



ADP Comprehensive HR Rol and Benefits

April 2024

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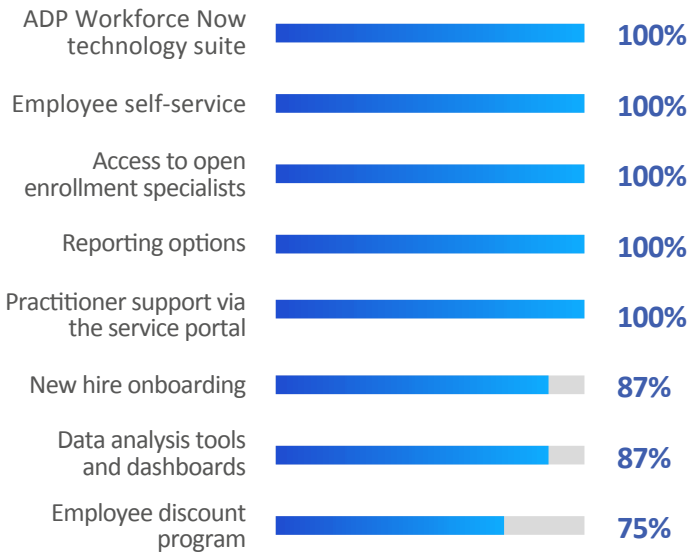
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Introduction

This paper shows the benefits and return on investment (ROI) realized by organizations with fewer than 200 employees using ADP® Comprehensive Services, with emphasis on its HR offering. It is based on eight interviews with users of ADP Comprehensive HR. The organizations surveyed have between 28 and 165 employees, with an average of 86 employees, and operate in a wide range of sectors, including consulting and finance, healthcare chemicals, and motor vehicle supplies. These clients were new to ADP when they came to Comprehensive Services.

The proportion of organizations using each of the components of the ADP solution is:



Executive Summary

The following conclusions are based on a phone survey of eight organizations using ADP Comprehensive HR. These organizations have between 28 and 165 employees. NelsonHall performed all interviews, analyses, and conclusions for this study.

Increased administrative efficiencies

- Organizations report a **55%** improvement in HR operations efficiency using ADP Comprehensive HR
- A detailed financial case study of one organization revealed ongoing net cost savings equivalent to **43%** of their prior HR operations costs
- The bulk of these savings were derived from the reduced time spent on HR-related processes by managers and employees
- The number of HR employees tends to remain unchanged but these employees now spend less time on day-to-day administration which leads to increased HR team job satisfaction

Support for growth agendas

- Organizations typically adopted ADP Comprehensive HR to support their growth agendas, with prior systems often inflexible and unable to support business growth
- The solution's capabilities in talent acquisition & development makes it particularly relevant to organizations with strong growth agendas
- The service is considered particularly valuable in supporting recruitment administration, with every organization interviewed realizing high value from employment verification and new hire onboarding
- **87%** of organizations report improved employee support with **75%** reporting an improved sense of belonging for employees when using ADP Comprehensive HR

Adoption of HR best practices

- Organizations of this size often typically have one or two person HR teams that require access to HR specialists with complementary HR knowledge and expertise
- Organizations typically report high value from the HR best practices within ADP Comprehensive HR
- All organizations report improved HR best practices and improved HR document management
- All organizations report improved compliance with legislative and statutory requirements and changes

Increased data insights for HR

- Every organization interviewed realized increased HR insight, with all organizations reporting the achievement of improved workforce analytics



Return on Investment Case Study

On average, the organizations interviewed report a 55% improvement in HR operations efficiency realized using ADP Comprehensive HR, and received high customer satisfaction scores.

In addition, one of the organizations provided comparable financial information before and after its adoption of ADP Comprehensive Services. These included its HR costs, and the costs of employee and manager time carrying out HR tasks and queries.

