



A DAY & ZIMMERMANN COMPANY

## DEGREE OF DIFFICULTY

- Tight turn-around
- 1,000+ contingent works
- \$30B parent company

9/10



## SAVINGS THROUGH STRUCTURE: STEPPING UP WHILE SPINNING OFF

### THE DILEMMA

One of the nation's largest publishers needed a way to transition its payroll system and decrease contingent labor spend prior to its divestiture from a parent company and subsequent IPO.

### THE STRATEGY

On a strict and tight timeline, Yoh installed a national managed service provider (MSP) and vendor management system (VMS) for client's payroll department and streamlined contingent labor spending three months prior to client's IPO.

### THE IMPACT

The MSP program reduced time to onboard new employees while increasing the percentage of employees who were first-day ready, and the percentage of first check accuracy. Through the MSP program, the department was able to produce gigabytes of data, which helped the company make more strategic staffing decisions as its own company, and continues to help the client understand how its force of contingent workers enable the company to produce at the quality and pace it does today.

## ROI BY THE NUMBERS

### COST SAVINGS

By outsourcing payroll management and implementing an MSP solution, client was able to reduce department headcount and deliver significant cost savings during its divestiture from its parent company. Yoh is now part of a Cost Savings Task Force designed to identify and implement strategic workforce solution initiatives.

16 WEEK

implementation project timeline to redesign business process and configure a VMS to support the new business requirements.

1200+

CONTINGENT EMPLOYEES organized and managed through new MSP.



## WHAT YOH BROUGHT TO THE TABLE

- MANAGED SERVICE PROVIDER
- VENDOR MANAGEMENT SYSTEM

## PUBLISHING INDUSTRY FAST FACTS

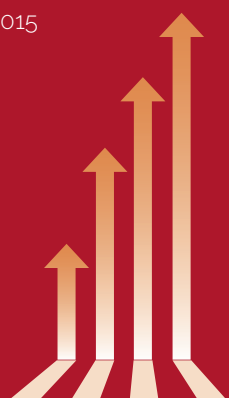
563,000 industry employees as of January 2015

\$38.98 average hourly earnings

\$97 billion industry

17,304 total businesses

DOUBLE-DIGIT decline in magazine sales in 2014 (12%), increasing the need for more efficient business strategy



## FUELING A SUCCESSFUL SPINOFF

With its industry changing rapidly as the global landscape of digital media evolved at an almost daily pace, it was decided that Yoh's client, one of the largest publishers in the U.S. and a division of one of the largest media conglomerates in the world, would serve itself better as a standalone entity. In just over a year from the announcement, the company would be divested from its parent and an IPO would be underwritten shortly thereafter.

When the parent company announced this move, it sparked a period of rapid transformation as the publishing division prepared itself financially, logistically and culturally for its transition into a standalone company. That would require taking a hard look at various internal processes in the lead up to its highly anticipated IPO, and one critical target that rose to the top: controlling its contingent labor spend.

## UNDERSTANDING THE CONTINGENT LABOR CHALLENGE

At the time, the division employed more than 1,000 contingent, hourly workers. But in preparation of the spinoff from its parent company, it needed greater insight into those jobs, including a better understanding of who they were, what they were working on, how many hours they were working, and how much they were making.

While auditing its contingent labor, the division found that some employees did repetitive jobs at different pay rates without alignment or oversight, and it needed controls in place to better manage these employees scattered throughout the country.

The payroll department would need to be more organized, productive, and scalable as it entered into this new phase of operations. With strategic refinement provided by Yoh, the division's previous \$30 million spend could be used more efficiently and effectively to help meet the organization's broader needs after the IPO.

## A NEW (AND QUICK) DIRECTION FOR PAYROLL

When Yoh contacted the publishing division about its IT staffing needs, the company saw an additional and much greater opportunity to partner with Yoh to overcome one of its largest internal challenges – payroll support.

To accomplish this, Yoh was tasked with creating a more structured department that had greater visibility into the contingent workforce and how that budget was spent. In addition, Yoh would also install a national managed service provider (MSP) and vendor management system (VMS) for what would be the new company's payroll department.

However, with an impending IPO months away and the requirement that this MSP program and VMS solution be installed in time for the public offering, this process would need to be expedited much faster than is typical for such an undertaking.

Generally, installing an MSP program is a process that requires approvals up and down the company hierarchy. To educate the appropriate decision-makers and get internal systems in place, this process can often take as long as a year. But for a company with an impending IPO, that put significant constraints on that timeline.

But by partnering closely with Yoh, which took on an advisory role in helping lead those conversations and approvals, the division was able to onboard an MSP and VMS solution quickly, allowing it to straighten out the issues that began in the payroll department within its hastened timeline.

## HOW MSP AND VMS PREPPED THE COMPANY FOR THE SPINOFF

The division's MSP solution went online in March of 2014. At this junction, the payroll department was producing savings through structure and strategic planning, and with clear oversight and order every step of the way. The MSP program reduced time to onboard new employees while increasing the percentage of employees who were first-day ready, and the percentage of first check accuracy.

Three months later, on June 9, 2014, the now-new company was spun off from its parent into its own independent, public company.

And not long after the new company organized its payroll department with the MSP program designed by Yoh, the department was producing gigabytes of data, which has helped the company make more strategic staffing decisions as its own company, and continues to help them understand how its contingent workforce spending enables the company to produce the quality and pace of product that it does today.

Together, Yoh and its client identified the company's greatest workforce need – more visibility into its contingent labor payroll – which executives knew they had to address pre-IPO in order to increase attractiveness for early investors. By bringing in Yoh and its MSP solution, the company gained greater visibility into this spend, and soon realized savings through new structure and proper controls, helping it safeguard its reputation as one of the nation's leading publishers. Today, the company is better positioned for change and continued leadership in the fast-paced media landscape. And with these initial workforce challenges a thing of the past, Yoh and its client work as close partners, collaborating on oversight programs to maximize the company's various spends.