

Global Payroll in a Tumultuous Economy Streamlining Processes to Minimize Costs and Maximize Profits

These are unprecedented economic times, world-wide. A confluence of factors has ensured this downturn will affect virtually all businesses across the globe. Whether real estate declines, volatility roiling the world banking system, or the turbulent equity markets, no one is immune from the effects.

Typical of such turmoil, businesses yet again face doing more with less. Organizations are acutely focused on their balance sheets and are dissecting all costs to slash working capital requirements. The goal: operate lean, without sacrificing productivity, quality, and service.

Payroll is always a priority for review. Not surprisingly, the raw numbers are heavily scrutinized, yet often overlooked is the process itself. Thorough examination of payroll procedures, whether in-house or outsourced, can divulge significant drains on cash flow and profitability. The proper solution will drive improved, if not dramatic, cost containment and favorable results in key metrics.

Today's Paradigm

Historically, global payroll markets have been dramatically underserved. Two models currently exist, yet both fall far short as true solutions.

Model One: Relationship-based whereby a lead vendor partners with numerous local service providers in different countries. The only central point is the single service level contract. Beyond that, it's a process-focused delivery system comprised of many moving parts lacking uniformity amongst the critical elements including:

- Pricing
- Technologies
- Core competencies
- Service offerings
- Processes

Model Two: Enterprise software installed at a client site to enable global payroll processing from a single solution. Unfortunately, the results mirror Model One. Implementations, alone, take months, with a challenging cost structure that is separate from the ultimate day-to-day processing costs, which are equally burdensome.

Regardless of the path taken, employers are often left with:

- No central provider
- Burdensome implementation processes
- Complex data maintenance
- Lack of visibility to critical information and metrics
- Cost-prohibitive

The impact of time lost holding to the status quo is dramatic; the negative impact from a hard dollar perspective is devastating.



The Solution

The evolution of on-demand software as a service (SaaS) is a transformative alternative for software procurement. The cost-benefit ratio delivers a positive impact to the bottom lines across many key functions, including Sales, Marketing and Human Resources. This same value can be realized in payroll processes, yielding similarly impactful returns.

Real Value

Operational Simplicity

Keep it Simple: above all, injecting operational simplicity to a company's global payroll can drive dramatic bottom line gains. Unlike conventional models that lack flexibility and effectiveness, software as a service (SaaS) enables corporations to centralize all aspects of their payroll. The once burdensome issues of data integrity, currency management, language discrepancies, workflow approval and system maintenance are managed via a common platform. Greater control of the payroll process generates time and cost savings that exceed expectations.

Increased Visibility

Effective decision-making is a function of real-time, accurate information. Unlike traditional applications, enterprises can leverage a central data source, augmented with built-in reporting capabilities. Fast, easy access to vital information enhances critical decision-making. Multi-tiered security enables data flow to the employee self-service level, promoting a culture of self reliance, yet ensures that HR retains control over both data and process. The bottom line: corporations have increased visibility and a better finger on the pulse of the process.

Increased savings

The existing paradigm has been defined by software rollouts with expensive licensing and even costlier implementation fees. Software as a service (SaaS) replaces up front licensing costs with a predictable pay-as-you-go monthly fee. Costs are linked to the number of employees tracked in the system allowing the client to pay on an 'as needed' basis.

SaaS models are architected with more advanced technologies that produce faster implementation and rollouts. The SaaS approach yields dramatic savings in up-front costs, often representing as much as a 75% decrease over their traditional counterparts.

While the SaaS model versus software purchase has a profound difference, perhaps nothing is more significant than eliminating obsolescence. Under SaaS, the provider has responsibility for all hardware, software and infrastructure-related costs, and support of the platform. This relieves overburdened IT departments of the maintenance and management of typical legacy systems.

The Bottom Line

While there is no pure immunity from the current economic downturn, the SaaS solution to effecting global payroll will drive operational simplicity, yield productivity and cost-benefit goals, and improve organizations' bottom lines.

