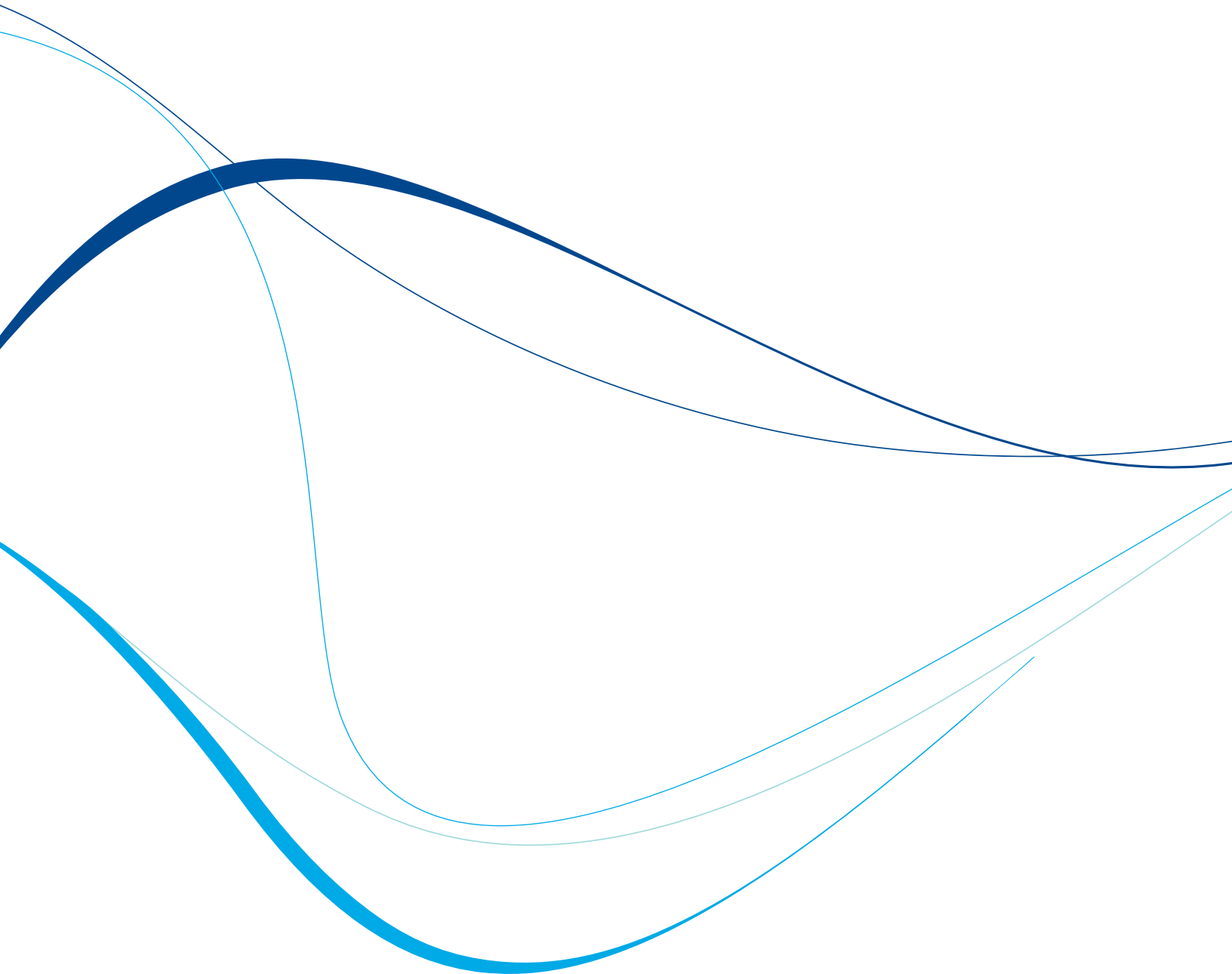# Sage Abra

6 Key Challenges Solved With End-to-End Human Resource Management

How Sage Abra HRMS improves efficiency and lowers costs

sage

Welcome! For more than twenty years, Sage has been helping midsized businesses in all industries choose and implement Sage Abra Human Resource Management Systems (HRMS). Our experience has taught us that business owners and executives need more than just product information to successfully select and deploy HR technology in their businesses. That's what this white paper is all about.

