Implementing Oracle’s Fusion HCM Payroll at eVerge Group

March 21, 2013
Session Agenda

• Session Overview
  o Introductions
  o eVerge Group Company Overview
• eVerge Group Implementation
  o Why Fusion HCM SaaS at eVerge Group?
  o Project Scope & Phasing
• Fusion HCM Deployment
  o Preparing for our Fusion HCM Payroll Implementation
  o Payroll Deployment Specifics
  o General Lessons Learned
• Next Steps
  o What’s next for Fusion HCM at eVerge Group!
• Q&A
eVerge Group Company Overview

- Founded in 1993
- Based in Dallas, Texas
- Over 200 associates in the US and India
- Oracle Applications SI
- Focused on delivering business value and committed to customer satisfaction
- Impeccable customer references
- Platinum Partner (on path to Diamond level)
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  o Why Fusion HCM SaaS at eVerge Group?
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Why Fusion HCM at eVerge Group

Why change? Looking back…

- eVerge Group was managing HCM with multiple ‘disconnected’ software solutions and manual processes
  - PeopleSoft for HR
  - Halogen for Performance & Goal Management
  - ADP for Payroll
  - Spreadsheets and manual processes around compensation, benefits eligibility and more…
  - Taleo for recruiting

- Our past HR applications landscape caused:
  - Data maintenance inefficiencies and duplicate effort
  - Employee/Manager confusion (Where do I go?!?)
  - IT support inefficiencies
eVerge Group established 4 main goals which Fusion HCM satisfied:

- Solution must contain all of the core global functionality required to manage our HCM needs

- Solution must be provided by the vendor in the Software as a Service (SaaS) model

- Solution must provide an intuitive employee and manager portal with robust self service features

- Solution must be able to scale (functionally and technically) to keep pace with our organizations global growth
Why did eVerge Group select Fusion HCM?

- Fusion satisfied all of our goals: Unified solution, SaaS, intuitive user portal and scalability
- Social Collaboration, Talent Review, Workforce Predictions as well as delivered dashboards and analytics
- Relationship with Oracle and Oracle Products
eVerge Group Organizational Demographics:

- 2 legal entities (employers) with just over 200 associates:
  - United States
  - India

- Centralized HR management

- Standard benefits offerings with an April 1 Open Enrollment start date:
  - UHC, Dental, Hartford/Cigna Life Ins., FSA, ADP 401(k) services

- Multiple compensation plans (commissions/bonus payouts) that are processed Monthly, Quarterly and Annually.
eVerge Group Organizational Demographics cont.…:

- Multiple annual performance review plans with a mix of appraisal periods (performed quarterly or annually)
- Semi-monthly payroll that includes employees in 30 U.S. states
- Approximately 90% of our workforce is Salaried with 10% being Hourly.
Fusion HCM functional implementation footprint at eVerge Group:

- Fusion HCM functionality eVerge implemented:
  - Global Core HR
  - Goal Management
  - Performance Management
  - Benefits
  - Payroll
  - Workforce Compensation

- Partnered with ADP to provide tax reporting services
- Continue to use Taleo BE for recruiting activities
- Partnered with BenefiX to manage benefits eligibility with our vendors
Fusion HCM Phased Deployment Schedule at eVerge Group

- Core HR – Live May 2012
- Goal & Perf. Mgmt October 2012
- Benefits & Payroll January 2013
- Workforce Compensation January 2013

- Deployed Core HR for US and India on Rel. 2 in May 2012 (12 week effort)
- Upgraded to Release 4 in September 2012
- Deployed Goal and Performance Management in October 2012 (10 week effort)
- Deployed Benefits and Payroll on January 1, 2013 (18 week effort)
- Deployed Workforce Compensation on January 15, 2013 (10 week effort)
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  o Preparing for our Fusion HCM Payroll Implementation
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Preparing for our Fusion Payroll Implementation

Key preparation and planning steps:

