

MULTI-COUNTRY PAYROLL (MCP) CONSOLIDATION DEMYSTIFIED

Key Considerations for an Employee-Centric Payroll



Foreword

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This is a critical time for HR and payroll professionals. As the world begins to emerge from the pandemic, the need to consolidate payroll operations is more pressing than ever. Many companies still have a complex arrangement of different providers to deliver core payroll services. How can companies with such a diverse set of providers implement ways to standardise processes, reduce risk, and boost the accuracy, visibility, and control of payroll operations, while enhancing employee experience (EX)?

To help answer this question, this paper from Everest Group, which TMF Group is pleased to present to you, examines the challenges, benefits, and key considerations of multi-country payroll consolidation.

For multinational companies, the pandemic has made an already complex payroll environment even more challenging. We have seen additional, and rapidly changing, layers of labour law and regulation to comply with, and these vary widely from jurisdiction to jurisdiction. Work-from-home and work-from-anywhere initiatives are much more prevalent, adding new layers of risk and complexity – especially for organisations that allow employees to work across national or state boundaries. And there is an even sharper focus on improving efficiency, ensuring compliance, and building business resilience to help weather any future disruption.

With flexible working becoming more prevalent across many service industries, even as offices reopen, it is more important than ever to ensure employees are satisfied and engaged. Through accurate and timely compensation, payroll operations help boost confidence and trust in the employer.

Payroll technology has a key role to play in the consolidation of multi-country payroll operations. But it is hard to overstate the importance of the human touch. Providing businesses with access to payroll experts who speak the local language and understand the local business and regulatory environment makes a real difference – especially in mitigating the risk of non-compliance in each country where they operate.

The risks of choosing the wrong payroll provider are too numerous, and potentially too high, for companies, their representatives and even for individual executives.

It makes sense for companies to consolidate their global payroll service provision for a whole host of reasons. We hope this paper helps to shed some light on some of those reasons, as well as the challenges to be aware of, to help guide you on your payroll consolidation journey.

Multi-Country Payroll (MCP) Consolidation Demystified

Key Considerations for an Employee-
Centric Payroll



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Introduction

Today, enterprises are constantly looking for ways to gain a competitive advantage in the market. A key way in which enterprises can achieve this strategic edge is by ensuring their employees' well-being and improving their overall experience with the organization. Employees are the centerpiece and serve as the most essential resource for an organization to succeed. Organizations thus spend a considerable amount of time, effort, and money on processes such as recruitment, induction, performance evaluation, and learning and development to improve the employee journey. Payroll is one such process of significant importance in the employee life cycle.

Payroll is a mission-critical process for organizations to maintain business continuity. Over the years, enterprises have become increasingly efficient, standard, and transparent when it comes to payroll, and this trend has accelerated due to the pandemic. As the world begins to return to normality, several enterprises with global operations are recognizing the need to make the payroll function future-ready, resilient, and standardized with the help of next-generation technology elements in order to deal with the increasing complexity related to compliance, workforce transformation and macroeconomic shifts brought by COVID-19.

One way forward to achieve this goal is to explore the consolidation of payroll operations to reduce risks and overheads, and, hence, tighten the control over payroll operations. Enterprises can enter into Multi-Country Payroll (MCP) agreements in which they can leverage a globally unified payroll platform or outsource payroll services required in multiple countries to a single provider. However, there are several factors to consider as enterprises embark on their consolidation journey. This research examines some of these considerations and highlights some best practices that enterprises can follow:

Scope of the paper

This paper discusses the following aspects of multi-country payroll:

- The payroll journey so far
- The pandemic and its implications on payroll
- Payroll consolidation and its benefits
- The role of next-generation technology elements
- Key considerations for enterprises when planning consolidation
- Case study on payroll consolidation

The payroll journey so far

Payroll is one of the most expensive aspects of running a business, and, thus, business leaders must view it from a strategic lens. Any improvements in the payroll process can help enterprises generate considerable cost savings. Besides providing hard dollar savings, payroll also plays an important role in improving Employee Experience (EX), critical in today's business environment, where talent retention is more important than ever.