We've distilled what we've learned from our many successful Abra customers and have structured it to help you answer the following questions:

- What does a Human Resource Management System do?
- What bottom-line value can it bring to your company?
- How does an HRMS help to meet top business challenges such as recruiting and benefits management?

Introduction

Across all industries, the challenges and frustrations of human resource executives are remarkably similar. Human resource departments have an increasingly strategic role within an organization, particularly in the areas of recruiting, compensation, benefits cost containment, and employee development. But often the HR staff finds itself trapped between these strategic goals and a burdensome level of administrative tasks and never-ending paperwork. On average, HR professionals spend as much as 80% of their time on routine administration, and only 14% on strategic corporate initiatives.[1]

You already enjoy powerful automation across many core HR processes with Sage Abra. You can expand that functionality quickly and affordably with integrated solutions. Sage Abra solutions are designed to be implemented as your needs evolve and as time and budget allow. A complete Sage Abra HRMS will enable you to:

- Drive costs out of the business by improving/automating core human resource, benefits and payroll processes.
- Meet current and future workforce needs to ensure continued business success – finding, developing and retaining the key skill-sets and aptitudes.
- Contain and reduce the spiraling costs of employee benefits (the single largest workforce-related cost after salaries and wages).
- Reduce the costs of compliance and the risks associated with increasingly complex and burdensome government laws and regulations, including avoidance of fines and penalties and helping protect against costly litigation.
- Make the best possible decisions regarding the workforce with accurate, timely, and insightful workforce reporting and analysis tools.
- Balance high level employee service for retention with the costs of providing it.

Whatever your top HR challenges, from reducing benefits administration paperwork, to recruiting online, Sage Abra will grow and evolve as your business grows. By enabling your HR department to reduce routine administration and cut through complexity, Sage Abra HRMS will yield efficiency gains that spread savings across your business.

[1] Forrester Research, 2005

HR Administration and Compliance Management

Sage Abra centralizes all of your critical employee data and streamlines administration to reduce paperwork and eliminate the need to re-key information. It provides you with timely reports and analysis via standard reports, ad-hoc queries, and custom analysis tools. Sage Abra also includes government forms and reports necessary to keep you in compliance with current federal, state, and local legislation.

End-to-End HR Solution

Sage Abra provides the power of integrated end-to-end human resources management. Each employee completes a lifecycle within your HR processes that begins with a job application and ends with termination or retirement. To manage the full employee lifecycle efficiently, you need an HRMS that encompasses recruiting, onboarding, payroll, benefits, compliance, training, and employee development. Sage Abra delivers control over each of these aspects of workforce management while helping you fully leverage the cost control benefits and productivity gains inherent in end-to-end HR technology.

The flexible design of Sage Abra enables you to add functionality as your business needs grow. Let's examine ways that Sage Abra expands to increase efficiency and better align HR with strategic objectives.

Employee Self-Service

Employee Self-Service (ESS) technology re-engineers the workflow of common HR administrative tasks to improve efficiency and reduce transaction costs. ESS enables the HR department to reduce or eliminate clerical tasks and dedicate more time to mission-critical strategies, such as benefits cost containment, employee development and recruiting. ESS alleviates part of the burden of administration by giving employees and managers online access to their benefits, personnel, and paycheck information.

ESS produces productivity gains, lowers transaction costs, and improves the level of service to employees. It reduces the paperwork burden on the HR department, while retaining the ability to control and approve processes. And surveys show that employee satisfaction increases with access to self-service technology.

Sage Abra ESS dramatically lowers your HR administration burden while helping you maintain high levels of service to your employees. With Sage Abra ESS, employees and managers enjoy online access to their job, pay and benefits information. Using a Web browser over the Internet or your company Intranet, employees and their managers can view, and when appropriate, create, edit, and maintain data such as:

- Payroll distribution
- Benefits enrollment
- Time off requests
- New employee "onboarding"
- Employee information updates
- Manager notifications

- Employee notes
- Performance reviews
- Job and pay information
- W-4 elections
- Training
- Company communications

Benefits Management

The spiraling cost of employee benefits make benefits management a high priority, highly visible part of HR. Benefits represent the second largest workforce expense after salaries and wages. Employee satisfaction and retention correlate with benefits satisfaction, so it is important to find cost-containment strategies that do not sacrifice the quality of benefits. Many HR executives solve the problem by changing insurance carriers frequently to hold down costs.

