



Case Study:

## Exelon Corporation



### Client

Exelon Corporation is one of the nation's largest electric utilities with more than \$15 billion in annual revenues. It distributes electricity to approximately 5.2 million customers in Illinois and Pennsylvania, and gas to 470,000 customers in the Philadelphia area. Awarded the top spot on Fortune Magazine's 2006 list of the most admired companies among energy providers, Exelon's operations include energy generation, power marketing, and energy delivery.

### Challenge

Exelon was challenged with a significant cost cutting initiative in an attempt to execute work more precisely and with fewer people, so it considered outsourcing unemployment cost control to help achieve this goal. The company also sought better reporting tools to track performance and improvement in several aspects of its unemployment cost control process. In addition, Exelon was experiencing problems tracking the status on claims as well as monitoring whether or not taxed entities in various states were being charged the correct rates.

### Solution

It was decided that the best way to reduce unemployment taxes through claims processing, hearing representation, and tax management was to outsource to TALX. After determining that the TALX outsourcing fee was lower than the internal cost of handling the process, Exelon implemented a timeline for transferring their unemployment needs over to TALX.

The claims process became more efficient than what Exelon was able to achieve on its own, as claims were scanned electronically and routed correctly in accordance with pending deadlines. All current unemployment claims were transferred to TALX and the Exelon HR department conducted a Web meeting to educate employees on the changes that were being made. The TALX account representative was in attendance to help answer any questions relating to the service. TALX also prepared letters for each state ID that told tax departments and state unemployment departments that the address of record was now TALX.

### Results

In September of 2004, just a few months after the decision was made to outsource, Exelon transferred all open unemployment claims to TALX in which appeals or hearings were pending, and filed away all completed cases. In the first year of outsourcing, Exelon removed \$408,500 in charges to its unemployment accounts due to favorable protests, and removed an additional \$294,000 from charge audits. Furthermore, Exelon now shows above average ratios for favorable decisions at the initial appeal level (nearly 75% won) and at the hearing level (nearly 50% won) compared to industry peers.

For more information, please call 1-800-888-8277 or visit [www.talx.com](http://www.talx.com).

# TALX