Enterprises invest in various strategic initiatives to improve EX and attract a talented workforce, including, but not limited to, office ergonomics, Rewards and Recognition (R&R), and mental and physical well-being. When enterprises plan such initiatives, payroll can often take a back seat, but it is one of the quickest ways to undo all other initiatives. Nothing will disengage employees and degrade their experience more than an incorrectly processed payroll. In fact, incorrect payroll has repercussions for both employees and the employer, including:

- **Impact on morale:** A sizable proportion of the workforce globally lives from paycheck to paycheck. Any delay in payroll processing can disrupt employees' monthly budgets and cause mental stress. Employees may begin to question the organization's financial integrity and become less engaged in their jobs
- **Impact on brand image:** Employees are the brand advocates for an organization. Any negative word of mouth around payroll can deter future talent from joining the organization and tarnish brand reputation in the industry
- **The financial impact of non-compliance:** Payroll is a highly regulation-driven process; any non-compliance can lead to severe penalties and fines for the enterprise

The payroll process is complicated, as it involves numerous subprocesses and input sources, and the need to remain statutorily compliant. Further, regulations differ from country to country and, at times, even state to state, making the payroll process even more complex. The need for highly skilled resources and knowledge of legal regulations can make it difficult for enterprises to process payroll in-house for all countries of operation. This is why payroll is also one of the most outsourced HR processes. Enterprises may also choose to outsource their payroll process to one or more service providers, depending on their size and geographic presence.

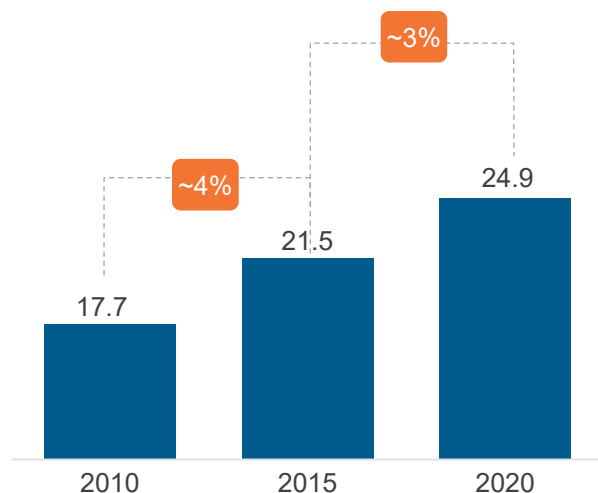
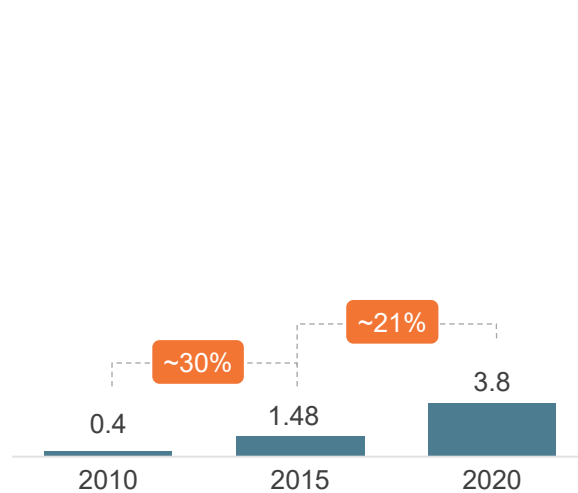
Given the increasing regulatory complexity, the payroll outsourcing market has grown significantly over the last decade. Single-country payroll outsourcing has matured, while Multi-country Payroll Outsourcing (MCPO) continues to grow in double digits, as illustrated in Exhibit 1.

Improvements to the payroll process can assist enterprises in generating significant cost savings ranging from hard dollars to strategic dollars.

EXHIBIT 1**Payroll outsourcing market size and growth**

Source: Everest Group (2021)

XX% CAGR

Payroll outsourcing market size and growth
US\$ billion**MCPO market size and growth**
US\$ billion

Growth in the MCPO market is attributed to additional benefits, such as efficiency, flexibility, and standardization, that accompany consolidation with a single vendor across countries. The global pandemic and its impact are further driving payroll consolidation.