For most of the past decade, the cost of employee benefits, and particularly the cost of health insurance, has risen at a staggering rate. Year after year of eight to fourteen percent increases in premium costs have caused employers to implement a number of cost containment strategies. Recently, the increases in health insurance premiums have been slowing, but continue to run well above the rate of inflation.
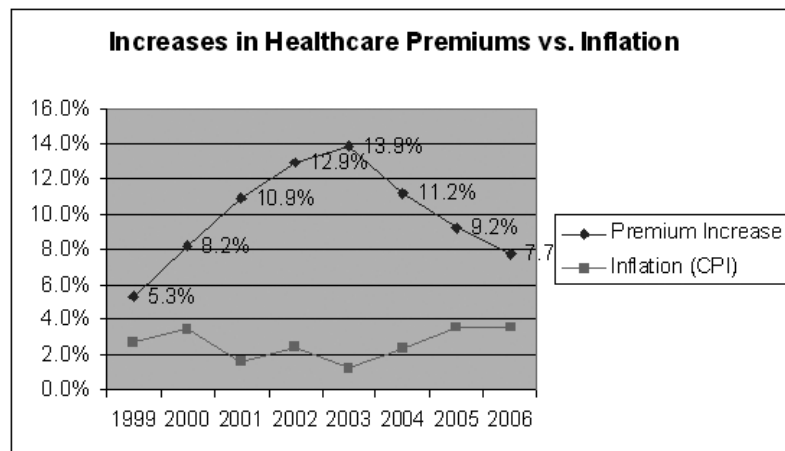
Kaiser Family Foundation and Health Research and Educational Trust [2]

In pursuing strategies to contain costs, most employers pass a larger share of premium increases to employees, and many plan for further increases. In 2006, 75% of employers with over 200 employees reported they were "very likely" or "somewhat likely" to raise the amount that employees pay for heath insurance in the coming year.[3]

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[2] Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits 2006 Annual Survey,* 2006, p 12.

[3] Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits 2006 Annual Survey,* 2006, p 153.

Changing carriers is probably the most frequently used cost containment strategy for midsized businesses. Benefits managers shop comparatively for affordable insurance plans. To win new business, carriers usually under-price the first year premium. But renewal quotes often raise premiums by as much as 25-35%.[4]

It is no wonder that HR spends up to 30% of its time on routine benefits administration activities. Nothing generates more employee questions and requests to HR than benefits. Most employers offer multiple benefits such as health, life, and disability insurance. This requires multiple insurance carriers, often offering several plans within each package. Each individual plan must be set-up and administered by HR, and each plan requires an employee enrollment with transmission of census data to the benefits carrier.

Providing employees with satisfying benefits packages may increase success in recruiting and retention efforts. In a 2005 survey by MetLife, almost one-third of employees reported that benefits were an important reason why they accepted their current job.[5] In fact, more than half of employees surveyed by the American Payroll Association said that health benefits were more important than higher wages.[6]

