



ULTIMATE ULTI PRO AMERIPRIDE SERVICES

ANALYST

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THE BOTTOM LINE

AmeriPride Services deployed Ultimate Software's UltiPro solution to replace a legacy, on-premise human capital management (HCM) application with modern cloud technology. The company needed a platform that would support a multi-national operation and provide the analytics needed to support enterprise-level activities. Nucleus found that UltiPro enabled AmeriPride to achieve significant cost benefits retiring the legacy program, eliminating manual processing, and improving the workflow process, resulting in increased productivity, improved employee and manager transparency with a self-service portal, and more accurate decision-making capabilities across the enterprise.

ROI: **302%**

Payback: **4 months**

Average annual benefit: **\$2,365,776**

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THE COMPANY

Headquartered in Minnetonka, Minnesota, AmeriPride is a uniform and linen supply company operating more than 115 production facilities and service centers throughout the United States and Canada. The employer provides linen, uniforms, floor mats, restroom, and cleaning products to nearly 150,000 customers every week. Founded in 1889 by George and Frank Steiner, the privately held company is still owned and managed by the Steiner family.

THE CHALLENGE

AmeriPride sought to find a single source, end-to-end HCM cloud application to replace an on-premise solution with limited modular integration. The company was supporting separate payroll systems for Canadian and American employees with aging technology that required costly on-site IT support, and the vendor notified AmeriPride that an extensive upgrade would be necessary at the end of the business contract.

Cost : Benefit Ratio | 1 : 6.9

Like many service companies, AmeriPride is heavily dependent on a satisfied workforce to meet customer needs. When HCM cannot or does not meet these standards, customer satisfaction will be impacted. The company needed a solution that would eliminate the manual processes in place, provide employees direct access to their information, and deliver an end-to-end HCM solution that could also standardize workflow practices and deliver performance insight with analytic reporting. Additionally, the new solution had to accommodate all employees, regardless of location in either Canada or the United States.

THE STRATEGY

AmeriPride Services began the search for a replacement HCM solution in the summer of 2014, in anticipation of the end of the existing contract. The company narrowed down the finalists to Ultimate, Workday, and ADP, selecting UltiPro because of its efficient payroll solution, cost effectiveness, and ability to produce operational insights for better HR decisions.

TYPES OF BENEFITS



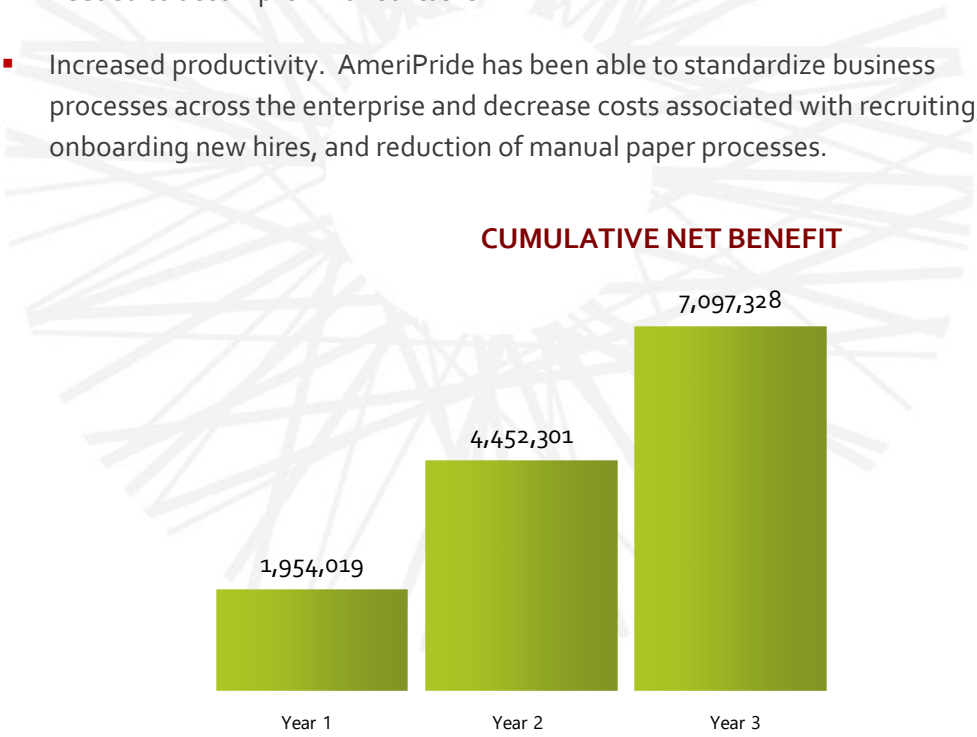
The company initiated deployment in early 2015, and selected January 1, 2016, as go-live date, taking approximately nine months from start to finish. Internally, AmeriPride utilized a transition team comprised of senior staff and department managers to search for and select a new vendor. No new hardware was purchased and staff training was managed in-house. The UltiPro platform now supports a full suite of services including core HR, talent acquisition, compensation and benefits

management, business succession, automated payroll, and self-service kiosks for employees at each location.

