



ULTIMATE ULTI PRO ROSS ENVIRONMENTAL SERVICES, INC.

ANALYSTS

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THE BOTTOM LINE

Ross Environmental Services, Inc., deployed Ultimate Software's UltiPro to modernize HR capabilities and move from a paper-based operation to a fully integrated cloud-based solution. Nucleus determined that the transition was accomplished smoothly and led to increased HR staff productivity due to the conversion from an array of manual processes to a fully automated system for HR and payroll applications. Additional benefits include cost reductions in printing, internal distributions, and mailing expenses.

ROI: **334%**

Payback: **3.6 months**

Average annual benefit: **\$388,770**

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THE COMPANY

Ross Environmental Services, Inc., a member of the RossWay GroupSM, is a family business founded in 1949 to meet the hazardous and industrial waste management needs in northern Ohio. Ross Environmental Services, Inc., and its affiliated companies, Ross Incineration Services, Inc., and Ross Transportation Services, Inc., employ a total of 245 in staff who work to solve environmental problems for customers and provide a wide range of environmental management services. Against this backdrop, Ross Environmental Services, Inc.'s HR department struggled with minimal technology for human capital management (HCM) to achieve

efficiency and become more strategic. Antiquated, manual, paper-based processes weighed down much of HCM. Additionally, suboptimal Paycor-based technology for payroll and time and attendance and only basic functionality for recruiting from TalentLink further complicated matters. These circumstances compelled Ross Environmental Services, Inc., to explore solutions found in UltiPro.

THE CHALLENGE

The HR department's largely paper-based processes were inefficient and incompatible with the expectations of employees, as well as costly and susceptible to human error. Even the technology Ross Environmental Services, Inc., did have – for payroll, time and attendance, and recruiting – was nominal at best, necessitated time-consuming manual workarounds, and, in payroll, produced an unacceptable error rate. Overall, the cobbled-together system was a significant drag on productivity, and as HR grew in complexity the focus shifted from managing the existing ecosystem to selecting an alternative.

Cost : Benefit
Ratio | **1 : 4.1**

THE STRATEGY

In 2013, Ross Environmental Services, Inc., began a search to replace Paycor and TalentLink, as well as the employer's paper-based, non-technology-assisted processes for HCM. This road led to Ultimate Software. Implementation of UltiPro began at the onset of January 2014 and concluded the first day of April 2014. UltiPro suited Ross Environmental Services, Inc.'s needs for the following reasons:

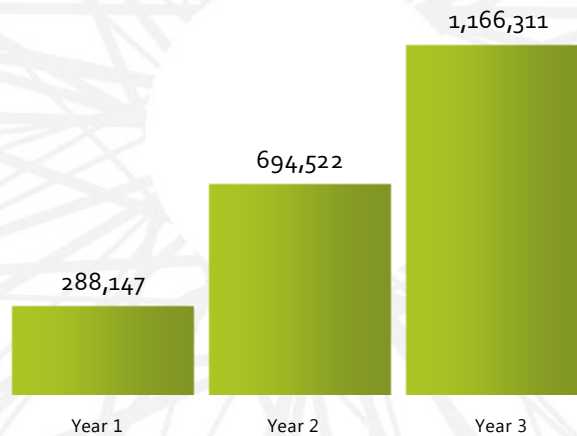
- Eliminated manual processes for payroll, benefit administration, time tracking, performance management, and the recruitment and on-boarding of new hires.
- Drastically decreased the potential for errors and the time needed to correct them, especially in payroll.
- Increased productivity across all of HCM, in areas previously covered by minimal technology or none at all.

TYPES OF BENEFITS



Larissa Sonich, HR manager for Ross Environmental Services, Inc. – and in charge of the implementation – noted that the deployment went smoothly. With a subscription cost for UltiPro close to that of Paycor and TalentLink combined, the employer has gained all the outgoing two technological solutions’ capabilities, plus much more. For one, efficiency and productivity now permeate payroll, time and attendance, benefits administration, and recruiting. Additionally, the employer has experienced newfound capabilities in onboarding and performance management, with technology automating most of both and replacing an exceptionally tedious paper-based process for the latter.

