ADP's HR BUSINESS PROCESS OUTSOURCING CLIENTS CAN REALIZE COST SAVINGS OF UP TO 40 PERCENT

Study: Outsourcing to ADP in a BPO Model Lowers Costs for Payroll and other HR Processes

ROSELAND, N.J. – March 28, 2012 - ADP®, a leading provider of business process outsourcing, payroll services, benefits administration and integrated computing solutions for vehicle dealers, today announced the findings of a study conducted by Sourcing Analytics, Inc., titled: *The Hidden Benefits of Human Resource Business Process Outsourcing*. According to the study, outsourcing to ADP in a Business Process Outsourcing (BPO) model not only lowers a client's cost of payroll administration, but by driving change throughout the organization, also reduces the overall costs of Human Resource (HR) transactional processing, management and time and attendance reporting by as much as 40 percent.

Sourcing Analytics, Inc. surveyed ADP's largest US-based HR BPO clients (each respondent with over 1000 employees) on their experiences in outsourcing business processes including payroll, time and attendance, workforce administration, and health and welfare benefits administration to ADP. Among the key findings:

- ADP clients that utilize services beyond payroll in an HR BPO model (such as managed time and attendance, hosted Human Resources Information System and health and welfare benefits administration) can experience Total Cost of Ownership (TCO) savings of up to 40 percent versus in-house administration.
- Outsourcing payroll to ADP in the HR BPO model provides a lower average TCO of payroll than in-house processing.
- ADP's BPO model of payroll outsourcing provides the hidden benefit of reducing costs in the related areas of time and attendance and workforce administration.
- The longer a client has utilized ADP services, the lower the average TCO.
- ADP clients that have made internal changes to optimize the opportunities provided by outsourcing also experience the lowest average costs.

The study concluded that organizations using in-house, premise-based or hosted software solutions spend an average of 51 percent more on administering payroll, workforce administration, time and attendance, and health and welfare benefits than organizations that outsource those services to ADP.

"What this study shows is that in addition to the significant benefits of outsourcing payroll, outsourcing broader HR functions enables large organizations to achieve additional hidden benefits as change is driven throughout the organization," said Donald Glade, President, Sourcing Analytics, Inc. "Costs of key processes, such as workforce administration, time and attendance, and health and welfare administration can be driven down as a result of the HR BPO model. Companies evaluating BPO for payroll must consider that many benefits are experienced beyond the confines of the payroll department, with cost savings and benefits of potentially enormous magnitude."

"HR BPO buyers need help managing the changes associated with implementing a new outsourcing solution, because it is critical to long term success," adds Jack Cassetori, Senior Vice President and General Manager, ADP Comprehensive Outsourcing Services. "ADP provides change management services for its HR BPO clients throughout the solution implementation, and uses quantifiable tools to

measure quality and effectiveness. Likewise, our Continuous Improvement program enables buyers to continually evaluate their people, processes, and technologies to help ensure HR BPO optimization and identify future opportunities for efficiencies."

Study Methodology
The Hidden Benefits of Human Resource Business Process Outsourcing is a primary research study sponsored by ADP, but conducted and prepared by Sourcing Analytics, Inc. The study is based on data collected from large organizations (each respondent having 1,000 or more employees) utilizing ADP's HR BPO services. Of the ADP clients that participated:

- 29% were "all-service" ADP clients, meaning they outsourced payroll, time and attendance, workforce administration, and health and welfare benefits administration to ADP;
- 67% utilized ADP time and attendance services;
- 42% used an ADP-hosted system as their HR system of record; and
- 38% outsourced their benefits administration to ADP.

The size of the ADP client companies that participated in the study are as follows:
- 10,000+ employees (25%)
- 5,000 to 9,999 employees (37%)
- 2,500 to 4,999 employees (17%)
- 1,000 to 2,499 employees (21%).

To download a complimentary copy of *The Hidden Benefits of Human Resource Business Process Outsourcing* study, please visit: http://www.sourcinganalytics.com/resources_hiddenbenefit.php

For more information about Human Resources BPO Services from ADP, please visit: http://www.adp.com/hr-bpo.

About ADP
Automatic Data Processing, Inc. (NASDAQ: ADP), with about $10 billion in revenues and approximately 570,000 clients, is one of the world's largest providers of business outsourcing solutions. Leveraging over 60 years of experience, ADP offers a wide range of human resource, payroll, tax and benefits administration solutions from a single source. ADP's easy-to-use solutions for employers provide superior value to companies of all types and sizes. ADP is also a leading provider of integrated computing solutions to auto, truck, motorcycle, marine, recreational vehicle, and heavy equipment dealers throughout the world.   For more information about ADP or to contact a local ADP sales office, reach us at 1.800.225.5237 or visit the company's Web site at http://www.adp./com.

# # #

For more information, contact:
Jim Larkin
ADP
(973) 407-9714
Jim_Larkin@adp.com