

CFOs Put an End to Profit Leaks

Reality Check: You Have Profit Leaks



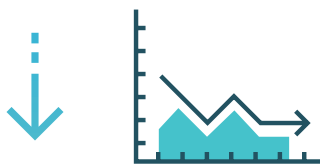

Profit leaks happen, it's no one's fault. With everything CFOs and HR managers have to track and manage, it's no wonder profit leaks can occur and potentially erode your company's bottom line.

70%

of organizations have adopted at least one cloud-based HR solution.

Source: Sierra-Cedar

You Can Stop Issues Related to Profit Leaks Such As:

Syncing Multiple Systems	Transactional Inefficiencies	Employee Engagement and Turnover	Workforce Management ROI
			
Solution	Solution	Solution	Solution
Unite Your Data	Automate Your Workflows	Reduce Your Labor Expense	Maximize Your ROI

Using This White Paper

Use this white paper to better understand how a workforce management solution is essential to ending profit leaks in your company, and how a collaboration with HR can help reduce risks and save your company money. The impact of your payroll and HR solution on your bottom line is too critical to ignore.

Profit Leaks: Syncing Multiple Systems

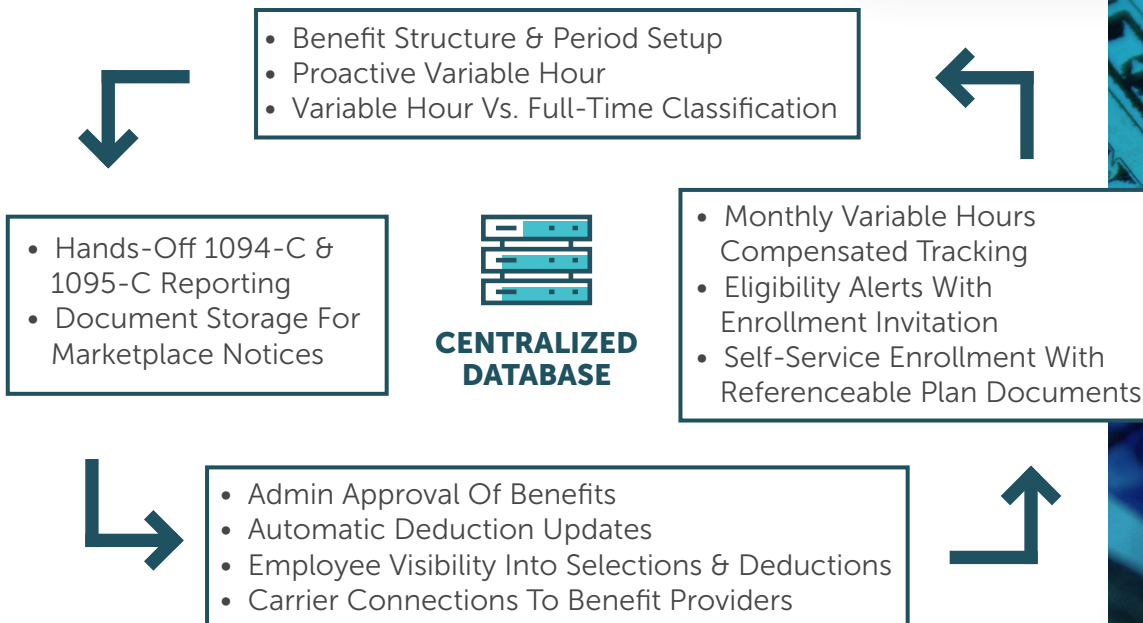
Many companies choose best in breed solutions to ensure they have functionality for HR, payroll, timekeeping, and more. However, using multiple point systems to manage your workforce means choosing a single source of truth where all the data is synced based on triggers.

According to a recent [PWC study](#), the average organization is **utilizing 3-4 separate systems to accomplish their HR and Finance functions**. This approach can result in duplicate data entry and errors, as well as penalties associated with ACA and payroll tax compliance. For example, pulling data from multiple systems for ACA reporting is time-consuming and can result in fines if inaccurate information is reported.

Multi-System Approach

Benefits Administration
<ul style="list-style-type: none"> • Spreadsheet Eligibility Tracking • Aggregate or Amount Tracking • Employee Enrollment • Email/Fax Enrollment to Broker
Time & Attendance
<ul style="list-style-type: none"> • Hours Worked Tracking & Reporting • FTE Tracking & Reporting
Payroll
<ul style="list-style-type: none"> • Deduction Updates Based On New Enrollment • Hours Compensated Reporting
Benefit Providers
<ul style="list-style-type: none"> • Compile Data For Multiple Systems or Spreadsheets • Third Party Reporting Solutions

Closed-Loop Process



Stop the Profit Leaks: Unite Your Data

A unified workforce management solution is designed with a single point of data entry. This means the data you enter is automatically available in other processes like ACA compliance, benefits administration, and time tracking. This closed-loop approach eliminates duplicate data entry and sync errors, saving you time and money.