CUMULATIVE NET BENEFIT



KEY BENEFIT AREAS

Through automation that came with the deployment of UltiPro, the HR department at Ross Environmental Services, Inc., has eliminated virtually all manual processes associated with recruitment, hiring, payroll, and benefit administration – and applied technology to additional processes that, previously, were entirely paper-based. Productivity across all of HCM has improved considerably:

- **Cost management.** Notably, for a subscription fee nearly the same as the two outgoing solutions’ combined, Ross Environmental Services, Inc., was able to obtain much more functionality across a much wider breadth of HCM, with

UltiPro. Additionally, the employer has reduced costs significantly for printing, mailing, and distribution of employee-related items. With UltiPro, live checks have been eliminated, and so has the need to interoffice mail materials for the company's 401k program.

- Increased efficiencies. There has been a significant reduction in the payroll error rate, where improvements have come from a drastic decrease in manual processes previously necessitated by the outgoing solution. Elsewhere, the employer had only basic technology (for recruiting) or none at all, and the elimination of manual processes in these areas has yielded a bevy of additional newfound efficiencies. From onboarding to performance management and recruiting, administrative issues that impeded HR staff's work are no longer a factor.

“Implementation and deployment were fast. It worked to our benefit that this was a completely new process without any preconceived issues. This is fortunate: It was basically a necessity for us to put UltiPro in place, based on our size. We just couldn't be doing all these things manually anymore.”

– Larissa Sonich, HR Manager, Ross Environmental Services, Inc.

- Better workflow in recruiting and onboarding. Related to these increases in efficiencies are productivity increases in HR staff's daily work. In recruiting and onboarding, for example, a staff recruiter who used to spend much of her time duplicating her efforts in finding and interviewing candidates and in manually entering new hires' information for onboarding purposes, now has time to focus on the core of her function: exploring and qualifying potential hires.
- Productivity gains. In performance management, where HR staff used to spend much of its time chasing down and tracking annual reviews and the managers conducting them, UltiPro now informs the department where every employee's review sits. Through the system, HR staff has been able to automate reports that remind managers throughout the company of their obligations in this regard. Previously, as well, the delays in completion of performance reviews left HR staff retroactively paying employees for related pay increases; the need to do so has drastically decreased, and with that have come yet more productivity gains. Additionally, benefits administration, which monopolized HR staff's time

on a monthly basis and annually (for open enrollment), has become a smooth process. This, too, frees HR to focus on higher-level activities.

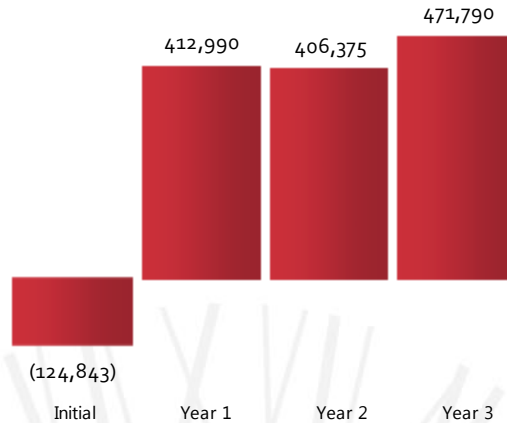
- Eliminated hard-copy tracking of employee paid time off (PTO). UltiPro has automated HR's tracking of employees' PTO. Paycor technology was severely limited in this regard. Companywide, employees had to fill hard copy sheets to request their PTO. Managers would receive and approve these by signing the sheets and sending them to HR staff, who segregated the approved, hard-copy requests into separate piles for exempt and non-exempt employees. Each pay period, HR staff would manually enter the data on these sheets as the department processed payroll; every quarter, the department would print a spreadsheet indicating used versus unused PTO for every employee and send these via interoffice mail. The new system has eliminated all of this.
- Improved HR reporting. With the elimination of this slew of inefficiencies, gains have also come in the form of better HR-related reporting to the rest of the organization. Most of this reporting was not possible before Ross Environmental Services, Inc., deployed UltiPro, and where it was, HR staff lacked the time to carry it out.