The organization previously used only basic HR software, so its software costs increased using ADP Comprehensive Services, and in this case, the size of the HR team remained unchanged. This will often be the case where the HR team consists of at most two people, and usually just a single person. However, these HR personnel will typically be able to carry out additional value-added activities.

This increase in costs was outweighed by the savings made. Some savings were realized by eliminating late filing fees and the need for error corrections, which had been prevalent previously. Still, most of the savings were derived from the reduced time spent on HR-related processes by managers and employees.

Assuming all the implementation cost is incurred in year 1 with the benefits of the new service accruing during the last nine months of year 1, a net saving of 17% is realized in year 1 and 43% in year 2 and subsequent years.

Savings Relative to Previous HR Operations Costs

| | |
|--|-----|
| Annual savings in employee & manager HR admin and late fees & error correction | 64% |
| Year 1 net cost savings | 17% |
| Year 2 net cost savings | 43% |

Reasons for ADP Comprehensive Services Adoption

The key HR issues faced by clients included

- 01** | The inflexibility of prior systems and their lack of ability to scale to support business growth
- 02** | The need to provide HR services with a single HR person, often lacking significant HR knowledge and experience
- 03** | Lack of administrative efficiency and manual dependence and reliance on paper-based processes

Accordingly, the major reason for adopting ADP Comprehensive Services was to support the organizations' growth agendas by adopting a more mature HR platform.

“

“We looked at a number of solutions, but ADP was selected for the breadth of services and applications that we felt could support our company as we grow or change”

“To reduce risk, we wanted the most mature offering that was available at a reasonable cost”

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“It is a single-person department, and there was a clear need to enhance our use of employee self-service”

“I didn't know a lot about HR and needed to use a service that came with an element of advisory services, and ADP fitted the role quite well”

“We used another HR solution, but it lacked the ability to scale, and we were left with a very inflexible system which needed to be changed as we grew”

“We had another HR solution which was troubled with inflexibility and continually needed to be updated manually by their support team”

Value Realization from ADP Comprehensive Services

The principal sources of business value these organizations derive from ADP Comprehensive Services are:

- Increased HR administrative efficiency via automation and integration of HR processes
- Enhanced compliance
- Access to HR professionals



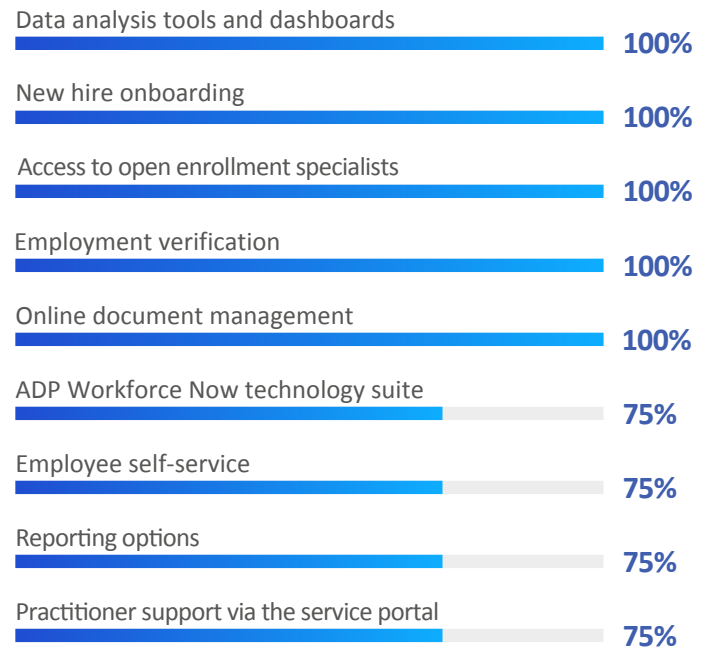
“We have managed to integrate companies we have acquired, and we are able to run the HR department with one person rather than two”

“We have been able to support growth with little internal HR resource, and we have been able to leverage the ADP platform to help project a larger business image and more suitable processes to support the organization through growth”

“Employee self-service is the most valuable element. Ease of access and ability to make their own changes. We find that this is transformational for us; not having to spend the time even handing out paystips is a big efficiency saving”

“The advisor's support makes the service stand out”

The proportion of organizations realizing high value from each of the components of ADP Comprehensive Services they use is:



The majority of the organizations realize high value from most of the components of ADP Comprehensive Services. The service is considered particularly valuable in supporting recruitment administration via employment verification and new hire onboarding, as well as maintaining a single source of accessible employment documents.

