

PAYROLL

## Plowing ahead with payroll, HRIS

### *Rocky Mountain Equipment uses payroll outsourcer to support aggressive growth plans*

By Sarah Dobson

**G**oing from \$220 million in revenue with about 200 employees to nearly \$1 billion and close to 1,000 employees since going public on the TSX, Rocky Mountain Equipment has seen big changes over the past seven years.

The Calgary-based agricultural equipment company has an ambitious growth strategy, with plans to reach \$1.5 billion in revenue and 1,500 employees by 2016, according to Jon Beatty, director of corporate services at Rocky Mountain Equipment.

But just 18 months ago, it was still using a manual, “green screen” payroll system from PFW, enterprise resource planning software specific for deal networks and groups. That was until ADP came along and bought the system.

“We could see the writing on the wall... in that the payroll system within our ERP was no longer going to be supported, from the updated standards, year-to-year consistency that we were going to need. And, to be honest, it was also quite antiquated in terms of how it actually worked,” he says.

But Rocky Mountain still managed, says Beatty.

“As an industry that works on relatively thin margins, things like HR, IT, the financial services side of our business, they’re usually the last to see support and oftentimes the last thing to think of — as long as everybody got paid every two weeks or twice a month, that seemed like HR was doing their job.”

But when Beatty joined the company three years ago, it became apparent that if Rocky Mountain was to continue to grow, talent management had to be a significant component of that. In a customer-oriented business, that meant putting heavy resources into the corporate services side to better support the growth of the operations side, he says.

The company has a pretty aggressive growth trajectory — some organic, some inorganic — which creates a ton of change management needs on the HR side, said David McIninch, vice-president of marketing at ADP Canada in Toronto. And Rocky Mountain’s way of doing old processes was highly distributed — none of the technology was integrated, he says, with “pockets of expertise” on the vendor side and

the company side.

“They just need to get more efficient and more effective by unifying their business processes and by unifying the solutions underneath those processes,” says McIninch.

In choosing a new system, Rocky Mountain looked at a couple of providers before settling on ADP. The one big plus was its Workforce Now tool, a consolidated solution provider with payroll, time and attendance, an employee landing page, an applicant tracking system (ATS) and an integrated learning management system, says Beatty, adding it was about having a seamless system.

“Otherwise, the choice was going to be I was going to have to go out and buy best-in-class based upon those options — just buy a payroll solution that was X and an applicant tracking system that was Y — and then have to bandage the bridge between those in some form or fashion.”

Rocky Mountain also hopes to eventually stretch south of the border, so the ADP system has the capacity as a human resources information system (HRIS) to support that kind of move.

#### Phased approach

It was a phased deployment, with the first live payroll in June 2013, the ATS turned on in October and the vacation tracking piece of the time and attendance system expected to turn on in December. Rocky Mountain hopes to add the learning management system in January.

But there are nuances and a uniqueness to Rocky Mountain’s situation, says Beatty.

“It’d be a really easy job if I had 1,000 employees on the 15th, 16th and 17th floors of 5th and 5th in Calgary, that were all engineers and they were all paid on salary. But that’s not the case — I have 1,000 employees spread across three provinces and the majority of which are very rural locations... that most people have never heard of, that’s where we have our employee base,” he says.

“So just by the dynamics of having that many people in that many different spots, in 38 different spots, the ability to simply go, ‘OK, manager, here’s the new time and attendance module you’re going to use’ — and they’re a group of individuals that would not be considered high adopters of technology — there’s some uniqueness in terms of the deployment of a project of

this size and scope.”

Rocky Mountain’s workforce is also not terribly homogenous. There are about 135 sales representatives who are paid purely on commission, 30 days after closing. There are heavy equipment mechanics who are paid on an hourly basis, with hours tied to a work order within the ERP that needs to talk to the time and attendance system. And there are salaried individuals who are bonused or incentivized on key performance indicators such as net margin, from a sales perspective, along with corporate individuals who are on salary, says Beatty.

#### Phased deployment

The biggest part of the implementation from a payroll perspective was mapping to the general ledger and what the ERP was doing. Alignment and sensitivity to projects and the day-to-day business of operations were a key focus, so the company did a phased deployment to lessen the time and training demands, he says.

“We wanted to have four months or so of consecutive pay runs where we felt that things were aligned,” says Beatty. “It really was just having my payroll team comfortable with the fact that how people were getting paid on a semi-monthly basis was being done correctly. And it was still reconciling to the penny.”

The change management piece also involved the payroll team, with a manager of compensation and benefits and three payroll administrators, who had to be trained on the new system.

“(The old system) may have been the ugly cousin but it was their ugly cousin so they, as much as they complained about it, they still loved it,” he says. “So, like anything, we still have some grumblings in terms of ‘I can’t believe this doesn’t work’ or ‘It can’t do this’ or ‘It takes me this long after payroll to push the file from payroll into the G/L of our ERP.’ (But) we also have to sometimes remember that looking back, we’re not in green screen anymore — this is a significant improvement for us and the future is only going to look better.”

The employee population also needed training, which was about educating people and managing expectations, says Beatty.

“I wanted to make sure there were as many modalities or ways in which we were going to be able to educate our population on the use or

utilization of this new tool.”

That meant a webinar, online tools and a cheat sheet, but also training “super users” at each location who became resident experts, supporting the operations from an on-site basis, with a payroll administrator as their key contact.

And, in the end, the implementation has gone well since its launch in June, he says.

“When we flipped over from the old payroll system to the new one and didn’t hear anything that, to me, was success.”

### **Multiple benefits**

Along with providing greater accuracy and efficiencies, Workforce Now provides better reporting and helps HR in terms of developing a scorecard to provide strategic direction on talent to the executive group, says Beatty.

“(It’s about) being able to provide a line of sight to where the talent is, how talent is getting

compensated, what’s the difference from year over year in terms of their total compensation package... to better understand what’s the cost benefits analysis of using that.”

The system is also “wowing” Beatty from a talent management point of view, he says. As a large organization with a high number of front-line sales staff, it’s pretty normal to have a high turnover rate, especially operating in highly competitive markets in Alberta, Saskatchewan and Manitoba.

“Our ability to be able to manage talent, to have line of sight to it, is critical. So that’s one of the big things as we move into 2014 — how do we leverage that tool in order that we can have talent pools within our database, we can understand the talent we have internally... give them opportunities to grow both within their role and within the organization.”

It’s important for the company to maximize its

ability to onboard skilled people, says McIninch.

“It’s less about the tools or technology that helps them identify skilled labour (and) more about not spending cycles on people who aren’t qualified. That was a huge part of it too, the efficiencies that they get from an applicant tracking system... to recruit the right people and not spend too many cycles on people that maybe aren’t the right fit or don’t have the right skill set.”

That means the data flows through a single system where an employee record is created effectively at the time of interest and goes all the way through to her very first paycheque, without having to do manual re-entry, rekeying or a substantial amount of task-based work, he says.

“The workflows inside the tools manage the new hire through the lifecycle all the way through to payroll and that makes the HR (department) a lot more efficient as well.”