Don't Be a Part of This Statistic

Employers in the United States will pay **\$74 billion in shared responsibility penalties** over the 2020-2029 period.

Profit Leaks: Transactional Inefficiencies

The biggest challenge for an HR manager is being strategic while managing recurring tasks and transactional processes that fall onto their plate. When workforce management processes are not automated, this leads to duplication of tasks, an increased potential for errors, wasted time, and risk exposure. Transactional inefficiencies can include:

Benefits Administration: It can be time-consuming to manage and track benefits and enrollments, especially without carrier connections. If not handled properly, there can be paperwork errors or even overlooked terminations.

Correcting Time Cards: A significant amount of time is spent editing time card errors, and sometimes those errors are not caught until after payroll is processed. This can result in overtime issues, incorrect paychecks, and a decrease in employee morale.

W-2 Errors: Preparing, printing, and distributing W-2s is a huge task to undertake. If there are errors, this results in time being spent making corrections, re-submitting to the IRS, and potential liability for penalties.

Transaction Traffic Jam

For every manual HR-related workflow such as benefits enrollment, there are at least four associated transactions. By automating this process with the right HR technology, your HR manager may only have to audit one out of every 50 enrollments.



Stop the Profit Leaks: Automate Your Workflows

Automating your workflows allows you to scale your business and adapt to rapid growth without increasing overhead. Using a unified workforce management solution allows CFOs and HR managers to scale their tasks and shift to a more proactive approach. Benefits administration can be conducted entirely online, time cards are processed efficiently and accurately, and W-2 errors are caught before they are even issued.

Questions? Call or Click

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Profit Leaks: Employee Disengagement and Turnover

Employee Disengagement

It's a known fact: employee engagement drives growth. When you have satisfied employees, you have productive employees. Productive employees result in satisfied customers. According to Gallup, companies with high employee engagement outperform those with low engagement in the following ways:

41% Lower Absenteeism

58% Fewer Patient Safety Incidents

24% Less Turnover (In High-Turnover Organizations)

59% Less Turnover (In Low-Turnover Organizations)

28% Less Shrinkage

70% Fewer Safety Incidents

40% Fewer Quality Defects

10% Higher Customer Ratings

17% Higher Productivity

20% Higher Sales

21% Higher Profitability

The True Cost of Turnover

What does employee turnover truly cost you? When you factor in interviewing, hiring, training, productivity reduction, and lost opportunity costs, the result is staggering.

Voluntary turnover costs in 2019 were \$15,000 per employee departure, or over \$630 billion.

When you start to add that up, the numbers are shocking and it becomes apparent that turnover is a major culprit of profit leaks. Furthermore, the cost of ignoring this problem is even steeper.

What Does Turnover Cost Your Organization?

_____ How many people quit in your organization in 2019?

x\$ _____ Multiply by \$15,000**

= \$ _____ * Annual Turnover Cost / Baseline

**This is your baseline turnover cost*

What Will This Be In 2021?

**The median income for a salary worker in the U.S. translates to a yearly income of approximately \$47,672. Work Institute recommends (conservatively) capping turnover at 30%, approximately \$15,000 per employee departure. Source: Work Institute

Stop the Profit Leaks: Reduce Your Labor Expenses

Using a unified workforce management solution that offers self service available on any device allows you to engage and empower your employees in the following ways:

- **Better communication through online document management, text alerts, and email notifications.**
- **Mobile access to pay stubs, tax forms, and accruals for increased engagement.**
- **Consistent performance reviews for constructive feedback and goal accountability.**
- **The autonomy to submit time off, change benefit plans, and edit employee information without assistance**
- **Online training and continuing education courses for continued career development.**

Employee self service also reduces calls and emails to HR staff, so they can focus on more strategic initiatives. Research shows that self-service and mobile access drive employee engagement. This leads to healthy work morale, which decreases turnover.

Profit Leaks: Usability and Adoption

50%

of all technology rollouts fail to hit adoption targets.

Source: [NTT](#)

An often overlooked profit leak is return on investment for workforce management technology. Sometimes, businesses implement workforce management technology without thinking through the strategy of how to maximize their ROI. Workforce management ROI killers can include:

Lack of Useful Interactions: Don't let your quest for automation cause a communication gap with your employees.

Too Difficult to Adopt: If the learning curve of your workforce management solution is steeper than the value curve, you may find resistance from employees to use it.

