



# ULTIMATE ULTIPTRO PACE CENTER FOR GIRLS

ANALYST

**Barbara Z. Peck**

**Pace Center for Girls deployed Ultimate Software Ultipro to replace a legacy human capital management (HCM) application with end-to-end cloud technology.** The company sought a solution that would eliminate partial paper-based processing and deliver actionable analytics. Nucleus found that Ultipro application enabled Pace to achieve significant cost benefits such as the implementation of a self-insurance program, reduction of employee turnover by 50 percent, and reduction of payroll auditing expenses, resulting in increased productivity across the enterprise.

ROI: **1292%**

Payback: **1 month**

Average annual benefit: **\$1,894,097**

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## THE COMPANY

Pace Center for Girls is a nationally recognized gender-responsive program for vulnerable teenage girls ages 11 to 18. Headquartered in Jacksonville, Florida, the nonprofit organization was created in 1985 as an intervention program to serve at-risk girls by providing education and social service programming. The Pace Center has 19 locations in Florida and is funded primarily by donations, the Florida Department of Juvenile Justice, local school districts, and private donations.

## THE CHALLENGE

Pace wanted an end-to-end HCM cloud application to replace an existing program that had poor customer service, lack of analytics, and frequent, unexpected costs. The company sought to reduce these costs, replace paper-based recruiting, and

introduce an automated benefits module that supported the process of transitioning to self-insured.

**Cost : Benefit Ratio | 1 : 12.5**

The company looked for a solution that was employee-centric, provided the staff direct access to information, and would reduce employee turnover by building trust and credibility among the staff. Unlike many non-profits, Pace management and operations are data driven and take actions based on findings and analytics, a successful business model not regularly utilized in the non-profit sector.

### THE STRATEGY

The Pace Center began the search for a replacement HCM solution at the end of 2012. The deployment was initiated in the first quarter of 2013, with a go-live date of spring, 2013.

#### TYPES OF BENEFITS



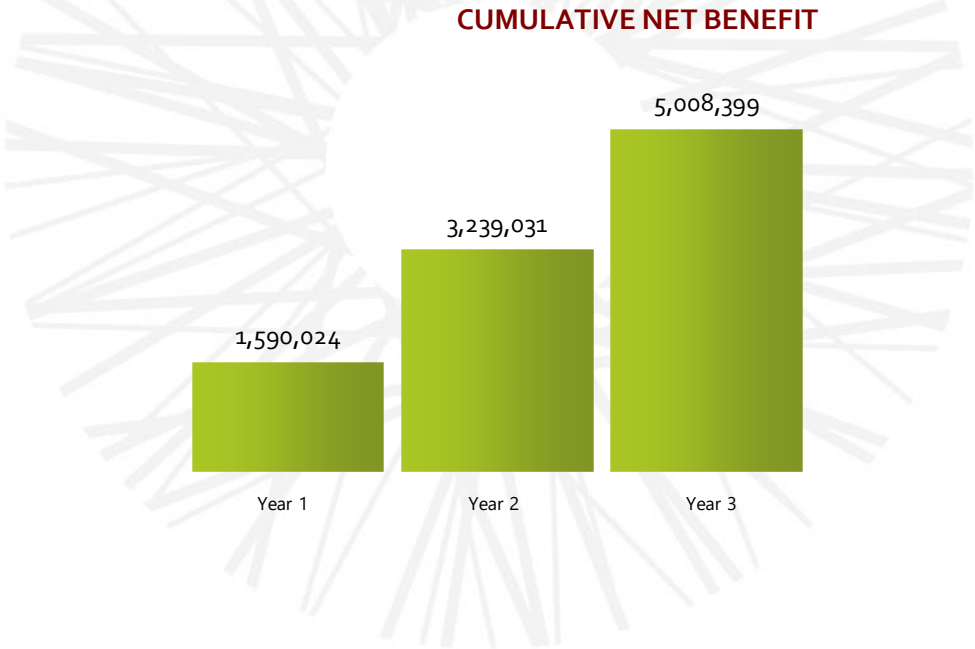
A team consisting of executive management, IT, HR, and program operations conducted a broad review of available solutions. The team created a clear definition of the needs of the company, and applied this assessment to the selection process. Pace selected Ultimate Software’s Ultipro solution because of its efficient payroll solution, cost effectiveness, and data insights for HR decisions. As a mission-based non-profit center, Pace incorporates the concept of best business practices into its operations, a successful integration as demonstrated by the success of the program.

