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ADT

ADT Secures Time and Cost Savings in the Midst of a Merger

Based in Boca Raton, Florida, ADT reigns as the largest home security company in North America. So when ADT was acquired by a private equity company and merged with Protection 1, a leading full-service business and home security company in the United States, they were faced with many challenges to create a smooth and synergistic transition. We spoke with **Amanda Babb, vice president of HR services and operations**, and **Jason Holbrook, director of payroll and benefits administration**, of the ADT team to learn more about their partnership with ADP and how they worked together to strategically overcome their challenges. Read what they have to share about their experience below.



Business Challenges

Q: What are some of the business challenges associated with the merger between ADT and Protection 1?

Babb: ADT had approximately 13,000 employees. Once we integrated with Protection 1, our [employee] population grew to slightly over 17,000 US-based employees. The merger meant we were adding about 4,000 employees onto one payroll platform. As you can imagine, this comes with complexities in many areas. It also requires a tightly managed project to successfully deliver an integrated organization. Another challenge we faced was change management. With all of our employees moving to one platform along with the changes in policies, pay cycles and processes, it was incredibly important to have a plan in place to help employees be productive on the first day of integration.

Holbrook: While we're two companies in the same industry and we do the same things, not all of the policies are the same. We were running over 525 payrolls

per year with many different pay cycles, pay frequencies, and it was not very efficient. Payroll processing was a five day a week job.

Q: What other challenges did you face?

Babb: We were spending dollars as a company that we didn't need to spend. For example, we discovered that we were literally spending thousands of dollars a month because employees were getting their paychecks a day early and cashing them. Also, all of our employees are not on direct deposit. Unfortunately, for those employees we have to ship the checks out on an ongoing basis.

Holbrook: There was also the challenge of communicating payroll and policy changes to all of our employees. We wanted them to know ahead of time, but with as many employees as we have, they don't all communicate the same way. Not everybody has a job where they sit at a computer – we have installers and technicians that are out on the road.



Business Solutions

Q: How did ADP assist ADT with the challenges that emerged during the merger between ADP and Protection 1?

Babb: We began by working with ADP Strategic Advisory Services and ADP Project Services to build out our integration and communication plans through change management workshops and weekly discussions. The project services team made a commitment to us that our integration project would be delivered successfully and on time, and they lived up to that promise every day during the integration.

Holbrook: We held regular calls on a weekly basis to make sure that we [ADT and ADP] understood what was going to happen each week, making sure we were on the same page. We also had regularly scheduled daily status updates with their project services team.

Q: How did ADP help your team communicate the upcoming changes to your employees?

Holbrook: ADP pulled in their team to help design the communication strategy. We wanted employees to know about the changes ahead of time, so we spent six months communicating through as many avenues as we could. We posted slides on all of the office monitors, sent email blasts, posted all of the communications and calendars on our internal websites. It was literally nine communications every time we put out a communication.

Babb: We also made sure it wasn't just one-way communication. We gave employees two avenues in which they could contact us – one, by emailing directly with the payroll team, and two, through regular Q&A calls where employees had an opportunity to speak directly with our team prior to any all employee communications being distributed. This cadence of Q&A calls occurred every month and accompanied every communication. We also developed and distributed a "frequently asked questions and answers" publication every month.

Q: How has working with ADP helped you create efficiencies?

Holbrook: By consolidating pay groups from twelve down to seven, and particularly from weekly to biweekly, has allowed us to reduce our regularly scheduled payroll processing by more than 60%. We used to process payroll five days a week. Now we process two days a week. Additionally, ADP brings a lot of value to my payroll operations team by having the call center for our employees. When an ADT employee calls the call center they're actually reaching the ADP call center from a payroll perspective, and there's a lot of value in that because that allows me to have a pretty small team that focuses on making sure payrolls are submitted timely and accurately.

Babb: We are still are receiving feedback from leaders across the organization that they cannot believe how good of a job we did in actually making the conversion.

Q: How has working with ADP helped you save money?

Babb: In working with ADP and the HR outsourcing model, we were actually able to limit an increase in our overall expenses. To save on shipping costs, we worked with the ADP Strategic Advisory Services team and built a campaign called the 'Go Green Campaign'. We were able to increase our number of employees on direct deposit to well over 96 percent. And we've been able to make a 95 percent reduction in early check cashing, all because we had the data available to address the issue.

Holbrook: There's been a significant return on the investment just by changing and consolidating some of the pay groups. The support from ADP allowed us to reduce our shipping costs by approximately 45 percent.

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- Amanda Babb, Vice President of HR Services and Operations, ADT

Q: What was it like working with ADP throughout the integration process?

Holbrook: We don't view ADP so much as a vendor – we view them as a partner. The ADP project services team brought in the right leadership to handle this project and make sure that it was successful. They understood what we were trying to do, and brought a consultative approach. I have a high level of confidence in ADP to the point where I don't make any changes in our processes or our roadmap without making sure that they're aware and have their input beforehand.

Babb: When I look at my team, I look at ADP as an extension of my team. The team at ADP is listening, they're attentive to our needs and ensuring that we're getting what we need from this relationship.

Q: What are the benefits of partnering with ADP?

Holbrook: It's not about just the technology that ADP brings to the table; it's about the people, the team, the partnership, the expertise, the consultation and the conversation to ensure that we're all more efficient going forward. ADP also has experience working with other clients of similar size and complexity, which helps to ensure that we don't fall into the same pitfalls that others have.

Babb: What I want is a partner that is there working for our overall, combined strategic goals, and that's what I feel like I have received over the last several months in working with the ADP team. The fact that we have this

type of partnership allows me to focus on the things we need to do to enable a strategic HR organization, because the backbone of any strong HR organization is going to be your services organization. If you think about the things that the services organization delivers, it's the table stakes for strategic HR. You can't have a conversation with a leader about their talent agenda if their employees are not getting paid accurately and on time, if their employees' benefits are not being covered or the benefit services aren't available when needed. These are viewed by leaders as table stakes. Having a partner such as ADP helps us deliver those services which are critically important.

Q: Do you have any advice for your colleagues when it comes to finding a strategic partner?

Babb: If someone is out there in the market and they're looking for a human capital management partner, you want someone that's going to be able to bring the right level of expertise and be focused on your business, your strategic goals and how they help you move your organization forward. ADP has been very proactive in working with us to show their value as well as how they can continue to help us improve our business. To have a partner like ADP that has a plethora of experts to help us solve some of our immediate business challenges, it means a lot.

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**- Jason Holbrook,
Director of Payroll and Benefits Administration,
ADT**