



McClain Sonics

Case Study: McClain Harvey Vaughn Sonic Group & Eight software

Industry: Food Service

Number of Employees: 2,600

Key Benefits:

- Eliminated over 6,000 paper-based new hire document packages a year
- Paperless forms reduced costs of paper transactions
- Form audit queries allow compliance checks in seconds rather than lengthy paper audits
- Field validation logic drastically reduced new-hire documentation errors
- Allowed the company to achieve single-key/multi-field population of data
- Provided a secure architecture in which our forms could be assigned individual workflow for customizing procedures

"Eight eliminated the need for additional clerical help even though our workload has increased. The HR department is more effective because we have more time to focus on people rather than paper."

--Debra Porter, HR Director

Overview:

McClain Harvey Vaughn Sonic Group ("MHV") is the third largest Sonic Drive-In franchisee in the US with over 85 units in three states; the company owned over 100 units prior to the sale of its North Carolina market in March 2007, having over 3,200 active employees prior to the sale. MHV is headquartered in Ridgeland, MS. Its three principals have a combined 80+ years of experience as Sonic franchisees.

Challenge:

MHV has an employee turnover ratio of 350%; maintaining the company's current 2,600 person work-force requires about 6,500 new hires annually. Using a paper new-hire package created a deluge of new hire forms, federal and state tax forms, work authorization forms, and benefits forms. Also, documenting employee evaluations, discipline, pay rate changes, etc. can be a challenge without a paperless system. Under the old paper processes, time spent creating, shipping, sorting, interpreting, reviewing, processing, and filing the paper forms gobbled up time on both ends of transactions. General managers were torn from operations and back-office employees spent more time correcting and shuffling paper than handling real issues. We also had difficulty holding operations and back-office folks accountable for missing forms and non-performance. Without a system that could track back to the origination of a process, we never were able to determine whether fault lay with our manager, or back-office, or with a lost fax.

Solution:

In April 2003, MHV implemented Eight software from ARC Technologies. Over time, MHV was able to continually build on the existing architecture in Eight to move existing processes; it was also able to create new ones that weren't possible before. Eight's employee New Hire module created the structure to move employee files from paper, allowing all employee evaluations, discipline, pay-rate changes, terminations, etc. to append to a paperless employee file. Savings achieved from the elimination of paper handling and storage more than paid for the software. Time recapture on both ends of transactions made the cost savings compound. Since processes in Eight resembled predecessor paper processes, the use of the software was intuitive to users, making training easy and straightforward.

We integrated Eight to populate our payroll system with all employment changes, eliminating keying of new hires, demographic changes, pay changes, and terminations. We have a single payroll manager for 2,600 pays, something unheard of in our industry. Cameron Arcemont, Eight's architect and majority owner of Arc Technologies, LLC, has always shown the ability to provide additional companion utilities to the software. When Katrina hit our units in August 2005, for instance, congress created WOTC tax credits for employees affected by Katrina. We were able to use a paperless Form 8850 to capture the data we needed to document and calculate the credits.

In 2008, the state of Mississippi required all employers with more than 250 employees to use e-Verify, the Homeland Security system for verifying legal workers. Arc Technologies, LLC, the architect of Eight, created an e-Verify module that helps us comply with the complex rules of e-Verify. The existing Eight system already had workflow and secure profiles that could be used to assign sensitive employment information to responsible management in our company, while maintaining privacy. Eight's automation of e-Verify saves our human resource folks time in keeping the process organized. There is always someone in our company who has the "next assignment" so that tasks are not forgotten or ignored.

We also use the Task feature in Eight to assign duties that have nothing to do with forms.

Benefits:

Eight's Task and Workflow components has created a culture of mutual accountability within our company. Many of the paper processes that we had previously relied upon had too many fail-points along the way that made accountability a nightmare. Processes related to employee management and pay were really a problem. We had to do paper audits at our units to ensure that managers were properly documenting evaluations, discipline, merit raises, etc. It was common to have unit managers pointing fingers at our back-office for missing faxed forms and vice-versa, which made for a tense work environment. Since we implemented Eight, our processes became visible from beginning to end, eliminating the finger pointing. For instance, our payroll manager has the ability to look through the open tasks to identify uncompleted processes that may need to be completed prior to a pay cycle end; the initiator of those same processes has the ability to see if the next responsible party has acted on the task assigned. This combination of "push/pull" for tasks keeps management and back-office folks on their toes, since it's pretty apparent when someone is late or negligent with their work.

The cost of compliance has been drastically reduced. Internal paper audits were expensive when you consider the pay rate of competent HR personnel; they were also cumbersome and difficult. Now, we use Eight's Form Audit feature to determine instantly whether employees have the required completed employment forms. The cost of storing paper has been eliminated by our paperless forms.

The Task component of Eight has been useful in migrating some processes from email for greater accountability. With email, you cannot track the inbox of another manager once you initiate it. With Eight you can. Both the initiator of the task and the recipient's supervisor can track the status and response to a task. We have created new Task Types such as "Missing Deposit" to document the steps taken by supervisors in response to their being notified by back-office of a

unit's missing bank deposit. We have developed many other Task Types for similar operational procedures to provide structure and documentation. We can then use all of the supervisor's response history in handling such processes in annual evaluations because of the documentation.

The automation of e-Verify within Eight makes a burdensome process as easy as it can be made. An ICE or MESC audit would be an easy thing to handle, since a log-in to the software could be provided to the auditor for self-service. Eight's e-Verify module eliminates the keying of data into Homeland Security's interface, saving our HR personnel time. The built in tasking logic helps our HR and unit managers know the next step required when an employee does not confirm. We also know "who has the ball" at all times and should be handling the resolution of the non-confirm.

We use Eight's export and import files to synchronize our payroll and time-keeping systems so that our GMs only have to key the data once to populate all systems. All new hire information, pay-rate changes, terminations, and demographic changes are made automatically to our payroll system.

In summary, Eight is a useful tool for our business; it provides a utility that we continually refine and adopt as needs and challenges are identified in the management of our employees and operations.