IDC ExpertROI® SPOTLIGHT

Elgin Community College Streamlines Time and Labor Management with EmpCenter Solution from WorkForce Software

Sponsored by WorkForce Software

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Located in the northwest suburbs of Chicago, Elgin Community College serves close to 22,000 full- and part-time students with a variety of credit and noncredit courses each academic year.

The college has a workforce of about 1,600 employees, many of whom have multiple jobs, which makes it difficult to track time and attendance for payroll processing. Different pay rules and paid leave benefits further complicate payroll processing and the need to comply with wage and labor laws and other state and federal regulations.

To streamline its time and labor management process and reduce costs, the college replaced its predominantly manual, paper-based tracking system in 2011 with the Web-based EmpCenter Time & Attendance solution from WorkForce Software. Besides increasing the productivity of managers as well as payroll and HR staff, the solution has allowed the college to collect more complete payroll data and to improve its compliance with various pay rules and regulations.

Managers now have the information and the tools they need to effectively monitor attendance, overtime, and time off. In addition, employees appreciate the ease of entering time and attendance data with the simple Web-based interface and the ability to manage their time-off requests and accrued leave in real time, along with access to historical timesheets and reports.

> **Business Value Highlights**
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> **Organization:** Elgin Community College
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> **Location:** Chicago (northwest suburbs)
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> **Challenge:** The process of tracking employees with multiple jobs as well as different pay rules and paid leave benefits was manual and inefficient.
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> **Solution:** EmpCenter Time & Attendance
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> **Financial Benefits:**
> - $1.6M for 5-year period
> - ROI of 296%
> - Payback in 11.2 months

IDC projects that Elgin will realize a discounted total of $1.6 million in cost savings over five years from its use of the WorkForce solution, resulting in a five-year ROI of 296%. Payback on the investment occurred within 11.2 months.

Implementation

Prior to deploying the WorkForce solution, the college used a labor-intensive manual tracking system, with employees entering time and attendance data on paper timesheets. About one-tenth of employees used a time-clock and badge system that did not interface with the payroll system. By 2010, with the rapid growth of the college and the increased complexity of its business rules, the paper timesheets had become too burdensome and a potential threat to business continuity. In addition, the time-clock system was not capable of managing the college's complex payroll calculations and was no longer supported by the vendor.

In looking for an automated system to integrate and streamline its time and attendance reporting, the college evaluated approximately 30 vendors and found that its requirement for multiple assignments was too complex for most systems to manage. It eventually narrowed the list, inviting three vendors to provide a scripted demo with an onsite interview before selecting WorkForce Software and its EmpCenter Time & Attendance solution as the best fit for its needs.

The core implementation team from Elgin consisted of Payroll Director Theresa Reddick, Network Engineer Dan McElhiney, and HRIS Manager Kristin Richmond. This team worked closely with WorkForce throughout the deployment, from requirements analysis to training and rollout. "WorkForce did the configuration and provided support for our testing phase," said Richmond, who was in charge of the deployment. "We installed the software with their phone support."

WorkForce also provided guidance and training for testers and payroll staff prior to going live, with subsequent training related to the database schema and reporting once the solution was operational.

Benefits of the WorkForce Solution

With the WorkForce solution, the college was able to automate the collection and calculation of all time data and expedite and manage approvals and the flow of data to and from the college's ERP system. Employees now have online access to such self-service features as viewing current leave balances as well as current and past timesheets, submitting leave time requests, and viewing schedules. Managers are better able to manage schedules, quickly identify potential issues on their employees' timesheets, and respond promptly to leave time requests. They can also run reports and access employee data required to answer questions or investigate potential issues. In addition, system-generated email alerts keep employees and managers informed about tasks, deadlines, and exceptions.

Replacing the paper-based system with the automated WorkForce solution has cut costs and improved the productivity of payroll and HR personnel. It has also freed employees and their managers from trivial but time-consuming tasks. Prior to the implementation of EmpCenter, employees were more dependent upon their manager or payroll staff to provide information about topics such as historical timesheets or leave balances. Around 20% of the questions and requests were directed to managers or their assistants, and the remaining 80% were sent directly to payroll. With the transparency and direct access to that information afforded by the WorkForce solution, the volume of these requests has dramatically declined, saving time on the part of both the employee and the manager and/or payroll staff.

Further, because the system calculates time data from labor rules, managers are no longer burdened with interpreting and correctly applying union contract provisions, college administrative procedures, and labor regulations related to time and absence reporting. The payroll staff no longer needs to verify that all rules are applied consistently across departments and employee groups and is assured that all recorded time data is available for processing in a timely manner. "Besides knowing that our rules are consistently applied, we are collecting much more accurate and complete data," said Richmond.