KEY BENEFIT AREAS

The UltiPro HCM solution allowed AmeriPride to move from a manual, on-premise platform to a more efficient and less costly cloud application with improved reporting and analytics. Key benefits included:

- **Cost savings.** Elimination of the legacy platform has reduced direct HCM operating costs by 22 percent annually. Migration to a cloud solution eliminated the expenses of patches and upgrades and reduced IT staff needed to support the old application. Had AmeriPride remained with the previous vendor, the cost to upgrade was \$335,000, not including software. The efficiency of the new application also decreased costs associated with onboarding new hires. The company was able to avoid hiring additional HR and payroll staff that would be needed to accomplish manual tasks.
- **Increased productivity.** AmeriPride has been able to standardize business processes across the enterprise and decrease costs associated with recruiting, onboarding new hires, and reduction of manual paper processes.

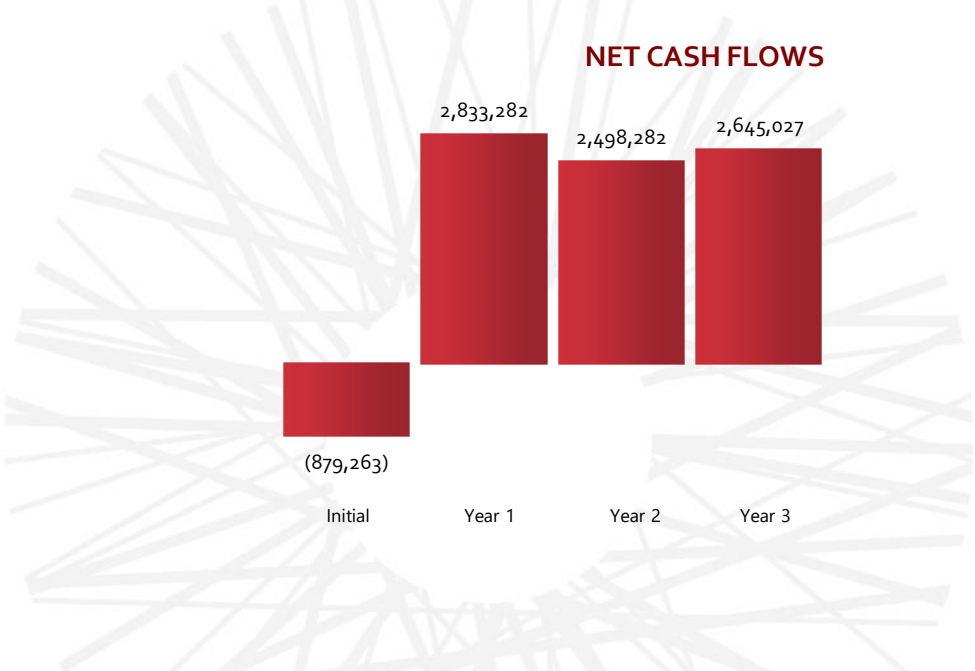


- **Increased manager satisfaction.** Managers now have direct access to their employee’s HR information in UltiPro, data that was previously unavailable to them. A manager can now access information for any point of the employee’s life cycle with the company, from recruiting and onboarding and through such time when the employee is no longer working, delivering more pertinent data.

- Improved decision making. AmeriPride has achieved greater workflow management with improved visibility, reporting, and data insights now that all of HR and payroll data are on a single platform. Reporting capabilities are greatly improved and less complicated since they no longer require the manual intervention of consolidating data from two separate payroll systems.

KEY COST AREAS

Costs of the project included software subscription fees, personnel time to implement and support the application, and user training time.



