

Business Impact Reduce Labor Costs

SPIN and ADP Reduce Direct Labor Costs and Achieve Hard-Dollar Savings

Company Background

Special People In Northeast, Inc. (SPIN) is a not-for-profit human services organization that supports more than 2,000 people with mental, physical and sensory impairments, providing over 1.2 million hours of service to its clients annually through 60 group homes. SPIN has been serving a growing clientele within Philadelphia and the surrounding counties for over 30 years with early childhood programs, group residences, employment and other support services. SPIN has paid headcount averaging 700 employees, operating 24 hours a day, 7 days a week, with most employees working a flex schedule.

The Challenge – Reduce Labor Costs Paper Time Sheets, 176 Customized Work Schedules

With its paper-based time collection system adding a significant burden to its administrative budget, SPIN recognized that it needed more efficient tools to schedule workers and to reduce labor costs. “Our employees were filling out paper time sheets which were then manually calculated, making our entire data collection system prone to error. We needed to automate our time collection process, have it seamlessly fed into payroll and implement an effective scheduling tool to help control overtime,” says Rich Greenfield, Chief Information Officer, SPIN, Inc.

The growth in SPIN’s employee population over the past four years signaled the need to move toward a more precise time collection method. “We were getting hurt in two areas, scheduling and overtime,” notes Greenfield. “We were dealing with 176 different ‘scheduling belts’ – customized work schedules. Our manual time collection system showed that we were averaging about 2,800 hours of overtime per pay period.”

The Solution – Reduce Labor Costs with Automated Labor Planning and Reporting from ADP’s Time and Labor Management Solutions

For a service enterprise like SPIN – with complex scheduling and reliance on a paper-based time and labor management approach, and manual reporting, control and analysis of direct labor expense – labor cost can be dramatically affected by streamlining the labor management systems:

Reducing time reporting inaccuracies saves money:

ADP’s Time and Labor Management solutions can help reduce labor costs. Automation, centralized access to data and real-time reports increase the ability to monitor actual labor costs. SPIN demonstrates how much can be saved with improved time collection agency.

Improving labor scheduling to reduce overtime:

ADP’s automated Time and Labor Management solutions provide real-time, up-to-the-minute reports and scheduling tools that enable firms to monitor employee utilization and ensure cost-effective coverage to meet staffing demands.

Reducing time spent in the HR and Payroll departments:

ADP’s automated Time and Labor Management solutions combine “intelligent” data collection options with Windows®-based software to accurately record, calculate and allocate hours and wages. Average combined HR and field staff time can be reduced up to 45%* for companies using automated ADP Time and Labor Management system.

*ADP Price Waterhouse TCO Study, 2004.



“After implementing our new scheduling capability through ADP, we were able to reduce our overtime expense by about 1,300 hours per pay period. For us, that equates to about \$500,000 in annual overtime cost savings.”

Rich Greenfield
Chief Information Officer
SPIN, Inc.



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**
- **Ensure Tax and Regulatory Compliance**

ADP. The business behind business.

Real Success

ADP Delivers Labor Cost Management Results

ADP delivered the best functionality and value. "ADP's eTIME® is an excellent solution," says Greenfield. "It gives us the ability to schedule our workforce far enough in advance and to control – not just manage – our overtime expense. By integrating payroll and HR, it also has made us a much more productive organization."

Saving Direct Labor Costs

"In addition to the payroll accuracy we were already accustomed to, we now had an effective scheduling tool. It has saved us money and a boatload of time in the process," explains Greenfield.

Benefits to SPIN included:

- Annual savings of \$300,000 in existing labor costs
- Approximately \$60,000 in new hire savings within the payroll department (had SPIN continued to use its manual time collection system)
- The incremental cost of personal computers and other tools to support a projected increase in payroll department headcount.

"Reduced labor costs immediately added to the bottom line," notes Greenfield.

ADP's time and labor management solution helped to make those savings a reality by enabling SPIN to pare down its 176 customized work schedules for its personnel to about 20. This gave SPIN's field managers the ability to schedule workers in advance.

Quality Service to Employees

"Another way that we've measured the success of eTIME's integration with our ADP Payroll is by looking at payroll inquiries from our employees," notes Greenfield. "With the manual collection system in place, we used to receive about 55 payroll inquiries every pay period. Now if we receive one it's a shock."

Ease of Implementation

Going from a manual to an automated solution requires focus and determination for any company that decides to make the switch. "With ADP, however, the pain was minimized" Greenfield says. "They helped us work through key issues to put in place a solution that meets our specific expectations. Today we're seeing big and measurable benefits, including logical ways to reduce our labor costs."

"ADP's implementation team also brought so much experience to the table that I quickly felt there wasn't any kind of issue or scenario that they hadn't dealt with successfully." For example, ADP's integrated solutions eliminated one major area of concern for SPIN – data access and security. "Our data is protected by a system of multi-layered security. I even have the control and flexibility to give employees access only to the information they need," notes Greenfield.



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