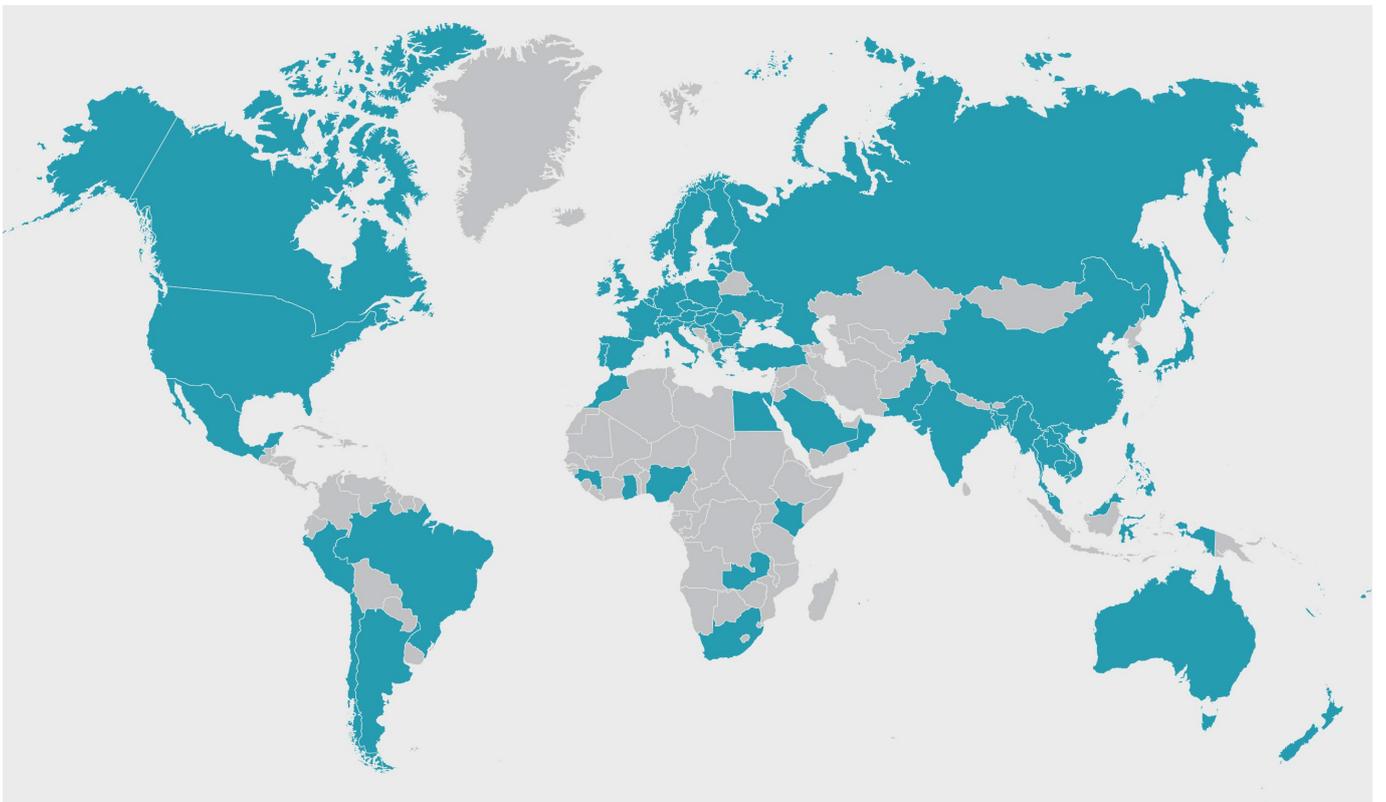


# The Payroll Services Alliance: Guiding you through the payroll process

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# 1. Overview

Do you know how much your payroll process is costing you, or who should be involved in the decision-making process? Although these may seem like simple questions, the answer is often unclear. Mapping out a business case for payroll can be a complex process which requires specific knowledge of its various components. Screening, quantifying, and benchmarking the payroll process is no luxury.

Before a business case for payroll is developed, organisations need to take various aspects into consideration, including:

- Are there any strategic issues that will need to be cleared before a case can be built?
- Will you face any unmovable obstacles while building the business case (whether financial or logistic)?
- How will you collect all the required information from various countries?

Daunted by those questions? It's OK not to know all the answers. The Payroll Services Alliance aims to share its experience and knowledge of payroll with you within this whitepaper. The guide will break down the process into simple steps, which will result in a compelling business case to take to key players in the decision-making process.

Within the guide, worksheets and tables will be provided for use while you build your payroll business case.

## 2. Why do you need a business case for payroll?

Payroll is important and provides raw, real-time data for business leaders. If payroll isn't working right, there are long-term financial and logistic problems that may occur. By having a clear business case for payroll, businesses are more likely to have a payroll that has minimal errors and is highly automated, which frees up employees to complete the human aspects of Human Resources.

A reliable business case for payroll can solve current payroll problems, which can include legislative and compliance changes, reducing human error, and upcoming internal audits. In addition, a successful business case for payroll can also inhibit future issues that may arise, which will result in a streamlined payroll process with minimal issues.

## A. Payroll Today

Payroll is a standard pillar that all businesses need to get right in order to avoid inefficiency and increased costs. Despite this, many organisations are still working with outdated and ineffective payroll systems that eat into valuable HR time, and business profit.

