

# Fear or Confidence

Take a new look at pay.

Tackle issues overlooked in better times, unlock the power of payroll, and thrive in the new low-touch economy.



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for People®

# Near Miss or Early Warning?

The COVID-19 pandemic has been a classic 'black swan' event: hard-to-predict and uniquely destructive, leaving the global business community in financial and strategic shock.



Back office operations designed for the 'old normal', and not deemed worthy of transformation in better times, came under the spotlight and were found wanting.

Pay was perhaps the highest risk of all of these. The threat to morale, bad press and the regulatory impact of not paying their people, was suddenly a clear and present danger to companies across the spectrum.

Payroll staff have had to pull together to keep legacy payroll systems operational, with payroll teams often the only ones left onsite during peak pandemic, forced to step in where remote management tools failed.

Some businesses had to entirely circumvent their on-premise systems and panic-run payroll directly through their banks, reconciling discrepancies at a later date.

The truth is now dawning that many apparently robust companies have come through lockdown more by luck than design.

So whether COVID-19 was a near miss or early warning for your business many finance leaders' focus is now around risk mitigation, business resilience and operational optimisation. It's clear that for many, the approach to pay needs to change – and fast.

## How can your organisation redesign key business models and rapidly pivot to:

- Reduce risk exposure and eliminate unnecessary cost?
- Become exponentially more low-touch and future-proof, ready for whatever's next?





Many 'nice to have' transformation initiatives, such as taking HR to the cloud, were inevitably paused - or even cancelled, as the pandemic unfolded.

The costs and timescales just weren't right, and critical transformation projects that were core to operations had already been executed. All, that is, except pay.

But now, in reviewing their scope, HR and Finance leaders can tackle the previously overlooked area of payroll and connect Pay and HR together to create meaningful impact, reduce system complexity and drive efficiency.

**It's time to take a new look at pay.**

**37%**  
of payroll costs are visible

**63%**  
are hidden

What's lurking below the surface? System upgrade and connectivity, HR and workforce management costs; non-compliance fines, tax filing fees, pay disbursement and distributions expenses...

**Uncovering the visible and hidden costs of payroll reveals opportunities for cost savings.**

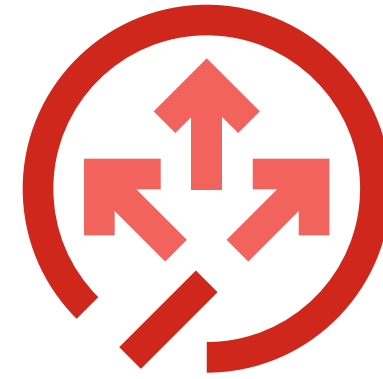
**Read on to see why global payroll transformation is the best way to future-proof and support your business ambitions.**

**“ In this unpredictable financial climate, strategic advantage will come from prioritising the simplest changes that will have the biggest positive organisational impact. These changes are likely to be found in unexpected places like payroll. ”**

– Don McGuire, President,  
Employer Services  
International, ADP

# Blindspot or Spotlight?

Payroll still sits in a transformation blindspot for many organisations, remaining expensive and inefficient to run, manually driven and perilously unaccountable across functions.



That's odd when you consider how powerful pay is, on average accounting for 50-60% of a Fortune 500 company's business spend.<sup>1</sup> Payroll provides the real-time data needed to deliver smart Finance and HR decision-making, directly impacting vital talent acquisition and retention.

In fact, 78% of employers believe companies will need to customise payment options to remain competitive in the war for talent.<sup>2</sup> Getting payroll wrong also risks serious financial penalties from regulators.

Of course, there are practical reasons why payroll has often been overlooked for transformation. The risk/reward ratio hasn't always been clear and payroll teams tend to be change averse.

**However, in the wake of the COVID-19 upheaval, you can now – indeed, must now – challenge old assumptions and adapt quickly.**

Because if you're still overlooking pay and keeping it in a tactical silo, you're missing the simple, deeply strategic advantages that payroll transformation can bring. No business can afford that in today's uncertain operating climate.