### KEY BENEFIT AREAS

Deployment of the Ultimate Software Ultipro HCM application allowed Pace to move from a manual process to a more efficient and less costly automated application. Key benefits included:

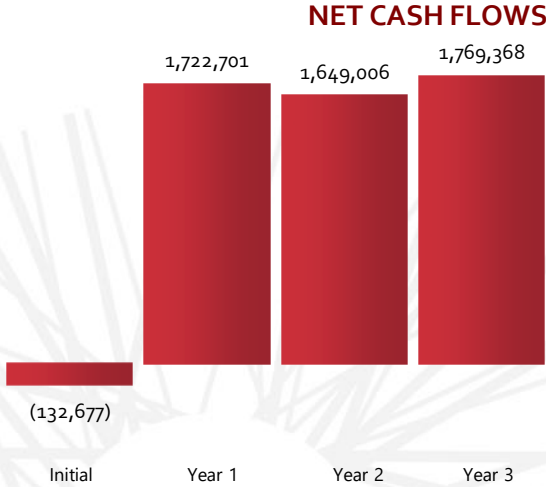
- Cost savings. Elimination of the legacy platform and related IT support expenses has reduced direct HCM operating costs.

- Self-insurance. Ultipro analytics and reporting, along with the benefits self-service module provided a degree of accuracy that allowed Pace to self-insure, saving \$1.0 million over three years. Additionally, Pace could enhance the benefits package offered to employees, because of associated cost savings.
- Reduced turnover. The improved accuracy of data collection and reporting has delivered actionable insights that Pace was able to implement. This contributed to reducing staff turnover from 60 percent per year to 30 percent per year, with annual savings of \$1.30 million per year. These improvements, along with direct accessibility for employees to review personal information, have created more trust and credibility with employees.
- Increased productivity. Ultipro could automate HCM administration while reducing the possibility of errors or omissions across the HR processing cycle, saving time for payroll managers, benefits managers, recruiters, and internal HR staff.



## KEY COST AREAS

Costs of the project were low, which was one of the primary factors in the high ROI of the deployment. Costs included software subscription fees, personnel time to implement and support the application, and user training time.



## BEST PRACTICES

Pace identified several best practices during selection and deployment of the Ultipro application. Since Pace operates the program like a business rather than a traditional non-profit, it can assess activities and outcomes more accurately, and initiate changes when needed. Pace maintains a sharp focus on the the goals and the strategy that they have set for the operation, to achieve the vision of the organization.

**“At the end of the day, human behavior and relationships are the interactions necessary for success.” Yessica Cancel, Chief Operating Officer PACE Center for Girls.**

Early collaboration and communication between decision makers and employees was essential to the development of an accurate needs assessment and evaluation of vendor offerings. The choice of a scalable solution that can support continued expansion due to expected growth of the program should be a primary consideration for all non-profits. These practices should resonate with many non-profits struggling to be productive and successful.

## 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 the Pace Center for Girls total investment in Ultipro.

Direct benefits quantified included the retirement of legacy software, avoidance of upgrade costs for the legacy program, cost savings associated with self-insurance, and a significant reduction of employee turnover. The indirect benefits quantified included the increase productivity of payroll staff, recruiters, benefit managers, and general HR staff. 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

## Pace Center for Girls

Annual ROI: 1292%

Payback period: 0.1 years

BENEFITS	Pre-start	Year 1	Year 2	Year 3
Direct	0	1,787,368	1,724,248	1,731,915
Indirect	0	66,253	66,253	66,253
<b>Total per period</b>	0	1,853,621	1,790,501	1,798,168

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
<b>Total per period</b>	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
<b>Total per period</b>	0	0	0	0

COSTS - EXPENSED	Pre-start	Year 1	Year 2	Year 3
Software	118,380	91,236	100,320	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	4,875	28,800	28,800	28,800
Training	9,422	10,884	12,375	0
Other	0	0	0	0
<b>Total per period</b>	132,677	130,920	141,495	28,800

FINANCIAL ANALYSIS	Results	Year 1	Year 2	Year 3
All government taxes	45%			
Cost of capital	7.0%			
Net cash flow before taxes	(132,677)	1,722,701	1,649,006	1,769,368
Net cash flow after taxes	(72,972)	947,486	906,954	973,153
<b>Annual ROI - direct and indirect benefits</b>				<b>1292%</b>
Annual ROI - direct benefits only				1242%
Net Present Value (NPV)				2,399,079
<b>Payback period</b>				<b>0.1 years</b>
Average Annual Cost of Ownership				144,631
3-Year IRR				1294%

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