

2007 Prism Award Winners

SPX, Georgia Tech, Sanofi-aventis, and Fiserv
Take Top Honors for Best Practices, Leadership



Photo by Paul Cichocki

BY AMY LOGAN

Four Tiffany & Co. crystal prisms lay wrapped in tissue and nestled in signature turquoise-blue boxes, waiting for their recipients to claim them as prizes most deserved. The professionals who would be accepting the awards on behalf of their companies waited in the lunch-time audience with barely controlled enthusiasm.

The winners were gathered with their

peers at *An APA Leadership Forum: 2007 Payroll Best Practices*, held at Caesars Palace in Las Vegas, Nev., in mid-August. As each of the awarded companies' winning attributes were outlined in their introductions, "oohs" and "aahs" could be heard around the room. It was an impressive list of accomplishments for each of the four winners.

Prism Award for Processes

SPX Corporation

Brian Bentley, CPA, Shared Service Center Director for SPX Corporation, said he'd entered his payroll team in the Prism Award competition because he had a gut feeling about his Payroll Supervisor, Angie Eller, CPP. Bentley thought she had not only embraced the company's vision for best practices, she'd exemplified that "world-class" vision in her department and had set the bar for the way he'd like to see his entire segment process the payroll.

SPX, a \$4.3 billion global multi-industry manufacturer, operates in more than 20 countries, paying approximately 14,000 employees. Brian and Angie work in the \$1.1 billion Test & Measurement segment of the company's structure. Their segment, which is one of four, serves the aerospace, electrical, electronics, life science, and automotive industries as well as some municipalities.

Currently, Brian and Angie's branch of SPX pays 2,300 employees. But Brian says the number of total domestic employees is close to 8,000 employees. It is his goal to have the Shared Service Center pay all 8,000 SPX employees in the United States. This Prism Award win will help them realize that goal.

"Good news spreads by word of mouth," Brian said. "I can just hear folks talking about how well Angie and her team are doing processing payroll and how cost-efficient they are. I think the visibility of us winning this Prism Award is going to bring on more payrolls than we can take on in the near future. The best-kept secret in SPX is about to be blown wide open!"

Seven years ago, Brian set out to find a CPP to help him revolutionize his unit's payroll. He found Angie.

"If it wasn't for Angie, this award would not have happened," he said.



The SPX Shared Service Center Payroll Team won the 2007 Prism Award for Processes. Shown here are, from left to right: Jaynette Odegaard, Payroll Coordinator; Angie Eller, CPP, Payroll Supervisor; and Janet Gustafson, Payroll Assistant.

"She's a natural leader and she strives for continuous improvement."

"Continuous improvement" is a shared objective among all of the Shared Service Center employees.

"Long before it was a best practice throughout the company, Brian was very proactive in our quarterly review—he stressed having written goals, stretching for our goals, and creating goals," Angie said. "I think it has really helped because I know what Brian is expecting of me as the leader. And I know what I have to do to get there."

Each team member follows the SMART acronym when mapping job performance goals:

- Specific
- Measurable
- Attainable
- Relevant
- Time-Framed

"A few years ago, in conjunction with our former segment CFO, Blake Hancock, we developed this finance vision and strategy. Basically, the goal was to achieve world-class status and go through continuous improvement, re-engineering, and adopting technology to get there," Brian said. "That was our foundation. Then all we had to do was follow the path to success."

Essentially, the path included creating a paycheck accuracy chart that measured the team's performance. It tracked all errors that affected an employee's net pay, reported who made the errors, the total number of errors that occurred, and the total number of employees paid. This data was compiled into a biweekly

report and shared with everyone concerned with paying the employees correctly.

"Also, we moved one of our larger pay groups from being paid current to being paid on a one-week lag," Brian said. "This was a major accomplishment. This process improvement drove our errors down and improved our overall operational efficiency."

Other improvements include:

- A payroll checklist that compares previous payroll data with current processes, and requires a written explanation for significant variances between pay periods.
- A formal reconciliation of the hours imported from the automated time and attendance system to the actual hours entered. This was not only adopted companywide as a "best practice" and implemented at all locations, but it was "identified as a key payroll cycle control for Sarbanes-Oxley compliance."
- A payroll action form to drive accountability to the supervisors who must now ensure and sign off that their employees are being paid the correct amount for the correct number of hours.

"It takes teamwork and one common goal to achieve this level of success," Brian said. "You need to get the right people in the right positions and then empower them so they, too, can be focused on your goal. You can't stay where you are today and expect to be best in class tomorrow. The world is changing too quickly."

Prism Award for Technology

Georgia Institute of Technology

When Maryann Fogarty, CPP, Senior Director of the HR Service Center for Georgia Institute of Technology, received notice that she and her team had won the Prism Award for Technology, she was elated.

"It's perfect!" she said. "We try to always be on the cutting edge."

But this was not always the case. Payroll processing at Georgia Tech (GT) used to be a bit outdated.

"Paper was everywhere," she said. "The payroll staff worked until at least 8 p.m. on the nights we processed the payroll."

