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Wireless firm doesn't get hung up on payroll

Newly formed Worldlynx consolidates 10 companies with help from Ceridian

BY SARAH DOBSON

Pulling together the payroll of 10 companies — with different corporate cultures and point of sale systems and hundreds of hourly and salary employees with a range of commissions — can be a daunting task. Worldlynx Wireless, a wireless service company that consolidated a portion of Bell Mobility's independent retail distribution channel, had no more than 10 people in its core office team when it made the transition, and the company was looking at a moving target when it came to the closing date of the acquisition in September 2009.

"It made it really difficult to put a plan together but we knew that the minute the deal was done, the money was in the bank account, that we suddenly had all these new people and they were expecting to be paid within a week," says Kathryn Robertson, vice-president of corporate development at Worldlynx in Toronto.

In the end, the process went seamlessly, with payroll outsourced to Ceridian and 460 employees paid on time, virtually error-free, she says.

"(Telecom) is going to get more competitive, which is why it's really important for us to stake out our area in what we feel we can do best to service the customers and really capitalize on that," she says. "That's why it becomes so important for us to look at getting rid of the redundant functions and standardizing, and part of this is outsourcing."

In forming Worldlynx, the company was trying to realize significant cost savings, which included the automation and streamlining of outside processes, including payroll. But there were several challenges. Each of the companies was using a different payroll system, with some outsourcing, many doing it in-house on various types of software and some extremely manual, she says. And Worldlynx couldn't roll out

an automated system until January 2010 because the fourth quarter is such an important business period for retail.

The workers at Worldlynx are also a really mixed bag, says Robertson, with people on the retail side paid hourly and commissions changing throughout the year, based on new products and services or promotions. There are also the corporate salespeople, with base salary and commissions, and the back-room infrastructure employees on salary.

"When you take a look at all those product lines and manufacturers involved, there's a lot of promotions running at any one time so the commissions and commission structure is constantly changing," says Robertson. "It's not an easy payroll, it's very complicated."

RFP process selects a winner

In selecting an outsourcing provider, Worldlynx looked at four of the leading vendors in payroll services and put out a request for proposal. Interestingly, only two responded in a timely manner, says Robertson, while the other two gave the company the run-around.

"Unless your name is automatically known to them, they don't know what to do with you. And the fact we were going to be close to a \$200-million company didn't seem to cause a blink of the eye," she says.

The provider had to be able to meet the tight execution and implementation time frame, while operating in a constantly changing, ambiguous environment, says Robertson. And Ceridian, from the get-go, made a very good effort to understand all aspects of what Worldlynx was trying to do, where it was at, what was going to be needed so people would be paid without a hitch and it looked like a seamless transition.

"Ceridian didn't even bat an eyelash," she says, adding the payroll provider has made a point

of knowing competitors' strength and weaknesses and many of the systems being integrated. In the end, Worldlynx started using Ceridian's Powerpay system, with all inputs into the system done manually by Worldlynx, with the process linking in to Ceridian's automated system.

But there were a few hurdles to overcome. At the beginning, none of the companies being acquired was willing to provide any information on employees, until the money was in the bank account.

"We could have the system set up but we couldn't populate it, so we literally had eight days to pay," says Robertson.

In addition, the payroll money — usually required two-and-a-half days prior to payday — was delayed by one of the banks in the United States (Worldlynx is owned by Mistral Equity in New York) and a wire transfer, but Ceridian held it up and waited for the verbal go-ahead.

"I don't think a lot of companies would do that for their clients," she says. "(Employees) all got it on time, direct deposit. And it was virtually error-free, despite all the variations in commission across all of those people."

It makes more sense to use an outsource provider, to handle all of the systems, make sure upgrades are done on a timely basis and have disaster-recovery systems available, says Robertson.

"For an individual company to do that is a huge cost undertaking and it doesn't make sense to me," she says.

Worldlynx has 53 retail locations in several provinces where Bell and Bell Aliant operate, so there are provincial differences when it comes to payroll and Ceridian makes sure the company is compliant, such as filing timely applications to the Workplace Safety and Insurance Board of Ontario.

"They take such a big load off our hands in terms of anything

that is legally allowable for third party to remit on our behalf. It's so seamless for us. We just don't even have to think about it," says Robertson.

Automation to come

Thus far, the process has been largely manual and there has been next to no training because the system is very intuitive. But by March, Worldlynx is hoping to move to a managed system, with implementation details still being worked out. The user interface is very simple, everything's point and click, says Robertson.

"We will be moving to Ceridian's managed payroll system, which is a much more automated, user-friendly system that would allow significantly less time and cost in the field and easier user access."

Ceridian has put together a project plan to understand every facet of each system — the modules, the links, what's happening internally — and map it out.

"That way, everybody knows who's responsible for what and when, it's really collaborative," she says.

In moving to a managed account, Worldlynx will have access to more than 250 standard reports that can be customized. The company will also be able to monitor each of the seven corporate retail sales locations to see how each one is doing and measure the metrics.

With two people in HR, it's important for payroll and other HR functions to be as automated as possible so the administrative side takes care of itself, says Robertson, and HR can focus on issues such as employee evaluations, commission plans that incentivize workers and benefit plans that make employees feel valued.

Outsourcing payroll was intended to get the company up and running and, looking ahead, Worldlynx hopes to implement other HR modules, says Robertson.

"We will roll out a strategy of standardization across the board for all of our HR administration and benefits and all other aspects," she says.