



Case Study: Oil and Gas Services Company Drills Down to Find a More Efficient Payroll Process

Client: PPS Operators, LLC, Houston and Bakersfield, Calif.



EXECUTIVE SUMMARY

In March of 2017, eight investors bought the 34-year-old Houston-based oil and gas services company **PPS Operators LLC**. The company, with offices in Bakersfield, Calif, north Texas and Pennsylvania in addition to its Houston headquarters, provides oil well testing to the petroleum industry across the world. Although business had contracted during an industry downturn in 2014, the company still had 80-95 employees in 2017, mostly field technicians working across the country testing what came out of the ground when an oil company drilled a well.

The new owners began by drilling down into their own processes, looking for ways to improve the business. A revamped system for processing payroll was high on the list. Doing payroll in-house was painstaking, inefficient, and required staying on top of a web of laws and regulations in every state where the company does business. It made more sense, they concluded, to delegate payroll to payroll professionals. The controller began researching options. Four companies were considered, including SBS Payroll, which got the job.

THE CHALLENGES

Terry Alberts is the company's administrative manager, whose job includes ... well, a little bit of everything. He describes it as "making sure everything is running smoothly" but in early 2017 he was overseeing payroll in addition to handling IT issues, dealing with contractors and customers and serving as a liaison to the executive committee. The biweekly payroll was an enormous hurdle. The company was using a system called "Clarity" but managing the tangle of state laws governing payroll taxes was anything but.

THE CHALLENGES *...continued*

It was a tedious, stressful and time-consuming process:

In Pennsylvania, a tri-state operating area meant the company had workers who lived in Ohio, West Virginia and New York, as well as Pennsylvania – and worked wherever clients needed them to be. “We had to try to become experts in every state’s laws,” Alberts says. “It seemed like every year we had to retrain ourselves.”

Every time a new employee was hired from a different state, additional licenses had to be applied for.

Including Alberts, it required four full-time employees devoting two to three days a week to get the payroll done. Off weeks were spent making corrections.

Keeping up with payroll tax and labor law regulations in multiple states required spending “countless hours reaching out to labor law attorneys.”

The Numbers:

85-90: full-time employees company-wide

4: Number of full-time employees who spent at least 40% of their time devoted to payroll tasks prior to the hiring of SBS Payroll

5: Number of employees who now devote time to payroll processes

\$225,000: Estimated cost savings that resulted when employees were repurposed from payroll duties

20%: Increase in company revenues in 2018 through Q3

75%: Share of 2018 revenue growth attributable to employee shift from payroll tasks to sales

THE SOLUTION: A Payroll Company “Small Enough to Care ... Large Enough to Take Care of Everything”

Here are just a few of the solutions that SBS Payroll was able to achieve for PPS Operators – a company that didn't want to be in the payroll business. They're in the oil business, and thanks to a successful transition to reliable, experienced and cost-effective payroll services, they're back to doing what they do best.



THE SOLUTION *...continued*



A turnkey operation: PPS wanted a company they could turn their payroll operations over to completely. But they didn't like the impersonal feel and "red tape" complications involved in signing up with one of the giant national providers. "We would just be numbers to them," Alberts says. What they wanted, he says, was "small enough to care ... but large enough to take care of everything." In March 2017, they realized that company was SBS Payroll.



Easy onboarding: "They sent over a simple template in Excel we just had to upload (to). They took care of everything else," Alberts says.



Payroll Tax Management: SBS Payroll's sister company, Payroll Tax Management, provides integrated payroll tax services from the same platform, with state-of-the-art software for automated processes, backed by decades of expertise in multistate payroll tax processing. Now, multistate payroll tax processing and compliance is worry-free.



Above and Beyond Customer Service: SBS even handled a retroactive payroll for PPS, helping with the creation of old-fashioned signed, paper paychecks to cover the pay period that fell before the new system was up and running.



Training: SBS provided plenty of hand-holding throughout the first pay period and remained available for any issues that arose thereafter, Alberts says. Within a month, SBS was taking care of everything, including offering additional training for new employees.



RETURN ON INVESTMENT

Remember those four employees struggling to get the payroll out every other week? One of them was Alberts, who can now focus on more strategic aspects of his job. Another now handles accounts payable. A third is able to focus full time on inside sales – an effort that quickly paid off in new sales. A fourth left the company.

Happiness ROI: Employees have instant access to their electronic pay records. Even former employees can easily access things like a W2. “I just can’t stress enough how easy it is,” Alberts says. “It used to take forever.”

Streamlined Auditing: This year’s workers’ comp audit was as easy as logging into a secure site and downloading the documents, a process that was complete in a couple of hours. “Previously, I would spend a whole week,” Alberts says.

CONCLUSION: From Stone Age to Streamlined in Under a Month

“We probably saved at least \$225,000 a year,” Alberts says. “It freed up a lot of time for me. I’m more available to see customers. It’s a lot less stressful. In 2016, if we had an error, we had to spend half a day trying to fix it,” he says. “We were a little Stone Age.”

About SBS Payroll: At SBS Payroll, we are committed to solving the payroll problems of businesses like PPS Operators so they can get back to growing their business.

Based in Orange County, Calif., SBS Payroll is a leading provider of payroll and Human Capital Management (HCM) software and expertise for companies nationwide, particularly those managing a multistate workforce.

We help workforce managers transform their payroll and HCM processes with reliable, efficient and secure services and expertise that provide businesses with the support they need to keep their focus on the core business.

Our clients have access to the most responsive customer support available in the industry, along with easy-to-implement software solutions and an array of additional expertise available through our sister companies, [Payroll Tax Management](#), [Time Rack](#) and [Cachet Financial Services](#).

If you sometimes feel like your payroll processes are stuck in the Stone Age, let us help you move into the digital age. Give us a call or visit our website at <https://www.sbspayroll.com>.

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