As the business world becomes ever more disparate and global, it comes as no surprise that managing payroll across multiple markets is presenting more challenges than ever before. If required, global payroll system acts as an umbrella across all your business functions and geographic regions. This increases visibility whilst reducing complexity.

## B. Measuring Criteria

When putting your business case together, it's important to consider the measuring criteria for finding the right payroll. These are:

- Payroll services to solve current problems
- Payroll services to prepare for upcoming challenges
- Payroll services that align with global and local values/legislation

## C. Worksheet: criteria to consider

(Here are some ideas to help you get started):

### **IMMEDIATE PROBLEMS TO SOLVE:**

- Reduce human error in payroll processes
- Reduce manual processes

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### **PAYROLL SERVICES TO SOLVE PROBLEMS:**

- Adopt a streamlined payroll approach
- Achieve a single source of payroll data

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### **COMPANY GOALS:**

- Fewer payroll errors
- Higher employee retention rate

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### **PROJECTED CHALLENGES FOR NEXT 1- 5 YEARS:**

- Complying to changing legislations
- Reduce payroll costs

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# 3. Key players

Communication is key when it comes to building a business case for payroll. By engaging with necessary stakeholders in the business, an open dialogue can begin, which will move the process along and will result in a successful plan.

So, how do you identify the key players and stakeholders in the business? To ensure that the interest of all parties is taken into consideration, you should acknowledge a variety of people in the organisation, including (but not limited to): Members of the C-suite (CEO, CFO, CTO), Finance department, IT Managers, HR/payroll team members. These key players all have their own unique set of concerns which should be considered.

Who are your key players and what are their concerns? Write a list here:

Key Players	Concerns

## 4. Building a payroll business case

After the key players and stakeholders in the payroll business process are determined, it's important to decide what your organisation needs, in regards to payroll, vs. what it currently has. For example, if your business is a multinational organisation, it will need a payroll provider that can provide payroll services for all countries that you work in.

Take a look at the below checklist to compare your current requirements with what can be provided by an outsourced payroll system.

Payroll service	Currently achieved? (Y/N)	Required? (Y/N)
Payroll for national workforce		
Payroll for a multinational workforce		
Payroll for a global workforce		
A single contract		
Local country expertise		
Adaptive service package		
Adaptive service package		
Transition Management		
Customer Governance Management		
Minimal manual processes		
Accurate attendance tracking		
Tax management		
Easy reporting		
Secure system		
Employee self-service		
24/7 access		
Legislation compliance		
Electronic management of employee records		
Access on numerous devices		
Customisation capabilities		

Payroll service	Currently achieved? (Y/N)	Required? (Y/N)
Pay processing capabilities		
Direct deposit capabilities		
Deduction capabilities		
Earnings capabilities		
Time Collection capabilities		
Accurate accruals		
Onboarding		
Integration With Accounting General Ledger		
Printing Checks and Direct Deposit Advices		
Analytical capabilities		
Harmonisation across regions/ countries		
Global coordination and integration		
Shared service centre		
Local to local services		
Global platforms		
Local platforms		
SaaS service level		
Comprehensive service level		
Managed service level		

## 5. Calculating Total Cost of Ownership

After you have determined what your organisation needs, it is important to understand how much your current processes cost. The need for detailed financial models is rising, especially when a business is deciding on implementing a new system. To establish whether you are successfully deploying your resources efficiently, you need to know what your payroll is costing you. The Total Cost of Ownership (TCO) comprises all direct and indirect, one-off and recurrent costs in connection with the set-up, maintenance, preparation and periodicity of the payroll process.

Every smoothly running payroll service consists of a balanced combination of four factors: know-how, process, systems and people. The composition of this mix is not a static element but one that evolves along with your organisation and its objectives.

Knowing and monitoring the Total Cost of Ownership of your payroll process offers a firm footing in any economic cycle. Too often, cost calculations are based on incomplete data. Mapping out individual time expenditure in detail and analysing turnaround times is a good place to start.

To learn more about calculating the Total Cost of Ownership in payroll, take a look at our 'What if the cost of your payroll process was crystal clear?' white paper.

## 6. Executing a payroll business case

Once you have determined your requirements and Total Cost of Ownership for payroll, key players and stakeholders are much more likely to accept your business plan. To build a solid business plan, you will need to determine how much your business can save by moving over to a new payroll system. For example, how much can you save by going paperless, or how much time will be saved by the HR department if the new system has minimal manual processes?

By following the above process, constructing a payroll business plan should seem much less daunting. Once the plan is in place and the research has been carried out, it's time to shop for a payroll provider that offers all your required needs, and then put it to the stakeholders.

## 7. Presenting your business case

Once all the steps in this guide have been completed, you can present your business plan for approval. Don't forget to emphasise how implementing the right payroll processes is beneficial to the entire company, and a worthy investment. Good luck!

## 8. About the Payroll Services Alliance

The Payroll Services Alliance is the answer to your needs: eight major payroll service companies have bundled their services into a unified offering that consists of strong local expertise and services, supplemented by coordination and integration at an international level.

Contact the Payroll Services Alliance today:

Visit our website:  
[www.payrollservicesalliance.com](http://www.payrollservicesalliance.com)

Or get in touch with us here:  
<https://www.payrollservicesalliance.com/get-in-touch/>



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