BEST PRACTICES

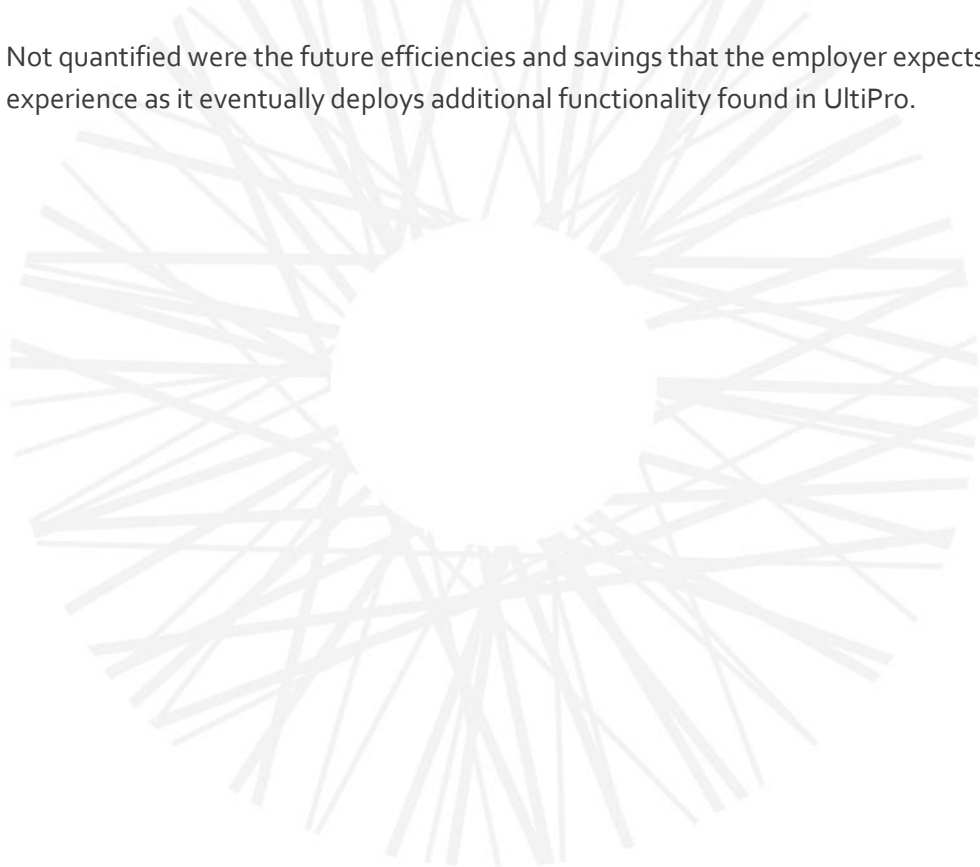
Based on this deployment, AmeriPride can identify several best practices to be considered during selection and deployment of an HCM application. Collaboration and communication among the decision makers and the end users is essential to the development of an accurate needs assessment and concise RFP. A cross-function team to review proposals and recommend a solution should be developed early in the process with the goal of finding a solution that meets all requirements. And finally, a solution that is scalable with capabilities that meet the expected growth of the company should be a primary driver.

CALCULATING THE ROI

Nucleus quantified the initial and ongoing costs of software subscription fees, personnel time to implement and support the application, and employee training time, over a 3-year period to calculate AmeriPride's total investment in UltiPro.

Direct benefits quantified included the avoidance of upgrade costs and the retirement of on-premise database and manual legacy software. The indirect benefits quantified included increased productivity of IT, HR, and Payroll employees. These productivity savings were quantified based on the average annual fully loaded cost of an employee using a correction factor to account for the inefficient transfer between time saved and additional time worked.

Not quantified were the future efficiencies and savings that the employer expects to experience as it eventually deploys additional functionality found in UltiPro.



FINANCIAL ANALYSIS

AmeriPride Servies

Annual ROI: 302%

Payback period: 0.3 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	823,625	488,625	488,625
Indirect	0	2,164,777	2,164,777	2,164,777
Total per period	0	2,988,402	2,653,402	2,653,402

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

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

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	834,575	146,745	146,745	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	16,563	8,375	8,375	8,375
Training	28,125	0	0	0
Other	0	0	0	0
Total per period	879,263	155,120	155,120	8,375

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(879,263)	2,833,282	2,498,282	2,645,027
Net cash flow after taxes	(483,594)	1,558,305	1,374,055	1,454,765
Annual ROI - direct and indirect benefits				302%
Annual ROI - direct benefits only				56%
Net Present Value (NPV)				3,360,440
Payback period				0.3 years
Average Annual Cost of Ownership				399,293
3-Year IRR				310%

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