



WSP - Building Business



WSP's Allan Cooper talks about the advantages of ADP's bureau service compared with in-house payroll management.

WSP Group's engineers and consultants can be found all over the world from Hong Kong to the USA and Sweden to South Africa looking after an order book worth over £500 million. In Europe, it is one of the biggest consulting businesses for property, land and construction industries. Employing 5,300 people worldwide, the company has grown by acquisition and organic growth. 2,100 of its employees are based in the UK and each month Allan Cooper, Group Payroll Manager, signs off £7 million

"ADP has the resource and back up that companies would find difficult to match"

in a pay run processed by ADP, the world leader in payroll services. Explaining why he prefers to outsource payroll to ADP Allan Cooper says, "ADP has the resource and back up that companies would find difficult to match and they provide a level of professionalism that reflects the high standards set by WSP in our own business environment."

The legacy of a business grown through acquisition is that the company had many different payrolls across many offices. In 1999 Allan Cooper was brought in to set up Group Payroll central services, reducing the number of payrolls from 18 to 10, each representing a different operating company within the WSP group. Each operating company has its own needs and its own financial management, but at a group level the business is able to see the total impact of the payroll, possibly its biggest overhead. "After our core business, getting the payroll right is the most important thing that we must do. If you don't pay people properly, it's the fastest way to loose them" and this would have a devastating impact on the business says Allan Cooper. At first, there doesn't appear to be anything unusual about WSP payrolls. Most employees are salaried and on monthly PAYE terms, each operating company HR department sends its payroll monthly information to Group payroll in good time for the pay run to be justified, input and transmitted to ADP for overnight processing for despatch to each operating company by 12 noon the next day.

Allan Cooper has worked in payroll most of his working life, and describes an alternative scenario if they tried to do all this in house. "WSP is a fragmented business. It isn't just that we have 10 operating companies reporting to us, we have 10 operating companies that have very different needs. The scale of our operation means that we just couldn't create the back-ups and security we would need if we processed it ourselves". Allan Cooper divides his rationale for outsourcing to ADP's bureau services into opportunity costs and the value it provides. Opportunity costs, for instance, within the process of print and dispatch includes the need for high quality printers for payslips and reports, and guaranteed backups for those in the event of failure. Problems that WSP doesn't even have to worry about. Maintaining software, managing it and updating it to take account of changes in legislation or platforms is another area that WSP doesn't loose sleep over.



WSP - continued.....

But as technological advantages emerge, WSP can take advantage of ADP's R&D to harness it quickly. WSP uses some online facilities, including the ability to interrogate pay data for financial reporting. A five-year archive is stored electronically with duplicate payslips, reports and analysis. Allan Cooper is keen to integrate more pay and HR related services electronically, but there are natural barriers that will take time to resolve. While the opportunity to integrate HR into payroll exists, Allan Cooper maintains manual input for starters and leavers, "because everything is fragmented, it is important that we monitor as a central function. When you input data yourself you can see what is going on and spot things that machines don't see yet". And with 10 financial managers in the different operating businesses each needing different types of reporting, agreeing a single information structure will take time. Pay, at least, is solved and ADP provides reports according to the different needs of the operating companies in addition to all the reconciliations and summary reports needed by Group Payroll. To that extent, the opportunity costs present in the bureau service provided by ADP fits well within the operating structure of WSP.

Quantifying value is less tangible, but as vital, according to Allan Cooper. With an organisation the size and complexity of ADP behind him, Allan Cooper knows that his business is protected. "If we were wiped out, ADP would be in a position to not only run the payroll from their side, but could supply people who know what they are doing to manage the business from our side which is a very good safe guard, and it

"If we were wiped out, ADP would be in a position to not only run the payroll from their side, but could supply people who know what they are doing to manage the business from our side"

makes us feel very secure". Where organisations manage payroll in-house, there is always inertia when new legislation is introduced that causes pain and frustration to the core business. With ADP, WSP knows that this sort of change just happens in a timely

manner, allowing Allan Cooper to get on with paying people as they would expect. "We've known ADP for years," says Allan Cooper, "we have forged a relationship with them that isn't about them being a supplier, it's about being partners in the same business. Apart from that, it's very cost effective, we couldn't do it to that level of professionalism in-house." Allan Cooper laughs. "I won't say its cheap, they might want to charge me more".

About ADP

ADP is the largest supplier of payroll services in the world. Present in 29 countries, paying 31 million people around the world every payday, and with over 50 years of unrivalled experience, ADP manages a wide range of payroll, benefits and HR administration and helps organisations to control their costs, streamlining their often labour-intensive processes, so freeing up personnel to concentrate on core business activity.