- Assembled the appropriate project team
  - Identified subject matter experts key stakeholders
  - Defined roles and responsibilities
  - Ensured project resources would be able to commit the necessary time
  - Used experienced PeopleSoft and eBus implementation specialists

- Assigned a PM from Oracles Fusion HCM SaaS Center of Excellence (COE)
  - Provided SaaS-based implementation support
  - Assisted with managing high priority service requests
  - Organized upgrades, refreshes, patches, etc…with Oracle Cloud Support
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<th>Role</th>
<th>Major Responsibilities</th>
<th>Estimated FTE's</th>
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<tbody>
<tr>
<td>Executive Sponsor</td>
<td>• Executive Leadership</td>
<td>As Needed</td>
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<td></td>
<td>• Project Oversight</td>
<td></td>
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<tr>
<td>Engagement Manager</td>
<td>• Customer Satisfaction</td>
<td>As Needed</td>
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<tr>
<td></td>
<td>• Project Oversight</td>
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<td></td>
<td>• Issue &amp; Risk Mitigation</td>
<td></td>
</tr>
<tr>
<td>Project Manager / Senior Functional Consultant (HR/Performance/Goals)</td>
<td>• Project Management, coordinate work of DCFCU and eVerge resources</td>
<td>1 FTE</td>
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<tr>
<td></td>
<td>• Status Reporting, Issue and Risk Mitigation</td>
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<td></td>
<td>• Fusion HCM Implementation</td>
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<td></td>
<td>• Modules Lead</td>
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<td></td>
<td>• Knowledge Transfer</td>
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<tr>
<td>Senior Functional Consultant (Benefits)</td>
<td>• Fusion HCM Implementation - Modules Lead</td>
<td>1 FTE</td>
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<tr>
<td></td>
<td>• Knowledge Transfer</td>
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</tr>
<tr>
<td>Senior Functional Consultant (Payroll)</td>
<td>• Fusion HCM Implementation - Modules Lead</td>
<td>1.5 FTE</td>
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<tr>
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<td>• Knowledge Transfer</td>
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<td>Senior Functional Consultant (Compensation)</td>
<td>• Fusion HCM Implementation - Modules Lead</td>
<td>1 FTE</td>
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<td></td>
<td>• Knowledge Transfer</td>
<td></td>
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<td>Senior Technical Consultant</td>
<td>• Fusion Middleware Configuration</td>
<td>1 FTE</td>
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<td></td>
<td>• Integration Design and Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Conversion Processing</td>
<td></td>
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<tr>
<td></td>
<td>• Coordinate work of Technical resources</td>
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<td>Human Resources – Subject Matter Expert</td>
<td>• Fusion HCM Implementation, subject matter expert and decision maker</td>
<td>50-75%</td>
</tr>
<tr>
<td>Financials (Accounting) – Subject Matter Expert</td>
<td>• Fusion HCM Implementation, subject matter expert and decision maker</td>
<td>.25 %</td>
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Preparing for our Fusion Payroll Implementation

Key preparation and planning steps continued:

- **Training Development**
  - Attended Fusion Payroll Implementation Class
  - Acquired Fusion HCM Payroll Implementation Guides/Documentation
  - Utilized Online Fusion HCM applications help

- Acquired Rapid Start Content for Payroll from Oracle

- **Project Governance key points**
  - Developed a Detailed Project Plan
  - Created an Issue/Risk Management mitigation strategy

- Communicated the project objectives to employee population
Followed the Functional Setup Manager (FSM) payroll implementation plan to complete configuration tasks:

- Legal Entity, Legislative Data Group, Tax Reporting Unit, etc.
- Payroll Definitions
- US Taxation Rules
- Bank and Bank Branch routing details
- etc…

Element Configuration

- Earning Elements
  - Regular and Hourly Earnings (Time Cards/Element Entry)
  - Commissions/Bonuses
  - Imputed Earnings Setup
- Deduction Elements
  - Voluntary/Involuntary Deductions, Pretax/Post Tax

