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# Lenovo

## Lenovo® Partners with ADP for a Scalable Global Payroll Solution That Is Timely, Efficient, and Provides Effective Governance

The Lenovo brand was born in 2004 when Legend Holdings – the largest maker of personal computers in China – changed its name and, a year later, acquired the personal computer division of IBM®, the company universally credited with inventing the PC industry.

While the merger presented unique marketing opportunities, it also involved significant challenges, including the integration of two disparate cultures, languages, processes, and markets. One of the early decisions Lenovo made was to outsource its payroll and HR administration management to IBM's original service provider.

Six years later, that outsourcing arrangement had rapidly begun to show its limitations. For example, operational efficiency was falling short of expectations. Furthermore, it was clear that the service provider's limited level of flexibility could not support Lenovo's ambitious plan for international growth.

### The need for greater flexibility demanded a different solution.

"We realized that the way the HR administration was managed was not sustainable," says Joe Williams, Global Payroll Director of Lenovo. "Our market is global and highly competitive. To succeed, we had no choice but to have a perfect understanding of all business processes and know exactly what can be managed externally and what has to remain inhouse. That's why we needed to find a true partner capable of meeting our imperatives." When the service contract with its incumbent payroll and HR services provider expired in 2010, Lenovo engaged ADP® for global payroll, implementing ADP Streamline®, which provides a simple, consistent set of processes and tools for managing multicountry payroll and human resources administration.

### Snapshot

**Client:** Lenovo Group Limited  
(SEHK: 0992)

**Description:** Creates and builds personal computers, portable devices, workstations, servers, electronic storage and IT management software

**Workforce:** About 27,000 employees in more than 60 countries

**Website:** [www.lenovo.com](http://www.lenovo.com)

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Joe recalls, "Our request to ADP was simple: transition 47 countries to a single global payroll in nine months. ADP accepted the challenge and proved to be up to it."

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#### Control and efficiency from Day One

Today, Lenovo's eight payroll centers, spread around the globe, are in charge of capturing data in a predefined format that they then send to ADP to be managed through standardized processes. This approach enables central control and data sharing with local payroll partners. Final approval for payroll release is up to Lenovo.

The ADP solution aligns with Lenovo's expectations. "Our payroll and HR processes are now under control. We are better organized and more efficient internally, because we know we can depend on ADP to manage and deliver," says Joe.

#### Global reach, local knowledge

Speed and timeliness were key metrics for Lenovo to measure the success of its new global payroll solution. Invariably, that meant partnering with an elite global provider with local country expertise was essential to achieve a consistent level of high performance.

Since the start of Lenovo's relationship with ADP in January 2011, ADP has consistently met the PC maker's aggressive time lines. For example, ADP is delivering services with 99.5% accuracy, a significant improvement over Lenovo's previous outsourcing solution. As a result, Lenovo has expanded the ADP solution to 51 countries and ADP is providing gross-to-net reports, bank files for payment of employees' wages, and general ledger files.

#### Staying ahead of the competition in a global market

Lenovo has become the second-largest PC maker worldwide because it knows how to stay ahead of the competition in a global market that regularly presents challenges that need to be overcome. "Our culture defines us...It's in our DNA. We call it 'the Lenovo Way,'" says Joe. "We plan before we pledge. We perform as we promise. We prioritize the company first, and we practice improving every day." Outsourcing to global payroll service provider, ADP, is a vivid example of the vitality, strength, and success of the Lenovo Way.

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#### About ADP (NASDAQ: ADP)

Powerful technology plus a human touch. Companies of all types and sizes around the world rely on ADP's cloud software and expert insights to help unlock the potential of their people. HR. Talent. Benefits. Payroll. Compliance. Working together to build a better workforce. For more information, visit [ADP.com](http://ADP.com).