



Technology expert has a happy return to ADP®

Mark Ruma, chief architect of growth for Epitec, a national IT engineering and professional staffing firm in Detroit, spoke with us about leaving ADP in the early 2000s, trying out multiple HR providers, and ultimately returning to ADP. Read his interview below.

Business challenges

ADP®: What are the business challenges facing Epitec?

Ruma: The business challenges start with onboarding our personnel: putting them into the system, selecting the proper earnings and deductions codes that impact them, capturing the taxes and the benefits, and setting up the 401(k) and all the pieces that are part of being an employee. It's integrating all the systems that are required to support those benefits and to support those payroll needs.

And the administration of these processes is significant for us. There are things that need to be turned off when a person leaves, and there are switches that need to be turned on when a person joins the team. If these systems aren't integrated well, then you introduce a manual component to the process that gets very labor intense and can pull your team down into data-entry versus more high-value type work like employee engagement.

ADP: What other challenges have you found?

Ruma: [Other challenges] tie into the most important service we can provide to our employees — a timely and accurate paycheck. 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. We had challenges ensuring the payroll was correct, and also ensuring that the billing of those people and their time was correct.

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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ADP: How did those challenges impact your search for a human capital management (HCM) provider?

Ruma: A big piece of it was integration. We have an internal, custom-built billing and payroll system. It's an enterprise-wide system. It manages HR, in terms of the important pieces that we see and capture for our people. We wanted our 401(k), our benefits and our payroll all to be integrated on one platform. That's why we left ADP in the early 2000s because, at the time, there wasn't integration with benefits. Whenever we would sign somebody up for [medical or dental] benefits, we had to go out to different websites to sign them up. There weren't any integrations or feeds. Some of the smaller payroll firms were playing in that space and that was very attractive to us.

ADP: What else can you tell us about integration and implementation?

Ruma: Epitec is a technology company. We've done a lot of integrations. We've done a lot of small and large implementations of a lot of different systems, and there are always problems and issues integrating one system with another system. The feeds are very difficult to get right. The integration is something that can be sophisticated at times. It's extremely important and that feeds into everything. It feeds into the benefits and into the payroll. All these things impact people's money and when you're impacting someone's money, the tolerance for error is very low. All the talking that happens between modules has to be flawless within our experience. With the other payroll companies we tried, it was not flawless. It was flawed.

ADP: What was your experience with the other payroll companies?

Ruma: Epitec has been around the block when it comes to payroll companies. We've been with nearly all the competitors. When we went to other competitors from a payroll standpoint, they were not able to deliver on the integration. They weren't able to deliver on the integration within their own system or the integration with our system.

ADP: Were there issues beyond integration?

Ruma: There were issues with compliance and taxes. It's important to stay compliant with tax filings and avoid penalties and interest. These are things that if you're not doing them right, they will continue to accumulate and cause some 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. They couldn't be addressed properly. We needed a solution that addressed those issues.

Business solutions

ADP: What were the major factors in returning to ADP?

Ruma: For starters, we wanted to be a big fish in a small pond, and then we got too big for that pond. Scaling became important. Where we came back to ADP, from a competitive standpoint, is that we knew they can handle our scale. We knew that the services that ADP offered Epitec would be on the same scale as those they offer their larger customers.



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ADP: Can you talk more about integrating with ADP when you returned?

Ruma: When we got with ADP and talked about all of our needs and requirements and what the expectation was for how they would integrate with us, and then what our expectation was for how everything would integrate on their side, they were able to deliver on those promises. The exciting part was that we could keep our custom software and integrate that with ADP's payroll and have that be seamless.

ADP: What other reasons did you have for returning?

Ruma: We knew ADP was always strong in tax. We knew they were always strong in payroll. What we were excited to see was they had a solution for benefits and the 401(k) as well. The reasons we returned to ADP had to do with the benefits integration and a real driver had to do with ADP's ability to handle tax situations.

ADP: What about taxes did ADP help to handle?