Previously, the college made summary entries of hours worked each week because payroll didn't have sufficient resources to enter daily transactional details. In addition to not storing exact work dates and in/out times, the system was not set up to allocate hours or wages by earnings type. "As a result, we had to pull paper timesheets if we needed to identify specific hours or days worked by an employee," said Richmond.

"Another benefit we have realized is that our HR data related to reporting relationships and employee status is more accurate because managers notify us when they don't see the correct employees assigned to them in EmpCenter," added Richmond. "This has a very positive impact on our reporting capabilities in general and allows us to do more timely and appropriate offboarding of employees."

Prior to the implementation of EmpCenter, the payroll office also had to deal with incomplete timesheets as well as timesheets that were lost or submitted late. Payroll staff had no tools for tracking missing timesheets and absence forms. Additionally, because employees did not have access to their current leave balances and managers had no access to their employees' leave balances, the payroll office had to monitor leave time usage reported and ensure that the available time was not exceeded.

In addition, the college's benefits office is now able to consistently identify when an employee needs to provide a release to return to work after an absence of more than three consecutive days, and it can more easily track hours related to leaves of absence. Finally, gathering the data requested by auditors is easier and faster with the Workforce solution.

Increased Productivity

With EmpCenter Time & Attendance, Elgin Community College was able to significantly increase productivity by reducing the time payroll spent processing and auditing time and leave usage data as well as revisions to previously submitted timesheets. Managers and their assistants have also realized time savings as a result of fewer payroll-related questions from their employees and decreased processing time for timesheet review and approvals as well as time-off requests.

Managers and their assistants accounted for the largest time savings of 155 weekly hours, resulting in annual savings of nearly $325,000. Payroll and benefits realized a weekly savings of 13.4 hours, resulting in approximately $29,000 in annual savings.

Cumulatively, the annual benefits from the increased productivity averaged $353,836 over five years (see Figure 1).

Figure 1.
Annual Savings from Increased Productivity

Total = $353,836

Payroll productivity $29,028

Managers' productivity $324,807
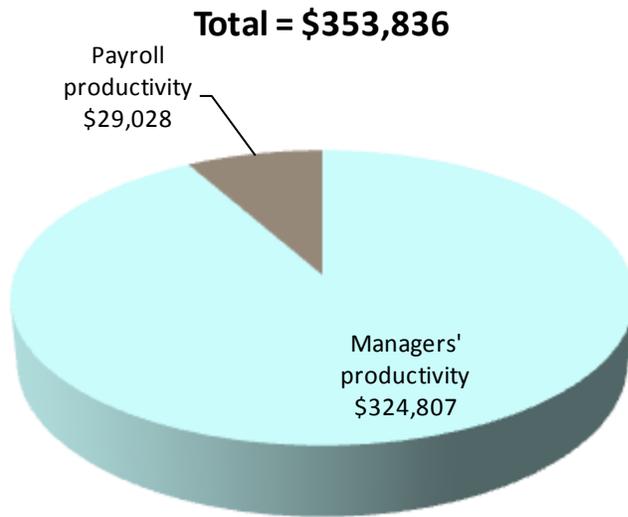
Source: IDC, 2013

Cost Savings

By eliminating its paper-based system, the college was able to save on the cost of printing and copying the timesheets and absence logs every two weeks. The college was also able to save on the cost of the badges used with the previous time-clock system. Together, these cost savings will average $3,990 annually over five years.

Return on Investment

IDC conducted an interview with Elgin Community College to quantify the benefits and investment associated with the EmpCenter deployment and created an ROI from the results.

IDC calculates the ROI and payback period in a three-step process:

1. Measure the cost savings and benefits of increased productivity from implementing the WorkForce solution.

2. Ascertain the total investment made while deploying the solution (hardware, software, FTE requirements for deployment and annual maintenance, customization, training, and consulting).

3. Project the investment and benefits over five years and calculate the ROI and payback period. The ROI is the five-year net present value of the benefits divided by the discounted investment. To account for the time value of money, IDC based the ROI and payback period calculations on a 6% discounted cash flow (Elgin's cost of capital plus an additional risk factor).

IDC projects that Elgin Community College will realize a discounted total of $1.6 million in cost savings over five years from its use of the WorkForce solution. With a discounted investment of $410,000, the net present value (NPV) of the benefits amounts to $1.2 million, resulting in a five-year ROI of 296%. Payback on the investment occurred within 11.2 months (see Table 1).

Table 1.

Five-Year ROI Analysis	
Benefit (discounted)	$1.6M
Investment (discounted)	$0.41M
NPV	$1.2M
ROI	296%
Payback	11.2 months
Discount rate	6%

Source: IDC, 2013

C o p y r i g h t   N o t i c e