

## Sinclair Knight Merz adopts FPS **'flexible'** payroll solution

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**Sheila Collins**, Financial Accountant,  
Sinclair Knight Merz.

### Summary:

Sinclair Knight Merz (SKM) is a global engineering, sciences and project delivery firm. SKM’s European operation has experienced strong growth and further expansion is planned. As a result, SKM has adopted a flexible approach to its payroll function, outsourcing final processing to Frontier Payroll Services (FPS) and benefiting from in-house administration and advanced reporting capabilities delivered via Frontier Software’s chris<sup>21</sup> user interface.

### Challenges:

- Legacy outsourced payroll solution unable to scale in-line with company growth
- Enable in-house administration and data management with outsourced processing of payroll
- Ensure flexibility to adapt to fluid organisational structure and business processes

### The solution:

FPS’ part-managed payroll bureau service delivered via chris<sup>21</sup> (Complete Human Resource and Payroll Information System for the 21<sup>st</sup> Century) interface / core module: Payroll Management.

### Top benefits:

- Flexible and scalable approach to payroll processing
- Advanced reporting functionality – including deep analysis of internal business processes and capability to track and store information for classification
- Ability to demonstrate depth of expertise to clients via reporting outputs, and meet statutory requirements



SKM is a global engineering, sciences and project delivery firm with 47 offices worldwide. SKM has grown steadily and now comprises more than 6,500 skilled professionals worldwide.

Due to the European operation’s growth, the previous payroll system wasn’t able to meet its increasingly complex reporting requirements. “Although it was a cost-efficient option, we didn’t feel this company could cope with the growth that we planned,” states Sheila Collins, Financial Accountant at Sinclair Knight Merz. “Our staffing has increased by around 60% over the last five years, but with a lot of changes going on internally at the moment, growth is being stepped up.”

SKM required a flexible payroll management solution that would enable the majority of its payroll function to be handled in-house with processing being conducted externally. “We needed to maintain control over the inputting of payroll data, so that we were not restricted to a specific time period and did not have to keep sending data through to the service provider. In addition, our internal systems operate differently to most in that many of our policies and procedures are derived from our Australia operation and then adapted according to local statutes,” Collins explains. “For example, we operate a four-weekly payroll in line with our accounting period, but needed the flexibility to run a number of payrolls at once. This requirement will be invaluable for future mergers where we may take on staff that are initially on different payroll periods.”

## Building on a global presence

SKM commenced a thorough selection process, evaluating payroll solutions from a number of vendors. Although, initially, the project was for a stand-alone implementation for its European operation, SKM needed a provider that could support a wider international rollout should the need arise. With offices worldwide, HR and payroll specialist Frontier Software met these criteria. Its chris<sup>21</sup> (Complete Human Resource and Payroll Information System) platform is offered as a managed solution by Frontier Payroll Services (FPS), with options ranging from a bureau service, to a fully-managed operation, allowing SKM to adopt a tailored approach.

"We felt that chris<sup>21</sup> was capable of handling all of our requirements," says Collins. "Unlike many of the other companies we considered, Frontier Software was able to offer a 'pick and mix' approach to payroll outsourcing, providing us with a bureau service whereby they handle the final processing but we keep control of the data."

Under FPS' 'Silver' designation – a part-managed outsourcing agreement – SKM enters payroll data (aside from tax code changes and student loans information) for its 302 UK-based employees. FPS then conducts final processing – including the first pay-run (CAL etc), final pay-run (sending BACS and producing payslips), and updating of the payroll (e.g. P45s and generation of P32 figures). Payslips are then delivered via special delivery to SKM's European Head Office in Manchester. FPS also handles end-of-year processing for SKM, which entails generating P14s/P60s/P35s, submitting this data to HMRC in XML format, and clearing down the year-to-date figures in preparation for the new tax year.



## Reporting capabilities support business growth

chris<sup>21</sup> employs a client/server architecture, with the application residing on SKM' workstations to provide a front-end interface with the chris<sup>21</sup> database hosted at FPS' facilities. Both the finance and payroll departments have direct, online access to the database, to view/amend information, allocate costs, track leave and conduct general reporting. Security is ensured via hierarchical access. "chris<sup>21</sup> gives us the flexibility to fit within our time restraints. We don't always get approvals in time and things might have to be done at the last minute, but we can now administer payroll as and when required," Collins continues.

For SKM, the greatest benefits of the FPS service have been realised in the area of reporting, with chris<sup>21</sup> providing the tools to perform deep analysis of internal business processes, plus the capability to track and store information for classification. The company has a large number of statutory returns to prepare, as well as meeting requirements for national statistics reporting. In addition, many clients ask SKM to provide staffing details in tenders – such as the number of graduates, qualified staff and engineers working within the company – all of which is stored in the chris<sup>21</sup> database. As well as being able to demonstrate its expertise to clients, the availability of such information has made it easier for the organisation to report on employee benefits and access information for insurance purposes.

"Due to the growth of the company we have increasing volumes of information for analysis, which makes it difficult to say that we have saved 'x' amount of time using chris<sup>21</sup>, but we are now able to provide much deeper analysis than before," adds Collins. "It all comes back to reporting – the ability to track and store various pieces of data for classification purposes which, previously, would have had to be done manually. Now all information is available in the system and I can't stress enough how important this is."

SKM has also purchased Frontier Software's HR21 self-service module, a browser-based interface providing both employees and managers with secure, online access to the chris<sup>21</sup> database. The company plans to deploy HR21 within the next year, so that users can obtain information, conduct database changes (transactions) and minimise otherwise lengthy administrative processes.