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CASE STUDY: MELCO CROWN ENTERTAINMENT
PAYROLL SOFTWARE THAT SUPPORTS GLOBAL GROWTH

Melco Crown Entertainment
新濠博亞娛樂

Customer: Melco Crown Entertainment

Website: http://www.melco-crown.com/eng/main.php

Customer size: 16,000 employees

Industry: Casino Gaming & Entertainment

Country or region: China & the Philippines

Partner: LOKI Systems

Software and Services: Advanced Payroll AX for Microsoft Dynamics AX

Melco Crown Entertainment was relying on multiple software solutions to manage their workforce of several thousand employees. This required huge numbers of manual entries and many hours spent double checking. When the company's workforce tripled, their existing process became unsustainable. They needed an ERP with robust HR-Payroll capabilities, flexible enough to manage a range of different employment rules across a large workforce. Chosen over SAP and Oracle, the Microsoft Dynamics AX ERP with Advanced Payroll AX from LOKI Systems helped Melco integrate systems across the enterprise and gave them a solution that can scale with future expansions of their business.

Business

Melco Crown Entertainment (MCE) is the owner and developer of casino gaming and entertainment resort facilities in Asia. Headquartered in Hong Kong, MCE is known for their luxurious resort facilities in Macau, China, one of the world's largest gaming hubs. MCE operates City of Dreams and Altira Macau, two major luxury casino resorts in Macau. The company is also in the midst of expansion into the Philippines with their new integrated resort, City of Dreams Manila. Melco Crown Entertainment is committed to shaping the future of the gaming and entertainment industry in Asia. Their guiding principles are founded on their values of innovation, harmony, integrity, and relevance. MCE seeks to uphold these values by providing their customers with exquisitely unique experiences and the utmost quality in services.

Situation

In 2009, MCE expanded and more than tripled their workforce from 4,000 to 15,000 employees. With such high growth in a short period of time, their existing processes were no longer sufficient to effectively manage records or support day-to-day operations. MCE was relying on a combination of human resource management and accounting software systems from various vendors, customized with internally developed programs. Each casino resort was a distinct legal entity operating with its own software, procedures and policies. Maintaining these separate systems had quickly become error-prone and costly.

With their existing software unable to keep up with the demands of the business, MCE decided to evaluate options to replace their current systems. They looked at ERPs in order to better standardize processes and information sharing across the whole organization, and they choose Dynamics because of its easy-to-use interface and integration with other Microsoft products. In addition, MCE also needed a flexible enterprise payroll solution that could manage processing 15,000 employees in multiple currencies across more than 30 different financial entities.

MCE worked with HCL Infosystems, a LOKI Systems partner to assess what solutions could address their requirements. After extensive review, LOKI Systems' Advanced Payroll AX was selected because of its flexibility, scalability and seamless integration with Dynamics. As part of MCE's payroll implementation project, LOKI Systems' experienced consultants worked directly with HCL to help capture and refine MCE's existing payroll processes. "As Melco moved to open a major new casino we recognized that our existing HR–Payroll solution was not capable of dealing with complexity and the volume. We considered various alternatives but the cost of the implementation and ownership for the big name solutions capable of meeting our requirements was excessive until we found Microsoft Dynamics AX and Advanced Payroll AX an affordable Tier 1 solution" said Raymond Voon, Director of Human Resource Systems at Melco.

Managing complex payroll for thousands of employees

Melco needed payroll standardization across legal entities with the flexibility to handle local differences when needed. Advanced Payroll's adaptable rules engine enabled them to configure complex calculations without custom development, and to easily enroll new employees into the right set of rules with a simple click. They leveraged this to manage the administration of diverse employee groups, like expatriates and locals in Macau, and to better control company inter-company billing. Using position management, employees could now be set up in more than one legal entity without duplicating any records. MCE also needed sophisticated compensation and allowance plans, so they leveraged Payroll's integration with compensation in HR to generate and share pay information. This enabled MCE to better manage their employees through a central system while still complying with diverse payroll requirements across groups.

Process and reporting improvements

LOKI Systems identified some key areas in MCE's pay process where time and effort could be significantly reduced through process change and new software capabilities. The key focus was eliminating manual steps and simplifying reconciliation. For some procedures, the new system was able to cut processing time by 50% or more over business as usual. With its native integration with Dynamics AX, Advanced Payroll AX is able to easily share payroll data in real-time with the rest of the AX modules to further reduce the need for manual entries. This integration also allows payroll data to be combined with the rest of the data in the AX database to provide flexible financial reporting and analysis on all aspects of the business.

Impact

MCE now manages over 15,000 employees across 32 different financial entities all within a single consolidated human resources and payroll solution. Despite more than doubling in overall size, MCE is able to maintain the same headcount of payroll administrators, lowering the administrative cost per pay check. Payroll run times are now measured in hours instead of days. Additionally, MCE no longer has to worry about a costly payroll software change in the future when they expand because they have software that can support their growth. MCE now has payroll capabilities, enterprise business processes and processing power to support its growth strategy of expanding to 25,000 employees over the next two years and beyond.