## 78%

**of employers believe companies will need to customise payment options to remain competitive in the war for talent.**

Did you know that COVID-19 drove a

# 4x INCREASE

in new regulations that impact payroll around the world in just 30 days?\*

Which means that if things weren't complicated before, they certainly are now. And not just more complicated, but more liable to error, fraud and risk. By transforming pay you can remain ahead of the confusion the pandemic has caused and prepare for ever increasing complexity in regulation, audit and compliance.

\*Volume of new regulations April 2020 vs April 2019.



# Tactical or Strategic?

It's clear that deeply digitised organisations enjoyed real cost efficiency and productivity advantages over the pandemic. In the emerging low-touch economy, organisations will be left vulnerable and at risk if their complex payroll processes, financial administration burdens, spreadsheet chaos, compliance and Human Capital Management visibility gaps remain unchallenged.

Deloitte perfectly nails it in their recent paper 'Cost resilience amid and after COVID-19'<sup>3</sup>:

To be prepared facing a new crisis such as the COVID-19 pandemic, companies have to swiftly adjust their cost models relying upon a truly agile and scalable business, including:

- Improved flow of resources to areas of strategic importance
- Reduced level of inefficiencies
- Minimised effects of organisational weakness
- Decreased amount of effort and costs dedicated to non-strategic activities

It also notes that organisations

**"...need open, accurate payroll data to run and analyse current operating models, run scenarios and also know exactly what is going on, to look at how you allocate work, where, at what cost and with how many resources."**

There has never been a better time to secure buy in for modernising payroll. So what's stopping your organisation from getting started?

**Imagine how rapidly you could see strategic benefits.**

FedEx transformed global payroll in just

**18 MONTHS**

PayPal made huge strategic progress in just over

**4 MONTHS**



# Small Steps or Giant Leap?

The World Economic Forum has identified three key strategies for business success post COVID-19<sup>4</sup>:

- Speed and stability
- Turning digitisation in to an advantage
- Driving systemic change through cooperation.

Payroll modernisation achieves them all, delivering benefits that are as deep as they are broad. Bringing Pay and HR together adds up to a great wave of strategic impact powered by new levels of real-time agility, total visibility, and radically optimised cost.

Transformation benefits for Finance

Transformation benefits for HR

## PHASE ONE Optimisation

Make payroll streamlined, low cost and predictable.

- Long-term complexity eliminated
- Processes simplified and modernised
- Team productivity increased

Releasing significant cost efficiencies

- Streamlined team processes
- Increased employee satisfaction and reduced HR queries
- Effortless regulatory compliance

## PHASE TWO Visibility

Build informed Finance and HCM practices.

- Total visibility over spend
- Strategic cash management
- Accurate modelling, forecasting and reporting

Driving powerful insights

- Global payroll data integrated with HR systems
- Advanced HR benchmarking and reporting
- Accurate benefits planning and equal opportunities

## PHASE THREE Agility

Deploy agile systems ready to seamlessly deliver pay.

- Core business flexibility
- Effortless local compliance and reduced global risk
- Pay continuity across workforce

Adapting to business and regulations

- Different pay structures by role and territory
- Innovative talent attraction and retention
- Simplified employee on-and off-boarding

# Overspending or Under control?

According to the 2019 EY Global Payroll Survey, only 26% of businesses rate the performance of their current payroll provider as good or very good on cost.

A modernised payroll process can help you quickly start releasing cost savings, improving productivity and eliminating organisation-wide complexity, from easy local compliance to global strategic alignment and visibility. It can optimise both your Finance and HR operations too, driving cost down and predictability and control up.

## Commercial benefits

- ✔ Payroll cost efficiencies and simplified processes
- ✔ Increased Finance team and HR co-ordination
- ✔ Significant complexity elimination

## Cultural benefits

- ✔ HR teams can focus on core activities, rather than answering payroll enquiries
- ✔ Increased employee satisfaction
- ✔ Unfailing regulatory compliance

With **one simplified, innovative payroll** process you can start radically and rapidly optimising your cost base.



# Complexity or Clarity?

Three-quarters of respondents to a survey conducted by The Economist Intelligence Unit<sup>5</sup> agree that the regulatory challenges of hiring, paying, and managing employees internationally are increasing in complexity.