The organizations interviewed fully realized the benefits of enhanced HR technology, one of their key reasons for adopting ADP Comprehensive Services. They also realized increased HR insight, voicing high satisfaction with the available data analysis tools and dashboards and improved employee support.

Benefits of ADP Comprehensive HR Adoption



All eight organizations interviewed rated the HR offering of ADP Comprehensive Services as highly valuable.

The principal sources of value from ADP Comprehensive HR are:

- The ability to operate with fewer HR personnel due to increased levels of employee self-service
- The ability to improve the employee experience by offering some large company benefits to employees and responding to their needs more efficiently
- The level of functionality provided in a single integrated platform



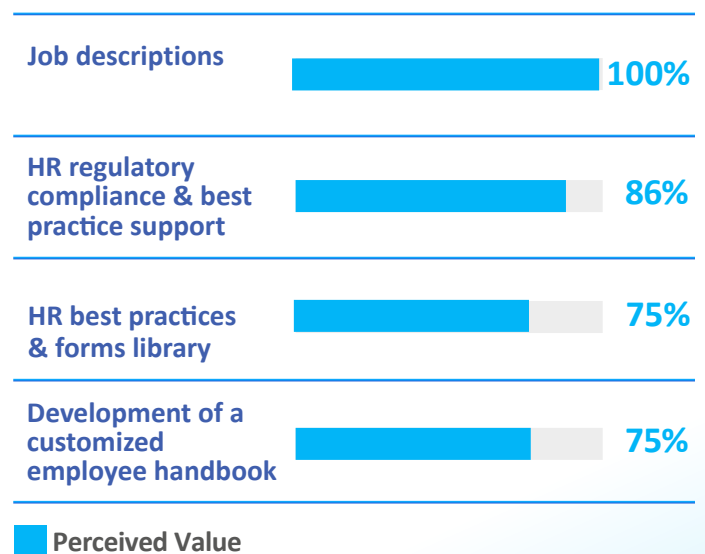
“The single platform where we keep/access everything is valuable, and so too is the big company feel of having external support. We can offer some of the benefits of a large company to employees that would otherwise be out of reach to us”

“The overall employee management and self-service is where we get the most value. The reduction in administration and then robustness of most tools is excellent”

The level of usage and perceived value from the best practice & regulatory compliance and talent acquisition & development components of ADP Comprehensive HR are shown below.

Best practice & regulatory compliance

Organizations typically derive high value from the HR best practices, job descriptions, and the development of customized employee handbooks available with ADP Comprehensive HR.



Benefits of ADP Comprehensive HR Adoption (cont.)

Talent acquisition & development

ADP Comprehensive HR has a valuable role in talent acquisition and employee development, making the platform relevant to organizations with strong growth agendas.



“The employee/applicant screening process has been really useful, and the ability to produce a dashboard and inform “best places to work” leagues tables to assist our intern recruitment processes has also been valuable”

Improves job satisfaction of HR team

ADP Comprehensive HR is also highly effective in improving the job satisfaction of the HR team by reducing their workloads and allowing them to focus on more value-added activities rather than the day-to-day.

Internal HR team job satisfaction

50%
Highly expected



100%
Highly realized

About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the 'art of the possible' in digital operations transformation. With analysts in the U.S., U.K., Continental Europe, and India, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall's research is based on rigorous, primary research and is widely respected for its analysis's quality, depth, and insight.

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