

IDC ExpertROI SPOTLIGHT

Senior Lifestyle's Human Resources Staff Saves Time and Cuts Costs with Ultimate Software's UltiPro

December 2009

Sponsored by Ultimate Software

Overview

Senior Lifestyle Corporation creates and manages residential communities for seniors of all economic levels. Until 2005, the Chicago, Illinois-based company had used a variety of vendors to handle payroll processing for employees at its communities in 13 states. Expensive and prone to errors, this multivendor approach was difficult to manage, especially with the rapid growth in the number of communities. By switching to Ultimate Software's UltiPro to consolidate HR and payroll processing into a single, companywide solution, Senior Lifestyle was able to streamline and enhance payroll management while reducing costs and increasing the productivity of its HR and payroll staff. In total, the benefits realized since deploying Ultimate Software's human capital management solution have exceeded \$1.67 million.

Implementation

Senior Lifestyle was able to deploy UltiPro within six months without significant IT involvement. No hardware or network changes were required; however, the company added kiosk computers at each community to provide Web-based, self-service capability for employees. The self-service feature was a key reason for choosing Ultimate Software. UltiPro provides greater functionality at a lower cost than the payroll service bureau could offer.

Benefits

Since deploying UltiPro, Senior Lifestyle has realized average annual savings of close to \$187,000 in cost reductions and more than \$230,000 from improved HR staff productivity (see Figure 1).

Business Value Highlights

Industry: Property management

Location: Chicago, Illinois

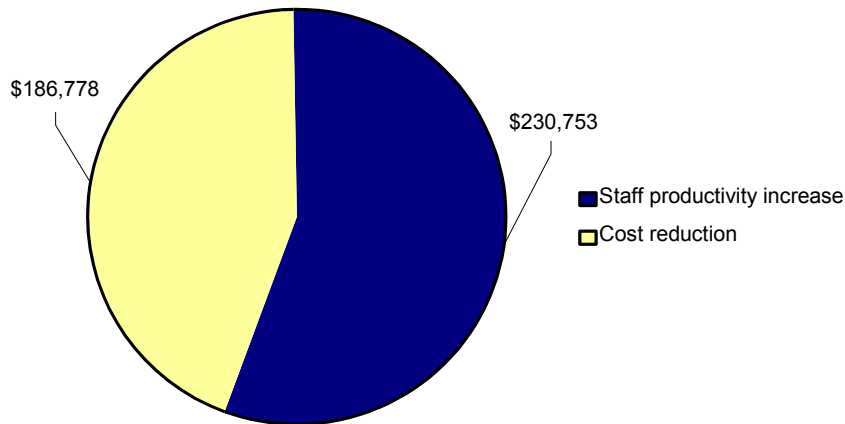
Challenges: To expedite and enhance payroll processing with a single, full-service solution while increasing HR staff productivity and cutting costs

Benefits:

- Annual savings of \$417,532
- ROI of 145% with payback in 12 months

Figure 1.

Average Annual Benefit from Ultimate Software's UltiPro
Total = \$418K



Source: IDC, 2009

Cost Reduction

Since moving to UltiPro, Senior Lifestyle has increased the number of its communities from 40 to 55 and added over 1,000 employees. Without Ultimate Software's solution, the company would have needed to hire more HR staff to handle the growth. Not having to hire additional HR staff has resulted in an average cost savings of \$146,174.

Senior Lifestyle's greatest expense, like that of most companies, is employee payroll. It is critical for the organization to have an effective, consolidated HR and payroll solution to manage operation costs. With UltiPro, the company has a centralized system with better control over not only costs but also the data needed for detailed audits. Savings achieved by unifying HR/payroll equal \$30,453 annually. Further, a reduction in data entry errors has enabled the company to avoid \$10,151 in correction costs annually.