Ruma: As a multi-state organization with state and federal taxes to handle, we had a hard time getting tax situations that arose with the other payroll firm resolved. ADP has a very quick way of resolving tax matters. Tax matters don't normally get handled that quickly.

ADP: Where does compliance fit in?

Ruma: Compliance is the big gorilla in the room as it pertains to payroll, benefits, and the 401(k). The amount of time that it takes our resources can be significant. You've got to manage it one of two ways. You're either going to use labor or you're going to use technology. We're a technology company so we go to technology of course, and we're a consulting company so we also go with people.

ADP: What did you decide to do?

Ruma: We thought, 'Let's get a compliance officer.' Except a compliance officer is not inexpensive. When you hear the term 'compliance officer,' you're automatically over a six-figure salary, you're automatically over one hundred thousand dollars, and when you add a couple of administrative people, you're sitting on two hundred thousand dollars. We knew that we could take that money and put it in technology and leverage the right kind of partner, with ADP, and get that compliance covered properly.

ADP: Where does ADP offer additional compliance support?

Ruma: It's compliance within our payroll systems, within our benefits systems, within taxes — and following all the rules and regulations. Compliance with the taxes in making sure that the paycheck is accurate and that the tax money is being remitted to the proper agencies in a timely manner. It's critical to our business.

And when the Affordable Care Act (ACA) became prominent, ADP was always on the front lines helping to ensure that we stay compliant. We have the Affordable Care option [as part of our platform] so that all our 1095s are being



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done by ADP. That's helped us stay compliant and made sure that our benefits are affordable to our employees.

ADP: What does it mean, having ADP as that compliance partner?

Ruma: All of the tax and benefits support allows us to use our time to get back to what's core to us — supporting our people and making sure that our clients are getting what they need.

ADP: What other features offer that support?

Ruma: Because ADP has a system that is fully integrated with ours, the reporting has been an invaluable feature. Some of the custom reporting allows us to very quickly compare our systems, find any issues, and address those on an exception basis versus managing thousands and thousands of lines of payroll.

ADP: What other insights have you gleaned?

Ruma: As a staffing company, payroll is our single largest expense. How we capture payroll and how we view payroll deductions is critical to visibility into whether we are being successful or not. Are we making money with this type of resource versus are we struggling or what's happening there financially? It also gives us some visibility into what's happening from a human resource standpoint. We can pull human resource information and we can pull financial information. You get a quantitative and qualitative view into your people and into their payroll.

ADP: Do you have an example of that view?

Ruma: One of the features that ADP offers in reporting allowed us to take our 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.

ADP: What other strategic initiatives have you focused on with the help of ADP?

Ruma: Our HR team is able to focus on employee engagement, employee attraction and employee retention. Those three areas weigh heavily on the strategy that we have as a staffing firm. How do we find them, how do we engage them when they're here, and how do we keep them for a good long time. We're solving problems around the finite size of a candidate pool, and how do we attract more technical folks. Without the relationship with ADP we wouldn't be able to service that need. Not to mention, we are able to put a lot of time and energy into solving challenges around onboarding while the payroll is being taken care of by ADP.



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ADP: What does that mean for your employees and for business?

Ruma: We get more time to get out and talk to our employees. We get more time to find out what they're doing on projects and what the value is for what they're working on. With ADP handling the administrative load, we're actually given the ability to go out and talk to our customers versus having to stay back and stay near to the payroll system and hope that everything is going properly. It has unleashed us to have more dialogue with our people in the field and more dialogue with our customers.

ADP: What would you say to your peers looking for an HCM solution?

Ruma: I'm confident in the solution that we have with ADP because it's timely and because it's accurate. I think ADP is the gold standard in terms of payroll, and employees are comfortable with how a payroll check is going to be processed. That's one less thing we have to talk about it when it comes to employee engagement. It's one less thing we have to talk about it when it comes to retention. I'd say that we push our vendors hard. ADP was up for the challenge and has solutions for the challenges we face.



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