



Technology expert has a happy return to ADP®

Back in the early 2000s, Epitec, a national IT engineering and professional staffing firm based in Detroit, decided to part ways with ADP. Epitec was in the midst of a growth spurt and was seeking a payroll solution that could integrate with its expanding employee benefits platform.

The company, which launched in 1978, has an employee base range from 1,500 to 1,800 employees annually. It's grown from a regional Midwest business (mainly Michigan) to a national firm with presence in 42 states.

Mark Ruma, the company's chief architect of growth (and chief operating officer), responsible for HR, IT and finance, added that the business has been growing consistently since it launched. That means going from 80 consultants in the field in 1997 to more than 1,000 today. The company's talent ranges from high-end technical engineering and technology resources to hourly and administrative staff.

With a growing, diverse workforce, Ruma said they rely on an effective and efficient human capital management (HCM) system that covers their needs from payroll and benefits to recruiting and retention.

"When we look at HR, IT and finance, those are the important pieces to help our company grow and support the growth that we experience from a delivery and sales standpoint," he said.

The struggle with integration and implementation

As a technology company, Epitec has done a lot of integrations and a lot of implementations for a lot of different systems, so they know what to look for and what to expect when integrating and implementing third-party platforms.

When Epitec was on the hunt for a HR provider to fit their needs in the early 2000s, they tried out several different companies. Ruma said that back then,

Mark Ruma
Chief Operating
Officer



Quick facts

-  **Company:** Epitec
-  **Headquarters:** Detroit, Michigan
-  **Industry:** IT engineering and professional staffing firm
-  **Employees:** 1,500
-  **Product:** ADP Workforce Now

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the process for signing employees up for medical and dental benefits meant going to multiple websites to enroll them since there weren't any integrations or feeds to existing platforms.

"Some of the smaller payroll firms at the time were playing in that space and that was very attractive to us," Ruma said. "We wanted our 401(k), benefits and payroll all to be integrated on a single platform."

He remarked that homegrown systems have to talk to the third-party system and the third-party system has to manage the dialogue between all other modules. It can be a bit sophisticated but when it's done right, very few notice. When it's done wrong, everyone notices.

Despite trying out many of ADP's competitors, the integrations just weren't working.

"When we went to other competitors from a payroll standpoint, they were not able to deliver on the integration," Ruma said. "They weren't able to deliver on the integration within their own system or the integration with our system. With the other payroll companies, it was not flawless. It was flawed." So Epittec took another look at ADP.

"The exciting part was that we could keep our custom software and integrate it with ADP's payroll and it was all seamless," Ruma said. "Because ADP has a system that is fully integrated with ours, the reporting has been an invaluable feature." He noted that ADP's custom reporting ability allows Epittec to very quickly compare its systems, find any issues, and address those on an exception basis, versus managing thousands and thousands of lines of payroll.

The integration and custom reporting from ADP has paid off. According to Ruma, one of the ADP reporting features allowed his team to take the staff and categorize them into separate segments.

"We were able to get visibility into a particular segment of business that we had put a large team around and were trying to grow. The reporting from ADP allowed us to see that we weren't making as much money there as we thought we were. That insight allowed us to pull back off of that line of business and direct our efforts elsewhere. Even though our revenues shrunk from that particular segment, we were able to realize a quadrupling of margin on another segment."

But integration and reporting, though crucial, weren't the only problems Epittec was trying to solve.

The right fit to grow

Looking to be a big fish in the small Midwest pond — they realized they were getting too big for that pond and scaling was becoming an important issue in their search for the right HCM company. They had been around the block with payroll pureplays, without any luck. That was ultimately what returned them to ADP.

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"Where we came back to ADP, from a competitive standpoint, is that we knew they can handle our scale," Ruma said. "We knew that the services that ADP offered to Epitec would be on the same scale as those that they offer to their larger customers."

But scaling and integration still weren't the only reasons Ruma said they came back.

The big gorilla in the room

Ruma said that compliance is the "big gorilla in the room" when it comes to payroll, benefits and 401(k)s. The amount of time it takes for his staff and resources to administer these functions can be significant and they need to be managed in one of two ways: either through the use of labor or through technology. Being a technology company meant choosing a partner with the right technology to support their compliance needs.

"The 401(k) angle was a real driver because it had to do with ADP's ability to handle tax situations," he said, adding that as a multi-state organization, tax compliance at the state and federal levels, and any related issues, made it difficult for Epitec to meet resulting tax challenges.

"ADP has a very quick way of resolving tax matters, and our experience was that tax matters don't normally get handled that quickly," Ruma said. He added that these are things that, if not done right, will continue to accumulate and cause administrative worries.

"With our prior payroll provider, we were facing material weaknesses and significant deficiencies that were showing up in some of our annual audits," Ruma said. "They couldn't be addressed properly. ADP's solution addressed those issues."

He added that when the Affordable Care Act (ACA) became prominent, ADP was always on the frontlines ensuring that they stayed compliant.

"We have the Affordable Care option [as part of our platform] so that all our 1095s are being done by ADP," Ruma said. "That's helped us stay compliant and made sure that our benefits are affordable to our employees."

Back to business

Now Epitec is able to focus on its core business, meaning it can work with its employees to deliver the best client outcomes, while all the "back of the house" processes, such as payroll, benefits and 401(k) needs, are being served.

Ruma said that ADP also allows Epitec's HR team to focus on more strategic and core responsibilities, around key issues such as employee engagement, attraction and retention — three crucial areas that weigh heavily in the company's strategy as a staffing firm.

"For instance, we're solving problems around the finite size of a candidate pool and how we attract more technical folks," Ruma said. "Without the relationship with ADP to lighten the load and direct our resources to more core, strategic

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things, we wouldn't be able to service that need. We are able to put a lot of time and energy into solving issues around onboarding and compliance while payroll is being taken care of by ADP."

And payroll at Epitec is essential.

"The most important service we can provide to our employees is a timely and accurate paycheck," Ruma said. "The most important thing we can do for our customers is provide them with people that can get the job done and get it done right. Where we had challenges was ensuring that the payroll was correct, but also ensuring that the billing of those people and their time was correct."

Ruma said he's "confident in the solution that we have with ADP because it's timely and it's accurate," as his firm is responsible for how much it pays its people and how it enters that information in the system. "I know that what's entered and what gets processed is accurate," he said. "That's job number one."

"ADP is the gold standard in terms of payroll, and employees are comfortable with how a payroll check is going to be processed," Ruma said. "That's one less thing we have to talk about it when it comes to employment engagement. It's one less thing we have to talk about it when it comes to retention."

Ruma has seen it all. "We push our vendors hard, and ADP was up for the challenge," he said.

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