Upon deployment of UltiPro, Ross Environmental Services, Inc., was able to reduce one full-time employee to part-time. The timeliness, efficiency and accuracy of UltiPro have also improved the efficiency of communication between staff in the HR department and throughout the company as employees tend to their own needs whenever possible, via manager and employee self-service (MSS and ESS) found in UltiPro.

KEY COST AREAS

The primary costs of the project are per-person subscription fees for UltiPro, four new time clocks, and a fee paid directly to UltiPro for implementation. Ultimate Software does not charge for training. Nucleus factored into the project cost, however, the time that HR staff spent formally training in the new system. A separate fee for consultation related to the Affordable Care Act, also paid directly to Ultimate Software, is another cost that Nucleus factored.

NET CASH FLOWS



BEST PRACTICES

Nucleus has analyzed a variety of customers that achieved significant benefit from modernizing payroll and other aspects of HCM as they moved away from older systems – often manual, paper based, and not in the cloud. Much of this is the case with Ross Environmental Services, Inc., with positive results in keeping with expectations. UltiPro cloud-based HCM eliminated the disruptions and costs associated with the array of previously manual processes and will keep pace with the growing payroll, recruiting, and HR needs of Ross Environmental Services, Inc. Companywide, employees – not just HR staff – are experiencing the new system’s efficiencies. This is especially true for managers, with the new technology in place for performance management. Elsewhere, the deployment of modern technology for HCM has, unsurprisingly, freed HR to become more proactive and strategic in its operations.

CALCULATING THE ROI

To calculate Ross Environmental Services, Inc.’s total investment in UltiPro, Nucleus quantified the initial and ongoing costs, over a 3-year period, of software license subscription fees, the time it took personnel to implement and support the application, and employee training.

Direct benefits quantified include the eliminated cost of payroll technology from Paycor and recruiting technology from TalentLink and associated savings related to a reduction in the employer’s payroll error rate, as well as the elimination of printing and mailing costs. Indirect benefits quantified include an array of improvements in

productivity having to do with the employer's gaining control over the process following elimination of the previous system.

Not quantified were the additional efficiencies and savings Ross Environmental Services, Inc., will likely gain from UltiPro as the company utilizes additional services offered by Ultimate Software.



FINANCIAL ANALYSIS

Ross Environmental Services, Inc.'s UltiPro Project

Annual ROI: 334%

Payback period: 0.3 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	315,592	315,592	315,592
Indirect	0	198,818	198,818	198,818
Total per period	0	514,410	514,410	514,410

COSTS - CAPITALIZED ASSETS	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	5,460	0	0	0
Project consulting and personnel	0	0	0	0
Total per period	5,460	0	0	0

COSTS - DEPRECIATION SCHEDULE	Pre-start	Year 1	Year 2	Year 3
Software	0	0	0	0
Hardware	0	1,092	1,092	1,092
Project consulting and personnel	0	0	0	0
Total per period	0	1,092	1,092	1,092

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	92,620	67,620	67,620	0
Hardware	0	0	0	0
Consulting	0	0	6,615	8,820
Personnel	24,408	33,800	33,800	33,800
Training	2,355	0	0	0
Other	0	0	0	0
Total per period	119,383	101,420	108,035	42,620

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(124,843)	412,990	406,375	471,790
Net cash flow after taxes	(71,120)	227,636	223,997	259,976
Annual ROI - direct and indirect benefits				334%
Annual ROI - direct benefits only				180%
Net Present Value (NPV)				549,489
Payback period				0.3 years
Average Annual Cost of Ownership				125,639
3-Year IRR				317%

All calculations are based on Nucleus Research's independent analysis of the expected costs and benefits associated with the solution.