

FirstPerson

Steve Penrose

Senior Vice President

Automatic Data Processing (ADP)

What criteria did ADP use in selecting El Paso for its new Solutions Center?

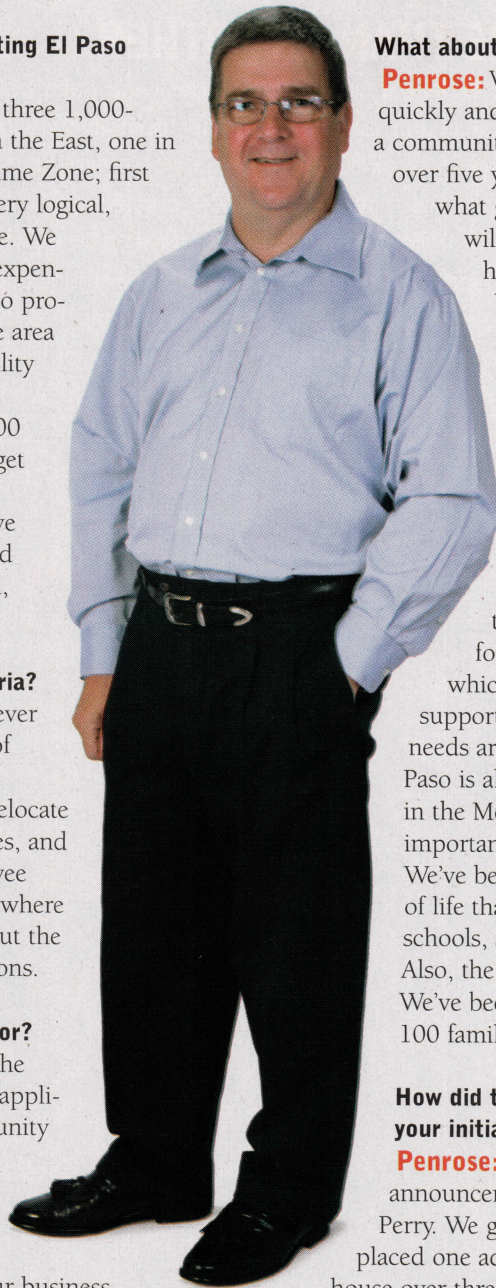
Penrose: Our vision was to create three 1,000-employee facilities. We want one in the East, one in the West, and one in the Central Time Zone; first priority was the West. We have a very logical, structured set of criteria that we use. We want to be somewhere with a less expensive cost of living and still be able to provide service to our U.S. clients. The area also has to have a very low probability of natural disaster or significant weather problems. If we locate 1,000 people to a place where they can't get to work, that has a material impact on our service levels. Once you have a thousand people in place, you had better be sure that they can, indeed, make it to the office.

What were some of the other criteria?

Penrose: We make sure that whatever city we choose has a good quality of life, and we make sure it is a place where people will stay or want to relocate to. We look at schools, houses, taxes, and cost of living — all from an employee perspective. There are other places where we might operate at a lower cost, but the areas don't satisfy the other conditions.

How important is the supply of labor?

Penrose: The market has to have the potential for giving us an excellent applicant pool, and we want the opportunity to be the local employer of choice. So we look at the kinds of companies that are in a particular market, and we look at the potential for low attrition. In our business, we find that the longer people stay with us, the better trained they become, and the better job they do in customer service.



What about accessibility to infrastructure?

Penrose: We need somewhere we can start quickly and flexibly. We can say comfortably to a community that we can get to 1,000 people over five years, but what's harder to say is what group will come or how quickly they will come. So it's important that we have a flexible facility arrangement. We don't want to sign up for a building with a thousand people on day one. We need the ability to start small and grow smoothly and flexibly over time.

Why did El Paso, Texas, fit all these requirements?

Penrose: We found the community — right from the beginning — to be incredibly supportive. We found a highly bilingual population, which was terrific, as we thought about supporting our client base, whose bilingual needs are increasingly important to us. El Paso is also essentially the only city in Texas in the Mountain Time Zone, which was important to us in servicing the West Coast. We've been thrilled with the general quality of life that we've seen. El Paso has good schools, and Texas has no state income tax. Also, the cost of housing is relatively low. We've been able to relocate approximately 100 families to El Paso.

How did the media coverage help you with your initial hiring process?

Penrose: Once we decided on El Paso, an announcement was made by Governor Rick Perry. We got tremendous media coverage. We placed one ad on Tuesday, announcing an open house over three days. The media stayed with us, encouraging people to apply, and interviewing people who were very enthusiastic. That kept the applicant pool moving. We had 1,400 applicants in the first three days,

theProject

Steve Penrose joined Automatic Data Processing 33 years ago and is senior vice president responsible for global facilities. Headquartered in New Jersey, ADP is one of the world's largest providers of business outsourcing solutions, with nearly \$9 billion in revenues and more than 585,000 clients. Last year, the company built a new, \$30 million, 160,000-square-foot Solutions Center in El Paso, Texas. ADP plans to grow its presence in El Paso in the coming years. Recently, *Area Development* spoke with Penrose about this dynamic site selection project.

and we've seen really good quality people come through. Our original plan was to hire 1,000 people over five years. We've hired 1,000 people in 18 months, so we've grown very rapidly.

What about support from the local government?

Penrose: Working with the city has been a partnership, and we've had no problems whatsoever. They understood our timescale and our requirements and found ways to streamline the process, enabling us to have this rapid growth. We've also been working with the Regional Economic Development Corporation. (REDCo). They were the people that drove the courtship. REDCo stayed with us through the courtship, through the ramp up, and, indeed, are still with us today. We are the first company

that they'd ever attracted to the market that has joined their board. We are keen to help El Paso attract other companies to town, which will drive further investment and help them with their urban redevelopment. We want to help give back to the community so we continue to work with REDCo.


Tell us about the new facility.

Penrose: We built the building to be highly efficient, with "tilt-up" construction. We have been able to achieve less than 150 square feet per person, and that includes all the common space. We focused on putting in a significant amount of amenities and break areas. It has enormous skylights, so natural light floods into the building. There are windows all around the building, with office space predominately

breaking up the large expansive areas. We have a full-service cafeteria, 10 training rooms, a medical suite, a gymnasium, and a credit union. We've got parking around the building, so that no one has a long walk to his or her car.

What kind of services will the new Solutions Center provide?

Penrose: Most call centers tend to be transactional. Our solution center is far more relational. Our calls are to ultimately help ensure that our clients get their payroll, benefits, or other transactions processed. These are business-to-business relationship calls, and we call it a Solutions Center because people will be calling for solutions to their problems. We want to make sure that at the end of each call, we've satisfied our clients' needs. **AD**



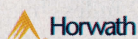
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