Benefits management software can automate each step of the benefits management process. These solutions eliminate paper-based processes, improve efficiency and accuracy, and greatly reduce routine administration. Benefits management solutions lower the overall cost of providing services to your employees while helping address the fastest growing source of rising costs.
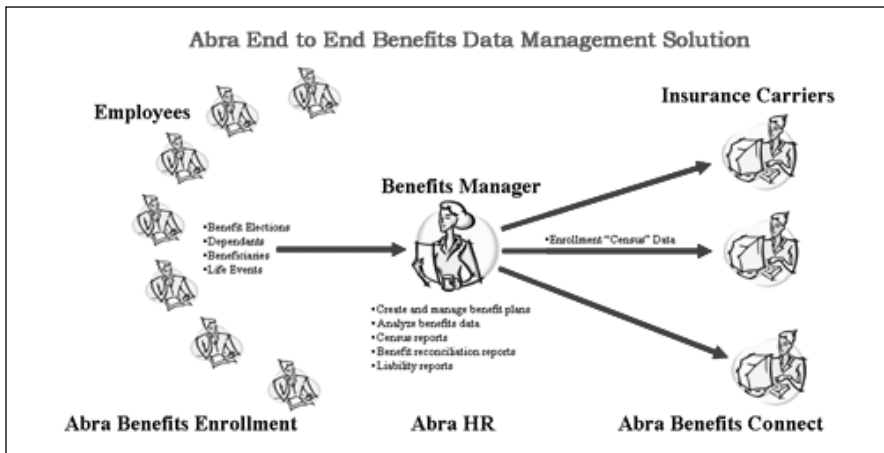
Sage Abra Benefits Enrollment enables employees to self-enroll in benefit programs, review their benefits data, and report life event changes over the Internet or a company intranet. The system prompts employees to choose plans based on eligibility criteria and helps them compare costs and coverage of previous elections against new offerings. Plus, HR staff can check the status of the enrollment in real-time. Then, when the open enrollment has been completed, Abra HR is automatically updated with the benefit election updates. Benefit deduction changes are updated with synchronized future start dates thereby eliminating hours of duplicate data entry.

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[4] Robert Young, "Group Health Insurance Bid Rates: How They Can Be So Enticing That First Year And What HR Professionals Can Do To Strengthen Their Roles in the Process," *SHRM White Paper*, May 2006.

[5] MetLife, *The MetLife Study of Employee Benefits Trends: Findings from the 2005 National Survey of Employers and Employees*, 2005, pp 10-16.

[6] American Payroll Association, "National Payroll Week 2006 Survey: Getting Paid in America," 2006.

Adding Sage Abra Benefits Enrollment to your Sage Abra HRMS strategy can:

- **Shorten the Enrollment Cycle by up to 50%** – The open enrollment process takes 2-3 weeks instead of 6-8 weeks in a paper-based system.
- **Eliminate costs of distributing and collecting paper enrollment packets** – Save cost of paper, printing, personnel, and postage – an average of $27.50 per employee.
- **Reduce data errors** – Employees enter their own information with more accuracy, avoiding costly and time-consuming mistakes. Reports also enable HR to catch billing errors.
- **Save 90% of the benefits administrator's time during enrollment** – Paper-based systems require about ten minutes of data entry per employee, while online enrollment enables review and approval in as little as one minute per employee.
- **Reduce calls to HR**– Employees have access to complete information that helps them answer most of their own benefits questions.

Sage Abra Benefits Messenger is a carrier connectivity service that creates formatted electronic files to automate the submission of your employee benefits data to benefits carriers and providers. Individual insurance carriers, for example, require different file formats, making it time consuming for a small HR staff, especially if you have limited IT assistance.
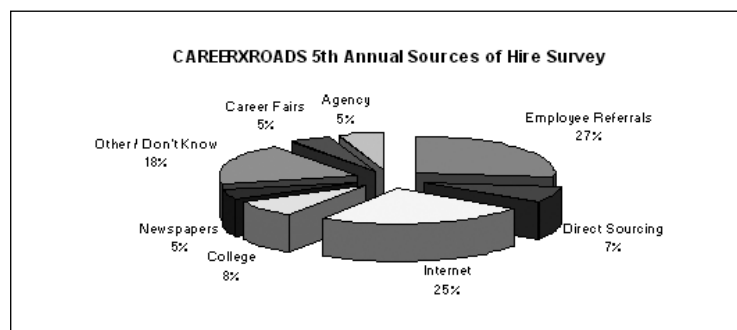
Pulling the necessary information directly from your Sage Abra HRMS, Abra Benefits Messenger submits your benefits data electronically. The system properly formats the data according to each carrier's requirements and submits the files according to each carrier's schedule requirements. After submitting your initial census file, regular change files keep your carrier updated about your employees' life event changes, new hires, and terminations.

Manual communication with carriers can result in error rates of up to 40%, but a carrier connectivity solution can reduce these errors to less than 5%. Abra Benefits Messenger automates the data submission process, increasing accuracy that results in lower benefits costs.

