for time collection and management was the way to go."

### **ADP's Hosted Time and Labor Management Solution Helps Reduce Costs and Boost Productivity**

Gone are the old time clocks. Employees of The Farmers & Merchants State Bank record time worked via the Internet. "We now have a solution in place where everybody is close to the data they need – our employees, our managers, payroll, and senior management. Satisfaction and productivity are up, and our avoidable expenses are lower," says Hibbard.

ADP's Web-based time and attendance solution indirectly contributes to the bank's high level of customer service by providing the bank with a practical and efficient way to schedule employees for work at different branches to meet demand. Farmers & Merchants is also confident that the solution helps prevent potential time collection "leaks" such as buddy punching and unnecessary overtime.

In addition, the bank uses Enterprise eTIME as a reliable tool to keep track of employee time off and control vacation time liability. "As each employee's time is approved, the system builds an accurate record for us that we can check at any time to help ensure we are not overpaying an employee by providing them with more time than they have earned. Audit trails are available for any changes made to time cards, and managers can print reports periodically showing how much time an employee has used – which should match what the manager has on record," Hibbard notes. "There have been several occasions where Enterprise eTIME enabled us to catch errors that could have resulted in unnecessary payments."

Farmers & Merchants is saving on paper and printing costs because it no longer has to buy, print, and ship printed time

cards. "With Enterprise eTIME we are saving about \$2,000 a year on things like paper, printing and timeclocks. Employees are punching in electronically, their managers are approving time electronically, and approved pay data is sent right to payroll for processing," explains Hibbard.

Farmers & Merchants is realizing significant savings in productivity because employees are clocking in and out faster and spending less time inquiring about pay issues. "Paper and printing costs are not the only cost-savings we are realizing from Enterprise eTIME. We are seeing greater savings in the time it helps us save throughout our organization," notes Hibbard.

"For instance, with Enterprise eTIME, employees can view their time cards as well as verify how much vacation time or sick time has been used during the course of the year. **Here in payroll it is taking us half the time to do payroll. Employees, managers, and the payroll department are all spending far less time on time and attendance issues. While we have not quantified the impact of all of these savings, it has to be in the thousands of dollars annually.**"

Farmers & Merchants' decision-makers have immediate, on-demand access to valuable real-time labor data. "Enterprise eTIME allows us to use data we never had before," Hibbard explains. "Employee transactions and totals, exception reports, time detail, absent employees – these provide us with opportunities to recognize and address patterns of behavior that can use improvement. **For example, because we are able to identify and address certain tardiness issues, we are now seeing that employees overall have become much more conscious of being on time.**"

### **ADP's Hosted Time and Labor Management Solution Gives Farmers & Merchants Bank the Best of Both Worlds – Control and Reduced Administration**

Hibbard says that the recommendation of Farmers & Merchants' IT group to select ADP's hosted solution for time and labor management was the right decision for the bank. "We did not want the responsibility for having a system on-site and having our own employees support its operation," she notes. "From the very beginning we saw the advantages of going this route. Our IT people knew exactly what they were talking about. **When you boil it all down, we have control of our data, and ADP operates and manages the system. If you have a question or problem, you call ADP. It's the best of both worlds.**"

ADP hosting enables organizations to access ADP's solutions from an Internet browser, eliminating the need to buy computer hardware or software or have the services of dedicated IT resources to maintain the applications. ADP takes responsibility for the operating system, application and database installation, upgrades, and security measures related to their time and labor solution, so clients can focus on their business.

"When I recommend ADP to someone, I always relate how our IT people recommended ADP for their products and high quality of service," says the bank's payroll administrator. "When an IT group concludes that your hosted solution is the best choice to support your business, a service provider can't get a better testimonial."

**The Farmers & Merchants State Bank is among the approximately 570,000 organizations of every size worldwide that use one or more solutions from ADP to increase their efficiency.**



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