NUCLEUS
RESEARCH

ULTIMATE ULTIPRO
PSAV

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THE BOTTOM LINE

PSAV implemented UltiPro to automate scheduling and payroll in 2010, but was not fully utilizing UltiPro's embedded analytics in reporting. In 2017, the company moved to expand its use of UltiPro by leveraging business intelligence to enable users to track and predict total labor spend each month and optimize scheduling. Nucleus found that this initiative enabled PSAV to build more predictably full schedules, increase workforce efficiency, and reduce overtime. This resulted in a 5 percent reduction in overall labor costs (a savings of more than $20 million per year) and a reduction in employee turnover despite increasing turnover in the hospitality industry.

THE COMPANY

PSAV, founded in 1937, is a meetings and events experiences company operating events in more than 1,500 leading hotels, resorts, convention centers and sports and entertainment venues across the United States, Canada, the Caribbean, Mexico, Europe, and the Middle East. The company has more than 40 production branches and more than 10,000 employees, who deliver strategic planning, production, technology and staging services for meetings and events of all sizes.

THE CHALLENGE

Like many services companies, PSAV's biggest expense was payroll, with a total labor cost of approximately $420 million per year. Although the executive team and business managers met each month to analyze labor cost overruns, regional managers responsible for scheduling workers only received analysis of labor expenses at the end of the month. Without data on actual labor allocation during each pay period, they were unable to adjust schedules on an ongoing basis to stay within budget. A vice president in human resources (HR) recognized that taking advantage of UltiPro's business intelligence capabilities would provide managers with ongoing insights into labor scheduling and budgets and would enable them to better manage labor and expenses to avoid cost overruns.

> **The organization reduced its labor spend by 5.7 percent.**

THE STRATEGY

Having identified the need for better ongoing insights into scheduling and payroll, and the fact that PSAV could leverage UltiPro to deliver those insights, a team of three people from the HR department spent a total of 100 hours learning the business intelligence features and designing new reports.

Designed to provide visibility into overall spending patterns each month and more granular information related to specific branches and geographies, the new reports were used by regional managers to drive more data-driven scheduling, enabling them to make early adjustments to schedules within pay periods, and better stay within assigned budgets.

KEY BENEFIT AREAS

By using the data and reporting capabilities in Ultimate UltiPro, PSAV was able to increase operational efficiency and decision making, resulting in more efficient scheduling. Key benefits of the project included:

- Optimized scheduling. Greater visibility into scheduling and potential overruns that could be corrected enabled PSAV to optimize employee scheduling and minimize overtime. This resulted in a reduction in total labor spend of 5.7 percent, which has saved the company $44 million to date. In 2017, PSAV was able to reinvest $14 million of the money saved, doubling the 401k matching amount and improving employee bonus plans.

- Reduced turnover. The organization found that in the first 12 months, employees were more likely to stay with the organization when they worked regular, predictable schedules. This, combined with the updated bonus and 401K plans, helped PSAV reduce turnover, at a time when turnover in the hospitality industry was increasing by an average of 1.4 percent.

> **Because business intelligence is included in the UltiPro solution, PSAV gained significant benefit with no additional cost.**

- Increased executive productivity. Before the reporting initiative, the executive management team spent approximately 60 hours a month analyzing labor costs. Now management of labor costs is handled by regional managers on an ongoing basis, so executive management time can be spent on more strategic activities.

- Improved image. This HR-led initiative has improved employees' view of management, and in turn transformed the way management views the HR function, making HR more of a strategic advisor to the rest of the organization.

KEY COST AREAS

Business Intelligence is a feature already included within the UltiPro licenses so there was no additional licensing cost. The only cost associated with the project was the time the HR team invested in learning the business intelligence capabilities and developing new reports. Nucleus estimated that cost at approximately $20,000 based on the number of hours spent by HR staff and the average fully loaded cost of an HR staff person.

LESSONS LEARNED

Given the scale and complexity of PSAV's scheduling, the HR team recognized that in order for the new reporting to be actionable, it had to be easily understood – which meant focusing on a few key metrics that regional managers could digest and act upon.

Rather than providing managers with overly granular and complex reports that could be distracting or overwhelming, HR invested in thoughtful segmentation of the data by geography, employment type, and job family. This produced reports that could be easily understood by managers so they could focus on taking action and easily communicate changes to the appropriate personnel.