

Case Study

Rachael Merrett, Financial Controller, Yankee Candle



- Company: Yankee Candle
- Founded: 1969
- Who we are: An American candle and home fragrance scents manufacture and retailer
- Number of employees: 343 in Europe

"If we ever went back to our previous system we would not be able to cope."

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Can you describe how the business has expanded in recent years?

"Currently we're growing at 30% per year. We have 343 staff in Europe, spread across five countries; in the UK we have 263, in Germany 74, and in France, Italy and Ireland we have two people each."

What have been the main operational HR challenges related to that expansion?

"It's literally been the number of new people we're bringing in. We moved to a new building two years ago but have already outgrown this, and we're now thinking of moving again in the next year or so. Linked to this, international expansion has meant we need to outsource a lot of our HR processes. But we also need in-country expertise because tax rules in France are different to those in Italy for example."

Have you moved to a more standardised approach to HR and integrated international payroll process, and has that improved organisational effectiveness?

"We have a centralised approach, in that every time we recruit somebody it has to be approved by the US. But because most growth is in the UK, it's here where we've decided to outsource payroll. Before that, there was a very poor HR system. The payroll system didn't give us any of the management information we needed – even things like holiday records, which were all kept manually. Nothing was linked up."

What has that meant in terms of cost control and cost predictability?

"Before outsourcing we just didn't know the information we needed about our people. This was not acceptable for the size of our business. Our US office" was asking us for more and more information about headcount and what type of people they were (salaried or hourly paid, male or female, or average salaries). There was no control. Now, I can run ad-hoc reports, I can write reports, and I can interrogate the data all of the time. From a cost control point of view, staff don't need paper pay slips anymore. They get online pay slips and online P11Ds. People have control over when to book their holidays, while some employees even use an app to view their pay."

Does standardisation and integrated payroll allow you to stay flexible and responsive?

Definitely. We actually worked closely with our partner during our implementation period to make sure that any extracted reports we did would talk to our finance system. This has paid dividends because now we can easily put wage data into our ERP system. Before that, it would take at least half a day just to come up with the **journal**.

What happens if you were to further extend your geographical coverage: how does your current system allow for that?

Currently, we're just looking at it for the UK but we could link it to other areas in HR – such as time and attendance. We have a separate clocking-in system to monitor flexi-time. Our partner has a system that I would like to look into as I do spend an awful lot of my time trying to manage manual flexi-time systems."

How do you ensure your key performance indicators (KPIs) remain the same across the international organisation?

"International payroll is outsourced, but because in-country partners know much more about local regulations than we do, they simply tell us when we need to look at things. Our German payroll partners have regular contact with our in-country manager because the majority of staff on that payroll are hourly paid so they have to submit timesheets to the payroll office on a regular

basis. I don't need to micro-manage them. It's worth remembering that payroll is incredibly time consuming. Our KPIs are now much better. When payroll was manual, we used to have to collect data, put it into an Excel spreadsheet, send the spreadsheet to an outsource provider, get a spreadsheet back, and analyse it. If we ever went back to our previous system we would not be able to cope. We no longer have the resources for it and it would be dangerous to go backwards with the technology we have implemented."

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