

Today's Top Business Challenges Solved: SeekTech, Inc. Saves Money and Improves Business Processes with ADP

Located in San Diego, California, SeekTech, Inc. designs and manufactures sophisticated video pipe inspection and diagnostic tools for the plumbing and utility markets worldwide. For a quarter of a century, the company's quest for excellence in research, development, manufacturing, and customer service has made it a trusted provider to the industries it serves. SeekTech's 65,000-square-foot location in San Diego houses virtually all of the company's facilities – research and development, light production assembly, customer product repair, inventory control, a machine shop, accounting, and other support activities.

Key Challenge: Find Better Tools to Make Decisions and Reduce Costs

"Managing labor costs is a big deal especially when your business involves design and manufacturing. You have to know what you are spending on labor and have access to data to help you plan for future labor expenses. You also want to minimize the time and costs associated with administering it all. That's where our problem was," explains Marco Giammarinaro, Chief Information Officer at SeekTech, Inc.

"The good news is we had an automated time and labor management application. The bad news is it was limited to just gathering time-card punches for payroll processing. It used a non-SQL database and had an import routine that did not give us direct access to real-time data for custom reporting. The canned reports it did provide were just not adequate for a company with the number of people we have. To make matters worse, it was an unstable product, prone to crashes. Our IT group was calling the supplier all the time to report problems and get things fixed."

Adding to SeekTech's difficulties was a "fragile" payroll solution that featured too much human intervention and too few usable reports. "Let it suffice to say that there was limited functionality in the payroll product provided by the outside service we were using. When you got over 30 or 40 people on the system you began to see the cracks," says Giammarinaro. Two full-time employees were sharing the duties of manually tracking missed punches and paid time off –

using spreadsheets. "Our overtime reports were also compiled by hand and could take as long as two weeks to complete," he adds. "The operations managers simply stopped asking for overtime reports because the data was useless, which further reduced our visibility for effective cost control."

In addition, SeekTech's Human Resources group did not have an automated HRIS system. "Employee tracking was manual, awkward, and error prone. Even data collection for government reports like EEO and OSHA was done by hand," he notes.

Playing a pivotal role in selecting and implementing a new solution to correct all these problems was the company's IT group. "Their role in all this was to help us find a new way to deliver the performance, the reporting, and an integrated process that would give us a robust time and labor management tool, reduce our payroll operating costs, and provide a strong toolset for HR," he adds. "To cut to the chase, IT recommended ADP."

ADP's Solutions Help to Build Productivity, Improve Processes, and Reduce Costs

"When we implemented ADP's Enterprise eTIME® solution for time and labor management, Pay eXpert® for payroll, and HR/Benefits for human resources and benefits administration, the world changed," says Giammarinaro. "One of the reasons we went with ADP was because we wanted solutions that would actually help us change policies and processes, not just beat legacy processes into a new toolset. That in large part is what we have achieved."

ADP's solutions have enabled SeekTech to transform its time and attendance, payroll, and HR and benefits administration functions by eliminating many hours of manual work, resulting in a considerable saving of time and money – and an increase in employee and manager productivity.

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Objectives for SeekTech:

- Lower operational costs for administering Payroll and Human Resources
- Utilize better tools to make decisions
- Increase employee productivity
- Manage better through the economic downturn
- Improve recordkeeping processes to aid regulatory compliance

ADP's Solutions:

- Enterprise eTIME®
- Pay eXpert®
- HR/Benefits



“Among other things,” says Giammarinaro, “with Enterprise eTIME our managers and supervisors can now print their own timesheets, and sign and return them to payroll in a fraction of the time it used to take. There are no more manual spreadsheets for tracking PTO because managers can electronically see PTO accruals. **Instead of waiting two weeks for overtime information as they did in the old days, our production managers have an automated way to track labor and allocate resources in real-time mode.** We also have customized reports on-demand – like missed punch and labor by job code.

Although SeekTech has not yet quantified all of its savings, Giammarinaro points to several hard-dollar savings directly made possible by ADP’s workforce management services.

“Using ADP, our estimated hard-dollar savings for processing payroll this year is nearly \$29,000,” Giammarinaro notes. “These are dollars saved by reducing the number of total hours that we used to spend on two people doing payroll. **Specifically, we’ve gone from using 70% of two full-time employees’ time on payroll processing – including verifications – to about 20% of one part-time person’s time,**” notes the CIO.

“Earlier, when we had a reduction in force,” he adds, “our accounting group lost a person, which saved about \$56,000 in terms of salary expense. However, because of the general process improvements we were realizing from ADP’s solutions, we were still able to raise payroll- and HR-related service levels to our employees – even though we eliminated that position,” he adds.

Giammarinaro says it is difficult to quantify all the savings from using ADP because “we did not have a good way to measure the time drain before we switched to ADP. I can tell you that our total savings in time and money are tangible and substantial, because the process is smoother in all the areas touched by an ADP solution. Far fewer employees are going to HR with paycheck issues. Managers are spending less time chasing paper. The IT group doesn’t have

to worry about the old time and attendance system crashing. And we have the means to verify payroll before processing – something we did not have with the old system. This alone saves us numerous phone calls, loss of employee time on the job checking on a pay problem, and the time and trouble of cutting a manual check.”

SeekTech also sees improvements in recordkeeping that aids in regulatory compliance. “Much of ADP’s reputation is built on solutions that help keep clients compliant in payroll and HR. It’s a lot more complex than handling our payroll taxes and making sure we’re following the latest overtime rules,” says Giammarinaro.

“We can track things like employment eligibility. We are up to date with the new federal subsidy plan for COBRA that’s part of the 2009 American Recovery and Reinvestment Act. We’ve even gotten help from ADP to create a custom time sheet that includes an attestation from each employee, specified by California law, that they have taken the required lunch breaks. That’s the level of compliance drill-down you get from ADP.”

High Comfort Level for a Single Vendor Solution

Knowing ADP’s excellent financial stability and the dynamic quality of its solutions, Giammarinaro saw little risk in going to the outsourcing provider for a broad range of services. “**To the contrary, I see the one vendor approach – with ADP – as a significant benefit,**” says the CIO. “They know their business and they know how their solutions, working in concert, can help my business. You entrust one vendor with some of your most sensitive

information when substantial and proven solutions are there to validate going with a single vendor. The ‘one call to one person to resolve an issue’ benefit is an added convenience. What’s important is the speed at which ADP’s client service team escalates an issue to get you a solution.”

Giammarinaro is also impressed by ADP’s flexibility in giving clients the option to utilize ADP-hosted along with client-hosted applications. SeekTech’s preference involves a blend of ADP-hosted and client-hosted applications and the combination is harmonious. “ADP hosts payroll and the HR and benefits applications, but we’ve opted to host our own time and attendance data with Enterprise eTIME,” he explains. “Having that data here allows us to better incorporate time and attendance with manufacturing data to create highly customized reports. For instance, labor time collection by product line, work group, or project enables us to determine production efficiency and can indicate if we need to make changes in the production process or design to reduce costs. The thing here is ADP understands what’s best for their client and they go with it.”

SeekTech’s Chief Information Officer sees ADP as “the total package” because its solutions continue to perform up to the high standards that he and his IT organization had set. “Given the stability of their systems, the tight integration, the custom reporting, their in-depth knowledge of regulatory compliance, and the ability of their client service experts to quickly answer our questions and resolve issues, I actually do feel very comfortable having all my eggs in one basket with ADP,” he concludes.

SeekTech, Inc. 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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