Too Many Tools: If you're using multiple systems to manage your workforce, there could be too many solutions in place to truly realize an ROI.

No Execution Plan: You're bought in that workforce management technology can help you save time and money, but aren't entirely sure how to execute on your strategy.

Stop Profit Leaks: Maximize Your ROI

Whether you are looking to implement workforce management technology or already use one, it's important to maximize all the benefits of your investment by establishing a strategy for company-wide adoption.

- Make sure your workforce management technology will **scale as your business needs change**. You may find that using disparate systems could stunt growth.
- As helpful as automation is, workforce management platforms are not a "set it and forget it" solution. **Make sure you're still overseeing the processes you have automated** while continuing to communicate and engage with your employees.
- While you and your HR manager may see the tremendous value in your workforce management technology, **it needs to be intuitive enough for anyone to use**. Adequately train employees, so they are confident using the system. This will pave the way for quicker adoption and faster return on investment.
- Work with a customer success consultant who will **strategize with you to identify any missed opportunities to automate your processes**. This partnership will also ensure you are utilizing your payroll and HR system to its fullest potential.

Questions? Call or Click!

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Stop Profit Leaks with a CFO and HR Collaboration

A collaboration between CFOs and HR managers is essential to implementing a unified HR platform that properly captures, analyzes, and reports workforce and labor data. CFOs and HR managers are two sides of the same coin, and joining forces leads to more data-supported conversations about the drivers of corporate performance.

According to [Ernst & Young](#), companies where the CFO and HR are strong collaborators experience:

Faster growth: 41% experienced earnings before interest, tax, depreciation and amortization (EBITDA) growth greater than 10%

Better HR performance: 44% saw a significant improvement in employee engagement

Higher workforce productivity: 43% saw significant improvement in workforce productivity.

Key Takeaways

As we mentioned before, profit leaks are no one's fault. They happen to the best of organizations, but the good news is they can be fixed. CFOs and HR managers need to work together to identify and stomp out these silent killers by looking for the following signs:

Syncing Multiple Systems: Using separate systems to manage your workforce can result in duplicate data entry, errors, and penalties for noncompliance. A unified workforce management solution is designed with a single point of data entry, so you are always using current and accurate data.

Transactional Inefficiencies: Manual and paper-based processes can cause duplication of tasks, an increased potential for errors, wasted time, and risk exposure. Automating your workforce management processes streamlines your tasks, saving time and money.

Employee Engagement and Turnover: Disengaged employees can lead to higher turnover, which can cost businesses dearly. Utilizing tools like employee self service and performance reviews will help increase employee morale, which means a lower turnover rate.

Workforce Management ROI: Even if your organization has adopted payroll and HR technology, you may not be getting the most out of your investment. To maximize your ROI, make sure you have a strategy in place that will ensure streamlined workflows, generate high adoption rates, and scale as your business needs change.

“ Finance people deal with the actual, things more specific, measureable and tangible. HR is more art than science, more 'right brain' than 'left brain.'

- Lucy Dimes, Alcatel-Lucent Gallup



About APS

APS has a mission: to make payroll and HR easier. We provide our clients and partners with intuitive technology delivered with personalized service and support. Our unified solution is designed to simplify workforce management tasks. Process payroll in hours, not days. Automate HR workflows to be more strategic. Elevate the employee lifecycle with a single-system platform. We are APS, your workforce partner.

Businesses choose APS as their workforce partner because of our focus on the customer experience. As a result, we continually maintain 98% customer retention and satisfaction rates. For more information on APS and how we can help make payroll and HR easier for your business, visit www.apspayroll.com.

“ I have worked with multiple payroll providers over the years, but I have found the cost and service found with APS is far greater than the rest. Their platform is easily to navigate, and I find it to be the easiest to use.

- Lisa Brannan, Accounting & Operations at LuckyThankYou, LLC

The employees like having their personal portals to deal with changing addresses, deductions, requesting time off, etc. The information they have enables them to be able to plan a vacation well in advance, as well as scheduling last minute appointments outside of the work environment with access 24/7 from any PC

- Michele Kurvink, Business Office Manager at Boyd Lighting

It is the ease of use that I most appreciate. Most of my professional career I have been involved with payroll software and I am impressed with APS. But the ease that I have taught someone in my company with zero experience how to access and review data has been very much appreciated.

- Don Meazell, Controller at St. Bernard Project



www.apspayroll.com



3010 Knight Street
Suite 300
Shreveport, LA 71105



Sales: 855.945.7921
Monday – Friday
8am – 5pm, CST
sales@apspayroll.com



Toll Free: 888.277.8514
Phone: 318.222.9774
Fax: 318.222.0601