* Critical Decision Points with element creation (Classifications, Processing Options, etc…)*
Payroll Deployment Specifics

- System Integration touch points within Fusion HCM (HR, Benefits, Workforce Comp, etc…) to achieve maximum software potential:
  - System Tax Card Default
  - Work From Home (State Taxation defaults)
  - Benefit Element Entry creation through enrollment
  - Bonus Element Entry creation through Workforce Comp
  - etc…

- Created fast formulas to support specific eVerge business needs:
  - Age Up for Benefit Elections
  - 401K Catch Up
  - 401K Wait Period
Payroll Deployment Specifics

- Updated/Entered employee Tax Cards (W4) and Payment Methods (Direct Deposits)

- Verified Vertex updates were applied (taxation calculations and rates). Oracle maintains the Vertex updates for SaaS customers.

- Integrations/Interfaces
  - Periodic Tax Reporting & Payments
  - Direct Deposit (ACH) Extract
  - Third Party Benefit Providers (BenefiX)
Payroll Deployment Specifics

- Employee Self Service rollout to view Payslips
  - Employee Communications!
  - Navigation Issue accessing payslips (Open SR)

- Developed Strategy for Reconciliation and Parallel Processing
  - Obtained a specific parallel pod, P2P 😊
  - Paralleled 3 pay cycles
  - Developed a payroll calculations results detail report to validate against legacy payroll detail output for reconciliation
  - Identified configuration items to adjust, re-process
### Payroll Deployment Specifics

**Sample Fusion HCM Payslip:**

<table>
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<tr>
<th>Period Type</th>
<th>Period Start Date</th>
<th>Period End Date</th>
<th>Payment Date</th>
<th>Base Salary</th>
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#### Summary

**Description** | **Current** | **Year to Date** |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Gross Earnings</td>
<td>8,362.25</td>
<td>25,098.75</td>
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<td>Imputed Earnings</td>
<td>26.92</td>
<td>76.76</td>
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<td>Pretax Deductions</td>
<td>700.70</td>
<td>23,879.16</td>
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<td>Employee Tax Deductions</td>
<td>1,700.69</td>
<td>4,057.84</td>
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<td>Voluntary Deductions</td>
<td>9.11</td>
<td>24.32</td>
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#### Earnings

**Description** | **Current** | **Year to Date** |
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</thead>
<tbody>
<tr>
<td>GII Imputed Earnings</td>
<td>17.20</td>
<td>41.78</td>
</tr>
<tr>
<td>LTD Imputed</td>
<td>11.87</td>
<td>35.01</td>
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<tr>
<td>Regular Salary</td>
<td>8,333.33</td>
<td>24,999.59</td>
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#### Pretax Deductions

**Description** | **Current** | **Year to Date** |
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</thead>
<tbody>
<tr>
<td>Dental EE SDF</td>
<td>14.96</td>
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<td>FSA Health Care SDF</td>
<td>80.00</td>
<td>240.00</td>
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<td>Medical EE SDF</td>
<td>188.19</td>
<td>554.57</td>
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<td>PreTax 401(k) Catchup</td>
<td>407.70</td>
<td>5,060.15</td>
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<td>Pretax 401(k)</td>
<td>0.00</td>
<td>919.88</td>
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<td>Pretax 401(k) Tax</td>
<td>0.00</td>
<td>17,020.00</td>
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</table>

#### Tax Deductions

**Description** | **Current** | **Year to Date** |
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<tr>
<td>FIT Withheld</td>
<td>1,993.40</td>
<td>2,805.97</td>
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<td>Medicare Employee Withheld</td>
<td>117.50</td>
<td>351.60</td>
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<tr>
<td>Social Security Employee Withheld</td>
<td>808.29</td>
<td>1,500.87</td>
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#### Other Deductions

**Description** | **Current** | **Year to Date** |
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<tr>
<td>Federal EE Post Tax SDF</td>
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#### Net Pay Distribution

