Optimizing Payroll in a Decentralized Environment

An issue of timing, cost and control

Paying employees is a critical part of any business. For staffing companies, employees are the lifeblood of their business making payroll an even more crucial element of their success. How to pay employees in an efficient, cost effective and timely manner can be a challenge particularly when there are satellite locations involved.

A staffing company who annually employs 20,000 people across 33 branch locations nationwide has the task of paying up to 6,000 people weekly on varying days of the week. They had a decentralized payment process where 75 different people across the 33 locations were issuing paper checks out of a single bank account. Each location had unique check stock, unique check numbers with unique MICR codes for the given location. The complexity of their process created high rates of error with duplicate and incorrect check numbers, accounting department confusion and high risk for fraudulent activity. Additionally, there was the on-going need to overnight checks to individual employees which not only took time, but increased expenses. Overall the complexity, time and money involved with their payroll process became overwhelming, they needed a different solution.

OPTIONS EVALUATED:

- 1. Continue the current decentralized complex, time and cost intensive process.
- 2. Centralize payroll by licensing their software to the 33 locations to print on-site.
- 3. Outsource their payroll.
- 4. Plug-in services to their Sequel server.

After evaluating the initial solutions, they decided that none of the ideas above solved the problem of reducing complexity and fraud while delivering timely checks to employees in a cost-effective manner. Continuing with the current process jeopardized employee retention and wasn't sustainable, licensing their software was costly and didn't eliminate fraud, outsourcing payroll would move them away from their core strength and competitive advantage and the plug-in solutions violated their security parameters.

ECHECKS



ECHECKS

THE SOLUTION

A new solution came to light while talking with their paper check vendor. Using eChecks and two people from their corporate office the staffing company is able to issue all checks electronically while printing the individual checks in each of the 33 locations. This eliminated the complexity, duplication and expense of their previous process while maintaining centralized control over check issuance and reducing potential fraud by moving from 75 check issuers to two. The corporate office set up unique email addresses for each of their 33 locations. With the eChecks platform, the corporate office electronically issues a check run which sends out emails to each of the unique email addresses for 33 locations with a link to the checks. The branch manager for each



location receives the email notification, clicks on the link and then is able to print out each of their employees' checks on site. With this new solution, the staffing company has centralized their payroll, reduced their expenses and expedited the time involved in getting their employees paid. Their Director of Payroll & Technology states that eChecks are "... flexible, easy to manage ..." and provides a "... solution to pay people when we need to ...".

About Safeguard eChecks

Safeguard eChecks are a sustainable, efficient, secure and economical way to send payments and can be used for all your business transactions. Safeguard eChecks payment notifications are delivered via the Internet so you eliminate envelopes, postage and paper costs, not to mention the occasional overnight fees for expedited payment. In addition, current eCheck customers report a 70% reduction in the time it takes to process eChecks vs. paper checks. When combined with the hard materials costs, businesses can save an average of \$1.00 per check with Safeguard eChecks. Over the course of a year the average business can save \$1000s on business checks.

References available upon request.

About Safeguard

Safeguard provides integrated business and marketing solutions and a unified suite of services for a company's go-to-market needs, and all are delivered with the highest level of service. We are an end-to-end, single-source provider designing, manufacturing, fulfilling and distributing from locations throughout North America. Safeguard uses a high-touch and high-tech combination of products, services and solutions. Safeguard Consultants have worked collaboratively with organizations to manage, market and grow their companies for more than 55 years. Our mission is to help businesses acquire and retain customers. Building your brand efficiently and effectively while streamlining day-to-day operations that's the Safeguard way!



©2015 Safeguard Business Systems, Inc. Safeguard and the centurion head design are registered trademarks of Safeguard Business Systems, Inc. All other logos are the intellectual property of their respective owners.