Talent Management

Key to any company's success is the ability to attract, retain and develop talented employees. Companies today are under tremendous pressure to find and then hire top talent. Executives in every industry are talking about the talent wars. As the Baby Boomer generation retires, an estimated 70 million employees have begun to leave the workforce resulting in fierce competition for specialized workers.

"Talent management" refers to the processes for recruiting, hiring, developing and retaining the employees that are fundamental to the success of your business. Recruiting is one of the more complex processes in most companies. There are many stakeholders involved in each hiring decision (internal and external applicants, hiring managers, HR, recruiters, executives) using slow and cumbersome paper processes. Additionally, a large percentage of talented applicants are conducting their job searches online – an area not well addressed by paper-based processes.

CAREERXROADS 5th Annual Sources of Hire Survey

Career Fairs 5% · Agency 5% · Employee Referrals 27% · Other/Don't Know 18% · Newspapers 5% · College 8% · Internet 25% · Direct Sourcing 7%

Eliminating routine administration and paper-based processes with talent management software can achieve more timely hires with lower recruiting costs. Recruiting solutions automate recruiting and new hire "on-boarding". Training solutions facilitate planning and management of employee skills development.

Online Recruiting

The explosion over the past decade of Internet recruiting prompted the need for clarification of how employers must treat applicants for purposes of federal anti-discrimination law and recordkeeping requirements. The Equal Employment Opportunity Commission (EEOC) has created a definition of an "Internet job applicant" to help employers understand how to treat such applicants. Federal guidelines meant to standardize how employers track data on the diversity of their job-applicant pool are in effect for U.S. companies with more than 50 employees.

Under these guidelines initiated in 2006, federal regulators will be checking to see that companies are keeping diversity data on all applicants, according to a new, more uniform definition of "applicant". The new guidelines suggest that employers engaged in Internet recruiting should review their hiring policies to ensure that their treatment of Internet job applicants complies with the proposed guidelines.[7]

Sage Abra e-Recruiter integrates traditional recruiting tactics with the most advanced and effective Web-based recruiting methods and helps companies meet the tightened EEOC requirements. Online recruiting has become an important part of the talent wars, providing nearly one in three new hires. Companies seeking top talent must be able to easily post job openings on Internet job sites, accept online employment applications and resumes, and accurately track online sources of hire.

Abra e-Recruiter optimizes recruiting processes by automating the workflow and more accurately tracking sources of hire, enabling recruiters to better analyze which efforts produce the best results. Self-service technology enables all recruiting participants (recruiters, HR managers, hiring managers and applicants) to interact with the software at appropriate stages of the recruitment processes. With Sage Abra e-Recruiter, you can:

- Streamline hiring procedures to reduce the amount of time positions go unfilled.
- Create requisitions and match them to candidates by defining desired qualifications.
- Integrate online recruiting tactics, including Internet job boards.
- Reduce cost-per-hire.
- Analyze the effectiveness and cost of different recruitment activities.
- Maintain a comprehensive database of previous applicants and current employees.
- Allow your existing employees to apply for open jobs and make referrals of friends and relatives.
- Speed applicant-to-new hire ("onboarding") process.

Sage Abra Train helps HR and management to plan skills development that creates competitive advantage for your organization. Approximately one-third of job requisitions are filled by the promotion or transfer of a current employee. Of these, more than half are exempt employees – those with salaried positions.[8] It is less costly to recruit from within your ranks, and promotions encourage retention of your best talent.

[7] Anne Fisher, FORTUNE senior writer, cnnmoney.com article: Job hunting online gets trickier, February 6, 2006

[8] Gerry Crispin and Mark Mehler, "CAREERXROADS 5th Annual Sources of Hire Survey," February 23, 2006, p 5. Accessed online January 11, 2007 at www.careerxroads.com

Because your current workforce is such an important source of future leaders for your business, it is essential that your HRMS system helps you plan for and manage training. Sage Abra Train enables you to plan, track, and report on the career development of each employee. When you add Sage Abra Train to your Sage Abra HRMS, you can:

- Centralize job requirements to determine which employees need training.
- Create, schedule, and enroll employees in training.
- Track the training and job skills of each employee for maximum strategic development.
- Ensure that employees maintain key certifications.
- Generate reports that demonstrate compliance with government regulations.
- Perform training cost analysis.

