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Views from the front

Lean and green: Benefits automation system unearths more value from ERP

Last year, one objective of the human resources (HR) department at Waterloo, Wis.-based **Trek Bicycle Corp.** was to run a leaner department by doing away with the manual aspects of moving employee information between the payroll system and benefits providers, such as insurance companies.

In summer 2007, the bike maker installed a benefits automation system from **bswift** that allows employees to update costs, coverage, and other post-enrollment administrative tasks that stem from events like birthdays or

salary changes, and speeds employee enrollment in insurance plans.

Though the software pulls information from Trek's Ultipro payroll system from **Ultimate Software**, bswift performs the same benefits-management service for information found on companies' ERP systems, says Rich Gallun, CEO, bswift.

Benefits automation software essentially pulls pertinent information residing in the ERP system, and opens it up for benefits processing in ways the ERP system itself can't perform, Gallun says. In this way, the benefits software

ramps up the functionality of the ERP system by tapping into and exploiting warehoused company information.

"Sometimes people overcomplicate how benefits automation would work with an ERP system, but really it's just a question of exchanging data and keeping that process as simple as possible," Gallun says.

By automating benefits enrollment at Trek, the bswift system eliminated paperwork as well as the mistakes that can go undetected when redundantly entering data and faxing paperwork to benefits providers hither and yon,



Lean and Green IT: A benefits automation software system in use by Trek Bicycle Corp. pulls pertinent HR information residing in the ERP system and opens it up for benefits processing in ways the ERP system itself can't perform—cutting down on paperwork in the process.

says Jennifer Pagels, Trek's HR manager.

"We'd been relying on paper-based faxing, which created issues when it came to ensuring that employee names and social security numbers we sent to vendors were accurate," she says.

Before bringing in the new system, when new hires came onboard, Trek's HR department asked them to study their benefit options and note benefit choices by filling out a series of forms. The HR staffers processed those forms by sending them to multiple vendors, and subsequently housing them in Trek files.

"It just took a lot of time and money," Pagels says. "We've streamlined the process by empowering employees to own their data."

Now at Trek, when an employee starts work, the payroll system automatically creates a new-hire profile within the benefits automation system. Once the profile is active, the employee logs on to choose benefits. The system automatically displays only the benefits the employee is eligible to receive.

"So rather than the HR manager touching this process nine times, it [amounts] to one or two," explains Pagels.

Another plus: Staffers now have an online site to double-check benefits levels, deductible amounts, and the like. These measures give Trek HR staffers more time to concentrate on their other duties, and also ensure greater accuracy within benefits systems—something the HR department intended when eyeing lean principles.

The bswift software initially populated the system by taking data from Trek's payroll system and loading it into the bswift system, Gallun says, adding that bswift now conducts EDI transmis-

"We're putting several resources in place to reduce paper."

—Jennifer Pagels, HR manager, Trek Bicycle Corp.

sions to benefits vendors and maintains the link between Trek's payroll and the bswift system.

Pagels says the benefits automation system also speeded Trek's benefits

enrollment processing, and has done away with paper—making the workplace a little more green.

"We're putting several resources in place to reduce paper, and this is another one of them," Pagels reports. ■

—Jean Thilmany, contributing editor
(thilmanyj@gmail.com)

Business requirement: Be SAS-70 savvy

Since passage of Sarbanes-Oxley Act 2002, the Statement on Auditing Standards No. 70, Type II audit report (SAS 70) has become a virtual business requirement for service and outsourcing providers—especially those serving publicly traded firms.

In fact, many corporations consider it a liability to use the services of an external vendor that does not have a SAS 70 Type II report, leading them to reevaluate all of their outsourcing arrangements and partnerships.

Benefits automation specialist **bswift** recently received the SAS 70, which is widely used to assess the internal controls of a service organization as they pertain to hosting and processing their customers' data, as well as financial reporting.

"As a service provider doing business with many publicly traded companies... [and] given the volume of sensitive employee data that bswift processes on a daily basis, it is imperative that we have a SAS 70 Type II audit report," says Rich Gallun, CEO, bswift. "It is vital that we have an outside entity verify that we have a high level of security and that we really do what we say we do."

While initially perceived by many corporate executives as a compliance annoyance, Sarbanes-Oxley served as a stimulus to many corporate organizations to revisit their internal processes, and move away from manual processing for functions such as benefits administration to reduce errors and tighten controls.

Because of the inefficiencies inherent in many HR processes, benefits administration automation is an easy target for leveraging Sarbanes-Oxley compliance, and has fueled tremendous growth for bswift over the past few years.

"Completing the SAS 70 Type II audit process was not an easy task, but it has already reaped great dividends for bswift with streamlined internal processes, as well as meeting the needs of our clients," reports Gallun. ■

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