

Case Study »

Paperless Pay

Client Profile

PepsiAmericas is the world's second-largest manufacturer, seller, and distributor of PepsiCo beverages with operations mainly in the U.S. and Central and Eastern Europe.

Challenge

After implementing online solutions for employees to enroll in company benefits and access their W-2, PepsiAmericas began exploring ways to eliminate the cumbersome, paper-based operation of providing paychecks.

Solution

PepsiAmericas was already a client of TALX via The Work Number, so it was a logical choice to implement the TALX paperless pay service.

Results

- Since going live to over 12,000 employees, direct deposit enrollment increased to 83% and of those, 98.3% were completely electronic
- Printing costs decreased from \$2,400 to \$550 per week
- Human resource hours reduced, saving \$45,000 annually
- Department overtime spent on paycheck processing reduced by over 65%
- Total annual savings estimated at \$150,000

PepsiAmericas

Client

PepsiAmericas, with \$4.9 billion in revenue, is the world's second-largest manufacturer, seller and distributor of PepsiCo beverages with operations mainly in the U.S. and Central and Eastern Europe. In the U.S. they serve a significant portion of a 19-state region (with over 170 locations), primarily in the Midwest. This accounts for nearly 20 percent of total U.S. PepsiCo volume, and approximately 85 percent of PepsiAmericas' revenue comes from U.S. business.

The roster of beverages produced includes core Pepsi brands, such as Pepsi-Cola, Diet Pepsi, Mountain Dew, Sierra Mist, and Aquafina. They also distribute brands from other companies like Lipton Iced Tea, Dr. Pepper, and Starbucks ready-to-drink coffees.

Challenge

PepsiAmericas had recently implemented online solutions for employees to enroll in company benefits and access their W-2. Because of the cost savings associated with automating these HR processes, PepsiAmericas began exploring ways to eliminate the cumbersome, paper-based operation of providing paychecks. Each week, PepsiAmericas was printing paper checks and check stubs for thousands of their employees and disbursing those via overnight shipping to 170 locations. When considering paper, postage, and the work hours involved on a weekly basis, it proved to be a very expensive process.

Management was approached regarding the possibility of implementing a paperless pay solution. Initially, there was some resistance for a variety of reasons, which included substantially disbursed locations, a mix of both union and non-union employees, and conflicting opinions on whether or not this sort of technology would be accepted and utilized by employees. PepsiAmericas had recently implemented an electronic W-2 solution with TALX that 33% of employees opted into, and had shown significant cost savings. Because of this cost savings, management decided to proceed with a paperless pay solution, estimating that the cost savings would be significant. To combat the possibility of employee resistance to the new technology, PepsiAmericas decided to make an "opt-out" option available.

"The TALX methodology for rollout and implementation is truly bulletproof."

-Payroll Manager, PepsiAmericas

continued...

Solution

Being that PepsiAmericas was already a client of TALX using their employment verification service, The Work Number, and the electronic W-2 Management solution, it was a logical choice to consider implementing the TALX paperless pay service. Teams from both PepsiAmericas and TALX began working cohesively toward launching the new paperless pay initiative in an expedited and efficient fashion.

In October 2008, the implementation process began and it was determined that a test pilot of a small population of employees would be launched in order to gauge functionality of the hardware at specific locations (computer kiosks, printers), software (PepsiAmericas personalized their paperless pay main menu with logos and colors) and whether or not the employees were willing to embrace the new technology.

Just 60 days after the test pilot was launched, internal surveys were developed to gauge satisfaction. It was determined that the new paperless pay system was a resounding success with this population. Some employees even came forward to proclaim their excitement for such a system by stating that they “now didn’t have to go through the hassle of shredding their paystub.” Plans for companywide rollout were discussed and it was determined that small, gradual rollouts would assist in monitoring how effectively the technology integrated into their employee’s world. Within a few months, PepsiAmericas’ entire employee population had access to their paystub electronically.

Results

A phased rollout began in February 2009, just four months after initiating discussions to convert to the TALX paperless pay solution. By November 2009, PepsiAmericas was live on the system companywide to 12,000 employees. Since going live, PepsiAmericas has experienced an array of positive results which include:

- Direct deposit enrollment increased from 76% before the paperless pay rollout to 83% post-implementation, and of those participating in Direct Deposit, 98.3% were completely electronic
- Printing costs were reduced from \$2,400 to \$550 per week
- Electronic W-2 consent increased from 33% to 50% companywide, which was directly attributable to the paperless pay implementation
- Human resource hours spent on paycheck processing were drastically reduced, saving an estimated \$45,000 per year
- Department overtime spent on paycheck processing and form maintenance was reduced by over 65% in 2009 vs. 2008

In total, PepsiAmericas estimates that they save upwards of \$150,000 annually based on their use of the TALX paperless pay solution. Additionally, PepsiAmericas was able to utilize a solution that was accepted within the complex realm of both union and non-union employees. All employees can now access their paystub, manage direct deposit, fill out their W-4 form, and update address changes – all online.

To learn more about how TALX can help your organization, contact us at **1-800-888-8277** or **moreinfo@talx.com**.