Sage Abra OrgPlus defines reporting structures with advanced organizational design and publishing that links to your Sage Abra HR database. It enables you to better manage headcount budgets, and build and analyze "what-if" scenarios for business plans and budgets.

Productivity

In terms of business communication tools, e-mail has probably yielded more productivity improvements than any other technology. Automated e-mail alerts from your HRMS can help the HR staff stay on top of upcoming tasks and proactively communicate with employees.

Sage Abra Alerts automates your company's employee communications, monitors critical HR functions, and streamlines your HR and Payroll processes. It helps you get the right information to the right people for quick and timely action and without user intervention. Through an integrated system that automatically monitors the Sage Abra HRMS database, Sage Abra Alerts proactively and automatically sends e-mails and reports to management, HR and payroll administrators, employees, and applicants. It reduces administrative tasks by informing relevant parties about key activities and pending issues. With Sage Abra Alerts, you can streamline many HR processes, including performance reviews, recruiting, and training.

Sage Abra ToolKit enables easy customization of the way Sage Abra HRMS looks and functions so you can effectively track and record information important to your organization. Improve productivity by tailoring menus, processes, actions, reports, toolbars, screens, and fields to match your organization's unique business requirements. Sage Abra ToolKit gives you ultimate control over how information is categorized and viewed in virtually any Sage Abra module.

Time and Attendance

Accurate time and attendance information is essential to managing your workforce costs and increasing productivity. By integrating automated time and attendance with your HRMS, you can pinpoint trends in absences and identify areas for productivity improvements.

Sage Abra Attendance allows you to easily set up any number of employee attendance and time-off plans. It includes flexible attendance tracking features such as vacation, personal, illness, jury duty, bereavement, and FMLA time-off management. It supports unlimited time-off plans for each employee and tracks year-to-date hours available versus year-to-date hours taken. Comprehensive accrual features provide many reporting options, including standard reports for absence averages, absence percentages by department, and ranked lists by hours absent.

Impact of Sage Abra HRMS to the Bottom-Line

The cost savings associated with utilization of a Sage Abra HRMS solution reaches into many areas of the business. The savings can be defined and measured. It is possible to realize a quick return on your Abra HRMS investment, often in less than fifteen months. Abra HRMS positively impacts the bottom-line through:

- **Increased productivity** – the time and effort saved through enhanced efficiency, reduced routine administration and the elimination of duplicate data entry.
- **Direct cost savings** – the savings associated with the costs of printing, mailing, and faxing, as well as avoiding costly errors through increased accuracy.
- **Better compliance** – avoiding fines, penalties, and costly litigation.
- **More strategic opportunity** – the better alignment of HR and corporate objectives.

Automation raises productivity throughout the organization.
HR staff will spend much less time on data entry, routine administration, and reporting. Employee self-service functionality reduces the volume of employee questions and requests. These efficiency gains help you deliver a higher level of service to employees.

Eliminating cumbersome, time-consuming paper processes achieves direct cost savings.
Online benefits enrollment saves the paper, printing, and postage expenditures associated with a paper-based enrollment. SHRM estimates the paper costs associated with benefits enrollment at $27.50 per employee. Online benefits enrollment shortens the open enrollment process by up to 50%. Improved data accuracy and reporting helps catch billing errors from benefit providers.

Recruiting solutions shorten the time that open positions go unfilled. They also provide easy integration of online recruiting methods, which can reduce cost per hire. A SHRM study found the cost per hire using Internet recruiting averaged $377 while advertising in a metropolitan newspaper averaged $3,295 per hire.

Abra HRMS helps your company achieve compliance and avoid lawsuits.
Regular legislative updates, automated record keeping, and specialized reporting help your company stay compliant with government regulations. By ensuring organized, centralized data and thorough record keeping, Abra HRMS helps avoid fines, penalties and threats of lawsuits.