HR and Payroll Staff Productivity Increase

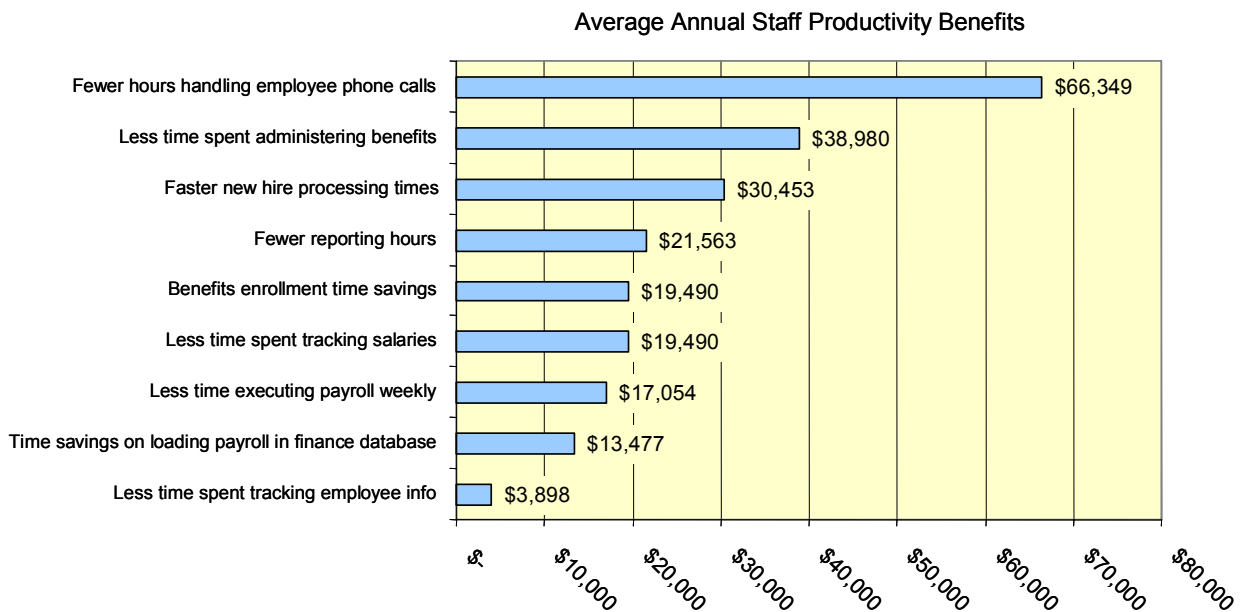
Before using UltiPro, HR/payroll staff spent a lot of time answering numerous questions from employees. "Through self-service, employees now have access to their own HR/payroll-related data, so there has been a vast reduction in calls and inquiries from employees," one manager said. The cost savings from reducing staff time spent in handling employee calls have averaged \$66,349 per year since the deployment.

Staff members also save time with the added convenience of Web-based access to the consolidated HR/payroll data — which also makes it possible to generate reports quickly. And uploading payroll data into the company's financial spreadsheets has been expedited by replacing the multiple files with UltiPro's single database. Time savings on payroll processing, report generation, and uploading payroll data into the financial database have amounted to an average annual benefit of \$52,094.

Further annual savings of \$30,453 have been realized by using UltiPro's online recruitment functionality. "We create the job requisition in UltiPro's recruitment feature set, and the new position automatically gets posted to our Senior Lifestyle Web site," the manager explained. "Candidates can now apply online, and we get to see if the applicant meets EEO [Equal Employment Opportunity] and our other position requirements. If we hire the person, we simply transfer the record from applicant to new-hire status in UltiPro. It saves us a lot of time since we no longer have to manually enter new hires, and we avoid potential data entry errors." The company processes about 1,500 new hires each year and saves an average of 20 minutes with each one by using UltiPro for recruitment. In addition, Senior Lifestyle has 60 people in the field who also save time with this streamlined hiring process.

Ultimate Software's human resource management system (HRMS) has also produced time savings in payroll and salary tracking as well as benefits enrollment/administration, which has enabled HR staff to increase overall productivity. On average, the savings have amounted to \$81,858 a year. Figure 2 shows the benefits in detail.

Figure 2.



Source: IDC, 2009

Ultimate Software Return on Investment

IDC found that Senior Lifestyle realized a four-year return of \$1.45 for every \$1.00 invested in Ultimate Software's UltiPro. Payback on the investment occurred in one year after the implementation was complete. Table 1 shows the ROI results.

Table 1.

Four-Year ROI Analysis	
Benefit (discounted)	\$1,266,410
Investment (discounted)	\$ 517,914
NPV	\$ 748,496
ROI	145%
Payback	12.0 months
Discount rate	12%

Source: IDC, 2009

Copyright Notice

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2009 IDC. Reproduction without written permission is completely forbidden.