It was clear to Maryann that a technological overhaul was required. It was especially appropriate since GT is a technology school. But with only 23% of their employees on direct deposit, Maryann and her team had their work cut out for them.

Annually, the payroll team of 15 full-timers process 15,000 Forms W-2, in addition to about 850 Forms 1042-S for its nonresident aliens. They run two payrolls—one biweekly for the nonexempt staff, and one monthly for the exempt—and are registered in 16 states under one FEIN.

Updating the processes took long hours and hard work. But Maryann said the end result, which included getting 99% of GT employees on direct deposit, was a clear success.

"The key to achieving anything, especially from a payroll perspective, is to make sure you have all three parties totally saturated in involvement—management support, IT, and payroll," she said. "When you get everyone working in unison, it happens. That's all it takes."

The Georgia Tech payroll team also developed and implemented an orchestrated communication plan to reach out to employees, and upgraded to People



Payroll and IT departments of Georgia Institute of Technology pose on the Georgia Tech football field with their school mascot, Buzz, and their brand new 2007 Prism Award for Technology.

Soft 8.8, which features an employee self-service (ESS) module. Both moves helped the Georgia Tech payroll team achieve their current level of success.

"We were tasked with the mission to get better results on direct deposit and to get things more automated," Maryann said. "Georgia Tech even took me out of the payroll director position and made my assistant the interim director, in order to put me on the project team full-time. You need to be totally focused."

As part of the communications plan, Maryann and her team canvassed the campus with posters and flyers to promote ESS and direct deposit, and the campaign used the Georgia Tech mascot, Buzz, to grab attention.

But their phenomenal success in achieving 99% direct deposit might have also had something to do with their customer service. The GT payroll team supports direct deposit in as many as three different accounts, and generally makes it easy to choose direct deposit.

Most employees establish regular direct deposit (no prenote process required!) with one or more checking and savings accounts at banks and credit unions. Employees who do not have a checking or savings account are given a CashPay Visa paycard through Bank of America. The payroll department also allows employees to add a general deduction to their campus ID cards, which can be loaded with any portion of pay and used in campus stores, as well as at many nearby restaurants.

"We make it as easy as possible so everyone has control of their pay," Maryann said. "To get here we used a lot of resources to communicate—everything

we could think of and then some—to make sure we were out there reaching every population. If you put in the work up front, you are going to have total success."

No one appreciates the move to 99% direct deposit more than the Georgia Tech payroll department. By upgrading their software system and implementing "TechWorks" (the Georgia Tech Enterprise Portal and ESS system), employees can now access their own demographic, payroll, and benefit information. Payroll is now practically 100% automated.

This means fewer late nights for the payroll staff.

"Our original task was to eliminate 'payroll burnout,'" Maryann said. "We knew we were working too many late hours, so we identified the root causes. If it was policy, we found a way to change that policy and changed the business practice that enforced it. If it was a process, we wrote reports identifying errors and added edits to eliminate the problems.

"In the end, we shortened our payroll processing time from two days to less than eight hours!"

What's more, the effort by Georgia Tech's payroll department has been noticed campuswide. Employees have actually *thanked* the payroll department for making their lives a little less complicated.

"This is an environment where people all know their jobs and don't depend on someone else to do it for them," Maryann said. "They are all trained and saturated by the data. They all know what's going on. I am so proud of my staff and our cross-functional team. It really is a wonderful environment."

Prism Award for Management Sanofi-aventis

Sanofi-aventis' payroll needed to be reorganized before its leader felt it was ready to enter the best practices arena. When Director of Payroll Michelle Botts, CPP, completed the restructuring, she knew her team truly lived up to the company's world-class status.

"I really admired how well this company approached its management of employee-related data," Michelle said. "But while we had a lot of great processes in place and a lot of great ways of doing things, we were a little disorganized within the payroll department in the way we assigned the work. The one thing I felt we really needed to focus on was the way the payroll department was structured.

"When you're a little disorganized, your customer service suffers," she explained. "There can be delays in getting answers back to people, and morale tends to suffer a bit, too."

Sanofi-aventis is a France-based pharmaceutical company with a U.S. operation that pays 14,000 employees across three employing entities in all 50 states and Puerto Rico. There are 10 full-time payroll staff members—including Michelle—and one part-time contractor who process pay for all U.S.-based employees.

Michelle said that, although U.S. payroll internal controls "met most internal audit expectations," there was no demonstrable separation of duties, an important Sarbanes-Oxley requirement.

"To approach the restructure, we recorded each task and analyzed the time it took people to do everything, and then we grouped the tasks into three separate areas: production, reconciliation, and compliance," Michelle said. "We came up with a number of annual hours spent for each of those three com-



The payroll team at Sanofi-aventis won the 2007 Prism Award for Management. Pictured, in the back row, from left to right: Pauline Rodney; Carol Trower; Marie Forbes; Maribeth Humphrey, CPP; Lori Infuso, CPP; and Roy Narine. In the front row, from left to right: Claudia Jaeger; Colleen Kowalenko; Michelle Botts, CPP; and Barbara Ramos.

ponent areas, after which we were able to slot our people.