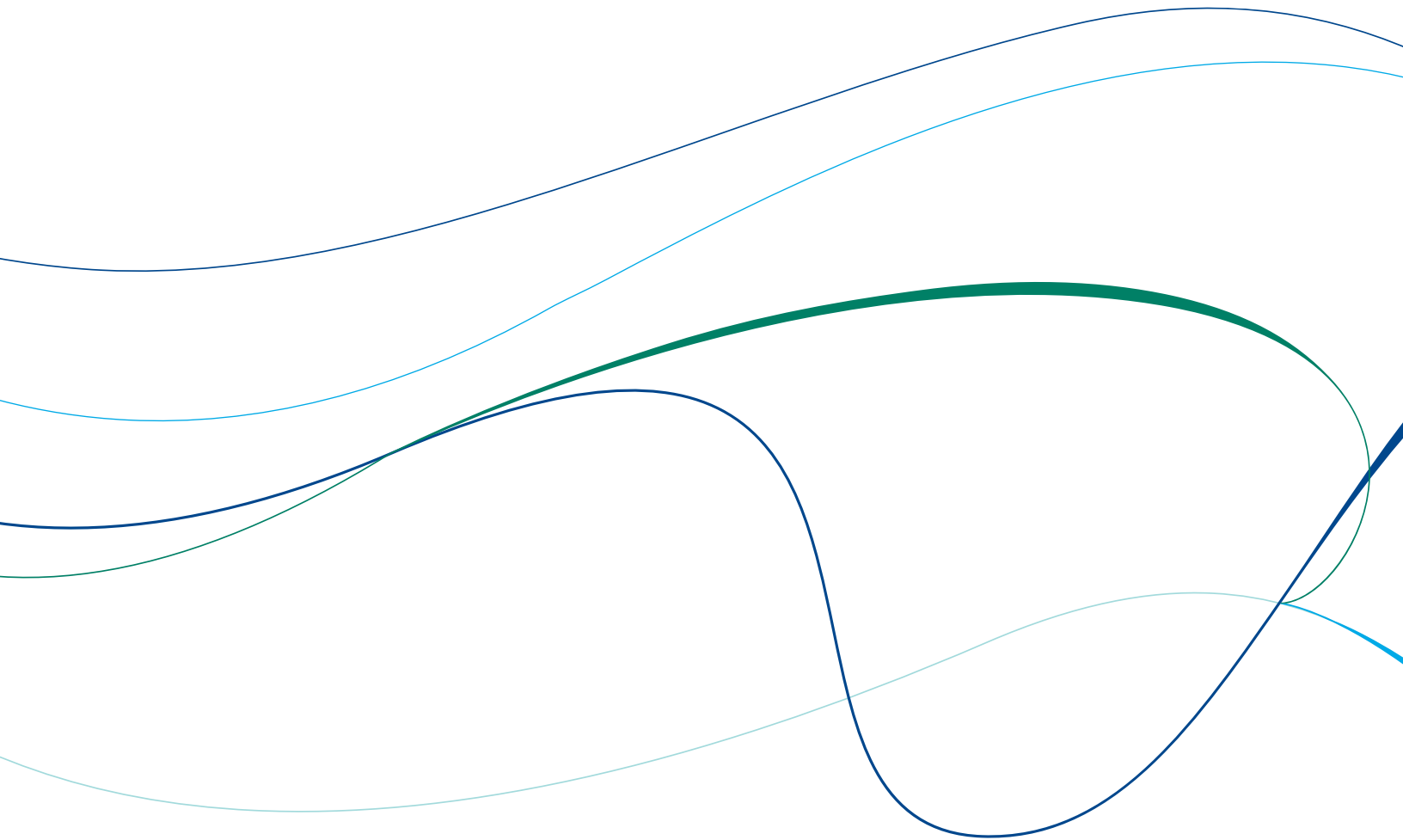*Abra HRMS frees HR to focus on strategic objectives.*
You'll benefit from timely reports that help you forecast and plan for an optimized workforce. And smooth, efficient processes allow HR to spend more time focusing on strategies that secure the long-term success of the organization.

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Learn more about HR technology planning with Sage Abra solutions!

❯ **Call Sage at (800) 424-9392 for more information.**

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888 Executive Center Drive West
St. Petersburg, FL 33702
Telephone: 800-424-9392
www.sageabra.com