**Check/Deposit** | **Bank Name** | **Account Number** | **Currency** | **Payment Amount** |
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<td>1068</td>
<td>Bank of America</td>
<td>111000123</td>
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<td>1068</td>
<td>COMERICA</td>
<td>0126876454664134</td>
<td>USD</td>
<td>3,223.78</td>
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Payroll Deployment Specifics

- Developed Configuration Strategy for Costing to Post to G/L
  - Configuration for Chart of Accounts
    - Segments
    - Value Sets
    - Combo Codes
  - Linked costing to Legislative Data Group

- Defined and Refined a Payroll Flow specific to our needs:
  - Simplified a flow to include
    - Payroll Calculation
    - Pre Payments
    - Archives
    - ACH EFT Creation
    - Paycheck Creation
    - 3rd Party Tax File extract
    - Payslip Creation
## Illustration of the eVerge defined Payroll flow

<table>
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<tr>
<th>Task</th>
<th>Owner</th>
<th>Due Date</th>
<th>Status</th>
<th>Complete(%)</th>
<th>Last Updated By</th>
<th>Go to Task</th>
<th>Task Type</th>
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<td>Verify Payslips</td>
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General Lessons Learned

- Constantly engage with Oracle and your assigned Center of Excellence (COE) representative

- Training, training, and more training. Focus on these key Fusion training documents/material:
  - Implementation Guide
  - Rapid Start Guides
  - Training Class Manuals

- Test Planning – Ensure enough time exists in your plan for parallel testing. Have a workable plan for how you will parallel and reconcile your results (automated, manual, hybrid…)

- Salary updates to trigger element entry creation (payroll configuration was missing when salaries were initially converted).
General Lessons Learned

- Costing configurations must be completed as part of the payroll implementation (not after the fact as a separate initiative). Costing output is part of the Payroll Calculation.

- ELEMENT CREATION! Caused extra work when not setup correctly to support payroll processing.

- Date effectivity! Always be aware of how date tracking works when navigating through the Fusion User Interfaces.

- Vertex Updates and Documentation (Calculation Manual – Get it, Learn it & Use it!)

  ✓ Vertex Default Settings vs. Prior system settings
General Lessons Learned

- Sequencing of Payroll Process – Regular, Supplemental, Quick Pays, etc
  - Roll back of processes
- Synchronize Person Records process
- Future Dated Hires cause issues in Reporting and Processing
- Payment Methods – Need to create a distinct bank for EVERY distinct direct deposit bank/branch at the employee level
  - Payment Processing Order for Split Distributions and Run Types
Agenda

- Session Overview
- eVerge Group Implementation
- Fusion HCM Deployment
- Next Steps
  - Fusion Future State at eVerge Group
- Q&A
What’s next for Fusion at eVerge Group?

➤ Fusion Next Steps at eVerge Group:

➤ Payroll:
  ✓ Quarterly Tax Interface to ADP
  ✓ Year end processing
  ✓ Open up Payment Methods (Direct Deposit Distribution) maintenance to user community
  ✓ Open up Tax Cards (W4) maintenance to user community
  ✓ Payroll Process Improvements (Void reissue, Hires, Term processing)

➤ Suite:
  ✓ Finalizing Spring benefits Open Enrollment period March/April 2013
  ✓ Total Compensation Statements
  ✓ Upgrade to Release 5 in April 2013
  ✓ Workforce Lifecycle Manager 2013
  ✓ Workforce Predictions/Talent Review 2013
  ✓ Fusion TAP 2013
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eVerge Group  
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For More information about our Fusion HCM implementation efforts check out our blog at: [http://blog.evergegroup.com/](http://blog.evergegroup.com/)

Oracle has created a Fusion Payroll Forum for follow-on questions & discussions that eVerge and others can respond to!

Please log on, ask questions and follow along! The forum requires an oracle.com account and is available at [http://forums.oracle.com](http://forums.oracle.com)

Navigate to:  Fusion Applications ➔ HCM Functional Discussions ➔ Payroll