"We announced the restructure, rolled it out, and completed it within three months. A final step was to assign unique security authorizations that addressed the concerns surrounding separation of duties."

Michelle said that existing expertise made the implementation work well.

"I think the reason it was able to go so fast is that there was very little training required. Everyone in the department already did a little of everything, so it was just a matter of having each individual refocus on one particular aspect."

At first, some people were unhappy with the changes, Michelle said. But when all was said and done, the fantastic results were impossible to ignore.

The restructuring of the payroll department has:

- Enabled team members to focus on one specific area and strengthen their expertise in that area, promoting greater efficiency as well as creativity in managing the workload. At the same time, resources were freed to participate in forward-looking initiatives and projects.
- Decreased the turnaround time in responding to inquiries.
- Created depth in certain higher-visibility and risk areas.
- Increased the team's ability to track process costs vs. industry benchmarks.
- Improved department cohesiveness.

- Reduced overtime hours worked.

"What ends up happening when you allow your employees to concentrate on one particular function or area of their department is that they can focus and plan specifically on the unique tasks associated with it," Michelle said. "They can build their skill sets related to that specific area and look more creatively at how to do things better and faster.

"They are now able to respond to questions or issues more quickly, too, because they don't have 42 other things they're worried about that need to get done."

Another change at Sanofi-aventis is an increase in Certified Payroll Professionals (CPPs). There was only one CPP in the payroll department when Michelle arrived at Sanofi-aventis. Today, there are three CPPs, and a fourth certification is under way.

"As part of *Impact 2007*, our companywide initiative, we are committed to becoming more relevant to our customers by offering the best customer service possible and by investing in the development of our resources," Michelle said. "Solidarity is one of our company values. We work together for the benefit of everyone's success. We help each other and we are open to new ideas and debates.

"We like to think outside the box and are constantly striving to raise performance levels and help each other be successful. It's the positive force that this company creates that sets us apart."

Overall Best Practices Prism Award Fiserv, Inc.

The opening to Fiserv's application for APA's 2007 Prism Awards is a quote from Max De Pree, author of several books on leadership: "We cannot become what we need to be by remaining what we are."

This sentiment is a primary example of how Fiserv came to be the 2007 Overall Best Practices Prism Award winner. Director of HR Operations Patty Raikes, PHR, and Payroll Supervisor Sandy Grosskreutz, CPP, PHR, were thrilled to discover their team's research, hard work, and dedication had paid off in such a big way.

"Everyone felt very honored to have received the prism award for overall best practices," Patty said. "We all view it as validation of our efforts. But this is not the end of our efforts — it's recognition that we're headed in the right direction."

The Fiserv payroll department serves the payroll needs of 22,000 domestic employees. Patty and Sandy lead the Payroll Operations Team, which includes 14 Payroll Specialists, a Payroll Technical Specialist, a Payroll Quality Specialist, and a Payroll Tax Analyst. Since Fiserv has five business groups, the payroll department is organized to ensure that there is a team of payroll specialists to support each group. Each team has a Lead to respond to daily operational issues that emerge.

To "become what they need to be," the payroll team at Fiserv chose to focus on four core business practices and then improve them by seeking training opportunities and benchmarking their processes. The core practices included: standardization, automation, process improvement, and reduction to transaction processing/administration.

"We did a lot of prep work to



Fiserv Corporate HR and Payroll, winners of the 2007 Prism Award for Overall Best Practices.

implement the changes," Sandy said. "Our company sent us to project management training, so that gave us some valuable tools to work with. We also used a lot of the APA classes.

"One of the past winners (Michelle Ganzer, CPP) told me about the Leadership Forum and said how valuable that was for them; so we attended last year. The speakers at the Leadership Forum suggested APA's Payroll 270 class (Implementing Payroll Best Practices); we attended that as well. We had implemented some best practices before we went to the Leadership Forum, but it reinforced what we were doing."

Patty said Fiserv, a Fortune 500 company that provides information management systems and services to the financial and insurance industries, had been a participant in the Best Practices Benchmarking Study as well, which really gave the payroll team direction.

"It certainly helped to be gathering metrics," she said. "We used the APA study to fine tune categories of data-gathering."

Patty said partnering with resources beyond payroll was essential when it came to meeting their best

practice goals.

"Get involved, talk to Finance or HR, and network with other organizations," she said. "We got a lot of valuable information from the local APA meetings."

Since they reorganized the payroll department and implemented best practices, Fiserv has seen 94% of their employees move off paper paychecks. Along with the implementation of employee self-service, paper paystubs seem to be a thing of the past. Fiserv introduced the employee self-service functionality in 2006, and the transition is near completion.

"We're in a constant state of change," Patty said. "We've implemented some best practices and we now have to sustain them to realize their return. It's really about continuous process improvement. We've come so far. Now we need to decide what we need to do to continue improving what we have, and then move forward.

"We have tremendous respect for the American Payroll Association as an organization, and payroll as a profession. We're really honored to be in the company of both past and present prism award winners. It's a real privilege."