



Business Impact

- Improve Employee Retention
- Reduce Labor Costs
- Improve Tax & Regulatory Compliance

"Whether it's payroll, payroll tax filing, wage garnishment processing or tax credit services, ADP does an awesome job for us. The benefits you get from using ADP are priceless."

L. Suttles, Payroll Manager
McDonald's of East Kentucky, Inc.
Paintsville, Kentucky

ADP Solutions Help McDonald's® Franchise Spend More Time Focusing on Employee Satisfaction and Serving Customers

Company Background

Founded in 1979 by Bob and Tim Hutchison, McDonald's of East Kentucky, Inc. owns and operates 12 McDonald's restaurants in nine communities throughout the mountains of southeastern Kentucky. The franchise, which prides itself on presenting quality meals and being one of the area's preferred employers, has approximately 600 employees.

The Challenge: Sustain Employee Satisfaction

Switch from Profit-Sharing to 401(k), Outsourcing Plan Administration

While the franchisee's profit-sharing plan was a significant benefit for its full-time employees – about 30% of its employee base – it was especially cumbersome and time-consuming to administer. "The consensus was a 401(k) plan would be a better benefit because it empowered employees," says Lora Suttles, Payroll Manager. The big question was – how to administer it?

The Challenge: Reduce Labor Costs Provide Timely and Accurate Paychecks

One of the most important things for any employee is getting paid accurately for every minute on the job. For a business, timely and accurate paychecks help to create a culture of employee satisfaction, which leads to better employee retention. "In a service business, you don't have time to process your own payroll. There are too many other things to do. That's where a dependable payroll service provider comes in," notes Suttles.

The Challenge: Alleviate Employment-Related Regulatory Risks

Outsource Payroll Tax Filing, Wage Garnishment, Tax Credit Processing

In addition to being responsible for filing Federal, State, county and city payroll taxes, the franchisee also faced the time-consuming tasks associated with wage garnishment processing. "At any one time we could have 20 or 30 wage garnishments to handle. Compliance was a big job for us because we were doing tax filing and garnishment calculating in-house," she adds.

Solution: ADP's Payroll and Related Services

McDonald's of East Kentucky chose to outsource most of its most pressing employment-related administrative tasks to ADP. As a market-leading service provider, ADP demonstrated its commitment to client service by doing for this business what other providers would not. "At the time, ADP was the only company willing to serve us in our remote areas," says franchise co-owner and operator, Bob Hutchison. Adds Suttles, "That's just one of the major reasons why we are loyal to ADP today."

ADP's consistent, excellent performance helps to continually renew that loyalty. "One of the savings we get from using ADP is that ADP makes sure everything is right," says Hutchison. ADP's high level of performance is made evident in a number of ways: reliable and accurate payrolls, timely filing of taxes, prompt processing of employee wage garnishments, a 401(k) plan that



The business
behind business®

empowers Hutchison's employees, HR records that provide real-time access and job tax credit administration that adds to bottom-line profitability.

ADP's business applications provide the franchisee with solutions that tangibly ease the burdens of employee administration of a multi-location, fast-paced, service-oriented organization:

Enable expanded and flexible benefits offerings such as Retirement Benefit Plans:

ADP helps companies easily and cost-effectively administer today's popular benefits programs, such as 401(k) plans.

Streamline and automate workflow processes:

ADP offers industry-leading payroll management solutions that can help clients gain greater control over this major cost center. Many companies find that they are able to increase efficiency and reduce indirect costs for payroll and HR-related processes as much as 50% with ADP's help.*

Reduce time while helping to improve accuracy and timeliness of Payroll and HR-related compliance issues such as Wage Garnishment and 401(k):

ADP provides a variety of specialized solutions that help ensure compliance and mitigate risk associated with HR and benefits administration, such as Wage Garnishment Processing Service. Not only does ADP calculate and prioritize garnishments, ADP also deducts and make all necessary payments to the appropriate agency in a timely manner, saving valuable time and resources – and, most importantly, helping keep clients compliant.

Minimize tax liability and maximize tax savings:

For more than 55 years, ADP has been helping employers mitigate their compliance risks. More than 500,000 companies currently use ADP tax and compliance services to help assure their operations comply with regulatory and tax codes, while decreasing the administrative burden on their staffs.

Identify and administer tax-savings opportunities such as maximizing available Job Tax Credits:

ADP Tax Credit Services takes a proactive approach to obtaining and maximizing tax credits and incentives for clients. Our team of professionals works closely with clients to develop strategies that effectively and efficiently capture all opportunities.

Real Success

ADP Solutions Support Employee Retention and Career-Building Goals

Part of the franchisee's investment in the future is embodied in the benefits it offers to its salaried employees. One of the most attractive is a 401(k) retirement and savings plan. "ADP's 401(k) program has enabled us to provide an efficient and attractive benefit to our employees at an affordable cost," says Hutchison. "Our 401(k) offering is one additional way to tell our employees that they have a career here."

Return on Investment

McDonald's of East Kentucky realizes savings in a number of ways from using ADP solutions. "Managing payroll tax filing and wage garnishments alone would be a full-time job," acknowledges Suttles. Then there are the savings an ADP client accrues every time they use ADP's solutions. "With ADP handling the administration of our payroll tax filing and wage garnishment processing, we have no worries about being hit with any penalties for late or incorrect filings. Also, when we switched from a competing tax credit service to ADP, we learned from ADP that we were eligible for even more tax credits than we realized. Whether it's payroll, payroll tax filing, wage garnishment processing or tax credit services, ADP does an awesome job for us. The benefits you get from using ADP are priceless," Suttles concludes.

* ADP PricewaterhouseCoopers Study, 2004.

About ADP

ADP has more than 50 years of experience providing employers with business solutions such as Payroll, HR and Benefits Administration. ADP solutions focus on making businesses more productive by reducing costs, increasing productivity and, most importantly, standing ready to grow with your business. With the widest range of powerful, cost-effective solutions, only ADP can offer your business the flexibility it demands to grow and prosper – whether you have one employee or hundreds of thousands. And you can count on ADP for unparalleled compliance support and the most qualified and accessible customer service in our industry.

ADP's Major Accounts Division was created to address the unique business needs of mid-sized companies. We offer accurate, convenient and reliable solutions that can help you to:

- Control Benefits Costs
- Improve Employee Retention
- Reduce Labor Costs
- Improve Tax and Regulatory Compliance

ADP. The business behind business.



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