



How Ulta Beauty Simplified Offboarding Compliance Across the United States

Industry: Specialty Beauty Retail
Employee Count: 65,000+

"We're supporting our associates by giving them all the necessary offboarding information. We're mitigating the risk to the company knowing that we are compliant and have electronic recordkeeping"

— Devon Byrne, VP of People Enablement, Ulta Beauty



The Company

Founded in 1990, Ulta Beauty is the largest specialty beauty retailer in the U.S. Headquartered in Illinois, the company employs more than 65,000 people across its retail locations, distribution centers, and corporate offices. With more than 1,445 store locations in all 50 states, the company navigates countless geography-specific labor and employment laws in addition to the federal laws that are applicable across the U.S.

Ulta Beauty prioritizes its employees—"Our associates are at the heart of everything we do" being a top commitment—and is dedicated to delivering on this promise throughout every part of the employment lifecycle. Ulta Beauty associates often return as rehires or simply as guests, so it's important that the company creates a positive offboarding experience.

The Challenge

Due to Ulta Beauty's continuous growth and geographic breadth, offboarding became more cumbersome than ever before. The company had to ensure it was compliant with all geography-specific labor laws while facing the inherent challenge of turnover in the retail industry, which averages around 60 percent, according to the [U.S. Bureau of Labor Statistics](#). In addition to these everyday separations, the company occasionally encountered unique one-off events, such as store openings, closings, or moves, which often trigger additional legal requirements.

It's common for states to enact their own employment laws, and this trend has increased significantly over the last two decades. Since states can sign their own laws into legislation at any time throughout the year, nationwide employers face unprecedented levels of legal complexity, making proactivity extremely challenging.

Also, what were once considered routine state separation documents and forms have become anything but standard, each having its own unique requirements. For example, some separation agreements are only used in certain situations, while others are applicable to all departing employees. Forms may also be static or dynamic (involving if-then complexity), and some require data that isn't readily available or extractable. There are also varying formats (texts, emails, actual mail) and time frames (as short as a 24-hour turnaround), adding to the difficulty.



Many states have also enacted laws regarding severance agreements, specifying which claims can be waived in exchange for an offer of severance. In addition to state-specific language requirements, Ulta Beauty needed to ensure its own corporate policies were consistently applied. The company's ERISA plan uses factors such as level and tenure to determine what associates receive at separation—then there's the task of calculating severance pay on an individual basis.

Given these factors, manual offboarding management became too time-consuming for Ulta Beauty. The company needed to better systematize its process to eliminate the overwhelming stacks of paperwork located throughout the corporate office—including snail mail and letters returned due to incorrect addresses. It became increasingly difficult to feel confident in a process with so many moving parts, especially knowing that states would continue to implement additional laws.

Ulta Beauty sought a better offboarding process that would deliver peace of mind while ensuring employees felt supported during times of transition.



The Need

For Ulta Beauty, it was important to find an offboarding solution that integrated with the company's human capital management (HCM) system, SAP SuccessFactors. This would enable real-time data synchronization of basic changes, like names or pay rates, which can create issues with separation documentation.

In addition to integration, Ulta Beauty wanted a technology solution that automated as much of the offboarding process as possible, including document generation, signature collection, and delivery receipts.



The Solution

After careful consideration, Ulta Beauty chose to implement Onwards HR for its offboarding needs. With both companies sharing the belief that, during offboarding, being compliant is being compassionate, Ulta Beauty and Onwards HR solidified their partnership.

The Impact

Ulta Beauty's offboarding process is now fully automated thanks to Onwards HR's specialized technology. Data changes within SAP are automatically fed to Onwards HR, and the relevant separation documentation is generated and delivered. In the first year alone, Onwards HR automated more than 30,000 separation notices for Ulta Beauty.

"This is a game-changer for us, and the efficiencies that we have gained by partnering with Onwards HR and putting this process in place have been too numerous to count," said Devon Byrne, VP of People Enablement.

Much of this efficiency has been the result of replacing manual processes with technology. The time saved through automation has eliminated Ulta Beauty's need to hire additional employees dedicated to offboarding. Plus, with greater confidence in the company's ability to remain compliant with evolving state laws, members of Ulta Beauty's Compliance team can now focus on legal areas that require more individualized attention.

"We can generate documents with ease. The system knows which forms are necessary based on the associate's location. We customized the technology to pull in different data points depending on what's required for that state," Byrne explained. "Some forms need calculations, and we worked with the Onwards HR team to build that. It gives me peace of mind knowing that we're navigating compliance correctly."

The Onwards HR Difference

Ulta Beauty, the largest specialty beauty retailer in the U.S., optimized its once cumbersome offboarding process by implementing Onwards HR's offboarding technology.



Automated 30,000+ separation agreements in the first year



Streamlined workflow and eliminated the need to hire additional headcount to manage offboarding



Gained confidence in the company's ability to offboard with compliance and compassion

Even better, Ulta Beauty has also identified additional use cases for Onwards HR's technology, specifically related to data-driven document generation. The company is now leveraging the platform to distribute mandatory state notices to existing employees, such as Connecticut's Paid Family and Medical Leave notice and New York's Lactation Accommodation Policy notice.

"We've found an incredible partner in Onwards HR," said Byrne. "Their tech wizards are amazing and help customize solutions that meet our specific needs."

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