



IN THE BUSINESS OF YOUR SUCCESSSM

What ADP[®] clients are saying



MANUFACTURER OF MEDICAL DEVICES

ConvaTec[®] standardized its global payroll administration and management with a multilingual, multicurrency solution from ADP[®]

ConvaTec is a leading developer and marketer of innovative medical technologies. The privately owned global business, headquartered in New Jersey (USA), focuses on four strategic areas: ostomy care, wound therapeutics, continence and critical care, and infusion devices. Its products are sold in more than 100 countries worldwide.

A division of E.R. Squibb & Sons, Inc. and a successor company for 30 years, ConvaTec began a new chapter in its history in 2008 when its parent, Bristol Myers Squibb, made the strategic decision to spin it off. Given a brief window to form a standalone company, ConvaTec management rapidly shaped the business into a strong company with its own core business functions – including a payroll department.

Spin off to standalone

“We felt from the beginning that outsourcing payroll was the best way for us,” reflects Domenick Gramuglia, ConvaTec’s Associate Director of Global Payroll Operations. “However, the first service provider we chose, for some reason, was not ADP. The experience we had with that other vendor was difficult. The relationship lasted about a year, at which time we switched to the ADP payroll service in the United States and Canada.”

While ConvaTec’s U.S. employee population was about 1,100, the bulk of its head count in 2009 was *outside* North America. “Back then, we had an additional 6,000 employees in 30 countries,” Gramuglia adds. “HR operations and associated costs varied from country to country. We had more than 30 systems and service providers. There were different service models in place. Workflow in general depended more on manual processes than on automation. There were no economies of scale and no consolidated management reporting capabilities. In addition, compliance requirements literally changed from one geographical jurisdiction to another.

SNAPSHOT

Client:

ConvaTec
Skillman, New Jersey USA

Description:

Manufacturer of medical devices

Workforce:

8,500 employees globally, with 1,000 in home country – USA

Website:

www.convatec.com



“Gramuglia continues, “We needed a standardized system that could address local governance and provide us with lower operating costs, consistent service levels, and a lower compliance risk profile. In an ideal situation, that meant finding one payroll provider that could serve us *worldwide* with a solution that would easily integrate with our HR and finance systems. That was a lot to ask.”

In 2010, however, ADP became that single-source vendor when ConvaTec chose ADP.

The ADP Human Capital Management (HCM) solution combines ADP’s GlobalView® and its multilingual, multicurrency payroll outsourcing capabilities with ADP Streamline® helping to ensure a consistent level of service through a centralized global approach for ConvaTec’s largest and small-population countries. ADP also provides ConvaTec with Relationship Managers to manage administrative burdens. “The support from these managers never stops,” says Gramuglia. “They understand the system and what we expect. They are very proactive with assistance.”

Achieving a centralized, compliant HCM solution

From the outset, ConvaTec decided to take a “wave” approach to implementation. “This enabled us to carry out implementation very logically and efficiently in stages. That way we could minimize distractions within our payroll operations and have minimal impact on the employee population,” Gramuglia explains. Within seven months of the company’s August 2011 implementation kick off, 25% of ConvaTec’s employee base (across 14 countries) went “live” on the ADP system. By May 1, 2011, essentially all of the company’s 8,500 employees (across 32 countries) were being served by the centralized solution.

ADP’s solution involves much more than the installation and operation of technology. ADP’s in-country experts helped to assure that the centralized system meets local legislative and jurisdictional requirements. The solution also had to demonstrate its flexibility, including satisfying the intricate, pay-related provisions of trade-union contracts. “Slovakia is one of the most complicated places to do business, in large part, due to government-driven, complex trade-union rules,” says Gramuglia. “When a Slovakian government official commented that the system is ‘accurate, up to date, and state of the art,’ it passed a major test.”

Another crucial test was the ability of the ADP HCM solution to efficiently and effectively interface with ConvaTec’s internal HR systems, its Finance ERP, and other legacy systems. Moreover, ConvaTec had adopted ADP’s Enterprise eTIME® time and attendance solution. This initially involved replacing old-technology time clocks and manual processes with biometric scanners to capture employee time-worked in manufacturing and distribution facilities in Malaysia, Mexico, and the Dominican Republic.

The transformational element of self-service

The introduction of self-service, worldwide, added a brand new dimension to the dynamics of HR and payroll management at ConvaTec. “Our locations outside the United States had no self-service capabilities. With ADP we went from zero to sixty in a relatively brief timeframe,” says Gramuglia. “Some of our newer senior executives had come from environments that had not yet adopted self-service to this extent and they were amazed at the positive response it was receiving and how efficiently it was rolled out.”

Gramuglia adds, “Within 10 months, employees at even our smallest locations were benefiting from self-service, which enabled them to access certain pay-related information electronically. Virtually everybody loves it because it allows you to engage the system for information and receive an immediate response. This capability helps in several ways. Employees no longer have to take time to call or visit their payroll department to get answers to a routine question like ‘how much vacation time do I have left?’ The rapid access to information also contributes to higher rates of employee satisfaction.”

“All in all, with the help of ADP’s solutions, we have saved about \$750,000 in hard dollar and another \$250,000 in soft-dollar expenses.”

Significant savings across the enterprise

Within two years, ConvaTec was realizing major savings in time and money, resulting from its selection of ADP for payroll and time and labor management services. “All in all, with the help of ADP’s solutions, we have saved about \$750,000 in hard-dollar and another \$250,000 in soft-dollar expenses. We achieved those savings by taking multiple systems and solutions – some in-house and some outsourced – and replaced them with ADP’s single vendor, standardized solution,” he explains.

In addition to monetary savings derived from ConvaTec’s use of ADP services have come huge savings in time. “We are seeing time saved both from the view of the staff members who are providing payroll services and from the perspective of our employees who are the ‘customers’ we serve,” he observes. “In our estimation, our time savings average about 30% across the board. Much of this has to do with the accuracy of the system. Some of it, of course, is due to the self-service feature.”

Strategically aligning payroll with corporate goals

Gramuglia notes, “In a relatively short period of time, we were able to implement a worldwide payroll solution that is helping our Payroll Department function at a very high level of efficiency. But it is not efficiency for efficiency’s sake. The ADP solution is enabling us to align the Payroll Department’s goals with the strategic goals of the company. We now have unparalleled transparency through centralized reporting, minimized compliance risks through solid global governance and service levels, greater visibility to payroll cash movements for treasury management, and we have reduced the cost of doing payroll.

“I think ADP actually undersells itself,” says Gramuglia. “I have found its solutions to be very reliable. Its technology is not only advanced, but also proven. They have an effective service level agreement and deliver consistently good service levels. Just as important, a great team of knowledgeable people backs it all up. I see their expertise working on behalf of my company and our employees every day, not just on payday.”