Modernised payroll gives Finance and HR teams access to fully transparent, accurate payroll data on demand, enabling them to extract and integrate data to drive powerful strategic insights and enhance reporting. The result is more informed financial operations and a modern HR and talent management approach, powered by a proven commitment to equal opportunities and pay.

## Commercial benefits

- ✔ Gain total visibility over payroll costs across multiple geographies
- ✔ Deliver strategic cash management
- ✔ Achieve accurate modelling and forecasting

## Cultural benefits

- ✔ Integrate payroll data into HR tech globally
- ✔ Exercise advanced HR benchmarking and reporting
- ✔ Execute accurate benefits planning

**Transform visibility and create a happy, diverse and secure talent-base with integrated, transparent access to 100% accurate payroll data.**





# Painful or Agile?

Being able to flex your business isn't just smart; it's strategically imperative in this time of pandemic, characterised by rapid change. When you modernise payroll, you create agile systems primed to always deliver pay seamlessly – however, wherever and for whoever – effortlessly adapting to changes in business shape and scope and regulatory requirements, as they emerge.

When you consider that 71% of organisations surveyed by the Economist Intelligence Unit<sup>5</sup> identify HR issues among the most challenging barriers to international expansion, payroll transformation seems like a great way to future-proof and support your business ambitions.

## Commercial benefits

- ✔ Enjoy the strategic confidence that comes with core business flexibility
- ✔ Ensure effortless local compliance and reduced global risk
- ✔ Assure pay continuity across your workforce, no matter what

## Cultural benefits

- ✔ Deploy different pay structures and deliver them by role and territory
- ✔ Create innovative talent attraction and retention strategies
- ✔ Greatly simplify employee on-and off-boarding

With a modernised payroll, **you can manage your change** initiatives with ease.



# Obvious or Inspired?

This one doesn't have to be a choice. The most obvious partner can also be the most inspiring strategic choice, and there's no more visionary and trusted partner than ADP to help you succeed on your payroll transformation journey.

We're the go-to global expert and leading payroll authority, bringing Pay and HR together to help you confidently deliver the modernised payroll processes you need. A proven 70-year track record and 810,000 customers worldwide means we know how to work with you to do what's right for your specific business. No preconceptions, no one-size-fits-all. That's why every conversation we have with Finance and HR leaders begins with a question: "What do you want to achieve?"

**Payroll is a process – let us help you design and deliver the one that's right for you:**

## Master complexity at scale

Build ready to go, fast to implement automated solutions that are deeply value-driven, and supported by ADP payroll experts at every stage.

## Choose from a flexible choice of models

From one simple global payroll cloud to tailor-made complex deployments delivered through your Shared Service Centre or as a Managed Service.

## Harness deep regulatory expertise

Our 3,000 dedicated regulatory specialists will help you manage the 1,500 newly created global regulations that have impacted payroll since COVID-19 hit.

"Only  
**10%**

of businesses surveyed by EY rate the performance of their current payroll provider as very good on strategic partnership."



# Take a new look at pay.

It's time to move forward with confidence and unlock the power of payroll with ADP. Get in touch today to help secure your success in the new low-touch economy.

visit [adp.in](https://adp.in) or call 1800-420-4242

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References:

- <sup>1</sup> Deloitte analysis 2017 <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-cons-workforce-costs-are-hiding-with-laborwise.pdf>
- <sup>2</sup> ADP Whitepaper 2019 'The Future of Pay: Exploring the evolution of worker pay and talent management' <https://www2.deloitte.com/content/dam/Deloitte/be/Documents/monitor-deloitte/Cost-resilience-amid-and-after-covid-19.pdf>
- <sup>3</sup> <https://www.weforum.org/agenda/2020/07/here-are-3-ways-for-businesses-to-survive-and-thrive-through-covid-19/>
- <sup>4</sup> 2020 Economist Intelligence Unit Report sponsored by ADP: 'Growing pains The HR challenges of International expansion.'
- <sup>5</sup> Global survey of 1,000 HR executives in internationally expanding countries



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