

MORGAN AND BANKS

If ever there was an Australian business success story it has to be Morgan and Banks, the leading Recruitment Agency in Australia. Founded in 1985 by Andrew Banks and Geoff Morgan it had grown to an organisation of 1600 direct employees to be the leader in its field prior to its acquisition by TMP Worldwide in 1999.

Over the years Australians have come to accept, indeed look, for the full page of Morgan and Banks Senior Appointments taking prime position in Metropolitan mainstream press in capital cities of Australia. In addition to the conventional HR business of permanent recruitment, however, Morgan and Banks has grown to become the pre-eminent provider of contracting and temporary staff in Australia, culminating in the engagement of some 20,000 temporary staff today.

The growth of the business in the mid 90's, particularly in the contracting area was such that information systems operating within the Finance Department were struggling to cope. This caused a complete rethink of the nature of the information technology required to manage the business. In fact, management concluded that the existing systems were restricting the future growth of the business.

Such was the complexity of the project to re-engineer the information flow that three new software systems were implemented simultaneously. Firstly, a payroll software package in CHRIS (Complete Human Resource Information System) from Frontier Software Pty Ltd was introduced to manage the payroll function for both the Contracting Divisions and for permanent personnel.

Secondly, a General Ledger Accounting package from Sun was implemented and a thirdly a Billing System from Professional Advantage was introduced. The overall investment by the Company amounted to some two million dollars.

As an indication of the complexity of the task, consider this: Within the Contracting Division alone, there were three subsidiary companies (there are now six) operating fourteen separate payrolls (there are now twenty) all with different pay ending dates. To add to the complication of the exercise Morgan and Banks operates from eight offices situated in all mainland capitals with three offices in each of the major centres of Melbourne and Sydney.

Prior to the introduction of CHRIS each of the subsidiary companies and each branch was maintained as a separate database centrally located within the payroll division. Imagine if you will, the task of a national consultant seeking to determine the charges to be levied to a client engaging temporary staff on different sites throughout Australia. This was the dilemma facing senior management.

In seeking to select a payroll package to suit their needs, the management of Morgan and Banks recognised the unique nature of their business demanded that the chosen system would need to be capable of being heavily customised without risking the integrity of the original product. On this count alone, most of the potential providers were eliminated including major international suppliers.

The initial need was for CHRIS to be able to provide an interface to the General Ledger. Having achieved this, the major requirement of providing an interface to the Billing System was undertaken. This was a complex task which required extensive customisation of CHRIS. But as CHRIS was able to operate over all subsidiaries and branches, the interface offered a giant leap forward in manipulating information from one source into another. The final upshot of this was that clients could be automatically billed directly from the keying of time sheets

Finally, Morgan and Banks developed a data warehouse which allowed them to drill down into CHRIS. So now a national consultant can enquire on-line to determine at any one time the identity of all temporary staff engaged by his client, their workplace, hours of work and charges against the client.

This of itself opened new business opportunities through being able to offer clients a simple yet detailed report on staff engaged throughout the Morgan and Banks operating divisions.

Whilst the initial set up costs of the exercise were significant what have been the results? For a start, the average number of invoices issued per week has grown from 1600 to 4500, an increase of 280 %. Since going live with CHRIS in October 1997, Morgan and Banks have employed 65000 temporary staff and processed one and a half million timecards. **In 1999 alone they issued 17600 group certificates.**

The benefits derived from the introduction of CHRIS reveal themselves in many ways. Time sheets, previously faxed to Head office for entering, are now keyed directly into CHRIS at branch level. Clearly, this is a more efficient way of handling the process but more importantly branch accountability and control is enhanced.

Previously, the ratio of payroll staff per employee was 1: 475. After the implementation of CHRIS, each payroll staff member now manages the pays for 1350 people. This major increase in business has been managed with no increase in staffing levels.

The payback period on the initial investment was less than 2 years.

David Miller, Manager Business Development and Billings Manager says, “there are also real benefits derived from business process improvements. Under our previous system, each payroll took three **days** to process. Now despite the significant increase in the size of the Payroll, it takes only one **day**.

Another example is a report we run to make a blanket change such as an increase in charge out rates. Previously, this took six people 2 1/2 **days**. The report now involves one person for a total period including processing of 4 1/2 **hours**.”

David summarises the project thus, “We have moved from a position of trying to manage a business that was growing faster than our systems could handle, to a system, that can not only handle the growth, but allows for flexibility in dealing with changing regulation/requirements.

CHRIS has allowed us to decentralise the basic contractor and temporary employee maintenance areas which allows the payroll division to concentrate on what it does best - paying our people.