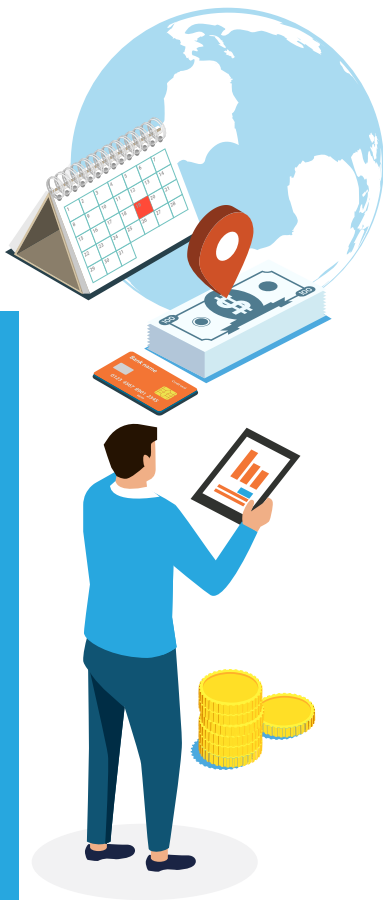
The pandemic and its implications on payroll

Several enterprises have recognized the issues that can arise from inaccurate and delayed processing, which has driven the growth of the payroll outsourcing market. The global pandemic, which has created unprecedented challenges for businesses, will hasten the transformation of the payroll process and accelerate the adoption of MCP solutions due to:

- Global economic crisis and regulatory pressure:** Even with proactive monetary support from governments worldwide, the pandemic's economic tremors are the worst in decades. Several countries have thus passed new regulations and modified existing ones to alleviate the financial burden on employers and employees due to nationwide lockdowns. For example, the US federal government introduced the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Families First Coronavirus Response Act (FFCRA). Exhibit 2 lists some of the other tax and payroll updates from around the world. These acts intend to provide relief to enterprises, including an extension of payroll tax payments, employee retention credits, and paid sick leave tax credits. Such developments are likely to occur even after the pandemic and will further increase compliance-related complexities for enterprises

EXHIBIT 2**Major payroll and tax updates across the world**

Source: Everest Group (2021)

**Latin America**

Brazil – June 17, 2020: payment of social contributions due in June was postponed to November.

Argentina – April 1, 2020: Up to 95% of the payment of employer contributions to the Argentine Integrated Pension System were reduced or postponed.

United Kingdom

March 20, 2020: Under the COVID-19 job retention scheme, HMRC would reimburse 80% of furloughed workers' wage cost up to GBP2,500 per month.

March 20, 2020: The government deferred all VAT payments from March 2020 through June 2020.

Asia Pacific

Thailand – September 1, 2020: The cabinet approved a reduction in contributions to the Social Security Fund, from 5% to 2%, for employers and employees.

India – May 25, 2020: The Government of India gave an option to employers to reduce EPF contribution from 12% to 10% to mitigate the immediate liquidity crisis.

Continental Europe

Denmark – April 3, 2020: The Danish government decided to postpone tax payments for four months to help businesses.

Lithuania – March 24, 2020: The Lithuanian parliament approved state subsidies to help businesses and employees mitigate the impact of COVID-19.

Middle East & Africa

Kenya – March 26, 2020: The government proposed 100% tax relief for persons earning a gross monthly income of up to KES24,000.

Turkey – March 18, 2020: The VAT rate for education services was reduced from 8% to 1% until June 30, 2021, and accommodation tax was introduced.

North America

Canada - April 6, 2020: Businesses in Ontario are eligible to defer their WSIB premium payments for up to six months to reduce their financial burden.

March 31, 2020: Several tax return-filing deadlines have been changed, and interest and penalty waivers are available to assist businesses in dealing with the pandemic.

- **Workforce-related challenges:** COVID-19 exacerbated several challenges related to workforce transformation, which will require enterprises to improve payroll and other HR-related processes. These challenges are:
 - Individuals can now connect and coordinate in different ways due to modern IT and technology solutions, which has sparked much interest in the on-demand economy and driven workforce transformation. The workforce has never been more diverse than today, comprising freelancers, contingent workers, crowdsourced workers, and full-time employees. The trend is likely to continue in a post-COVID-19 world, and organizations would want greater agility to scale the temporary or contract-based workforce, as and when required
 - As businesses return to normalcy, enterprises will need to hire back people, driving exponential growth in the job market. A talent deficit comparable to pre-COVID-19 levels may accompany this growth, and enterprises may need to hire talent from outside their current geographic boundaries. This would need additional support to manage payroll
 - Employees are now considering working from locations other than those where they were hired. Organizations will need to normalize their compensations by cost of living and local job market rates. Also, tax deductions would need to be changed. This would increase the payroll department's workload and necessitate more flexibility

- The rapid pace of digitalization:** To ensure business continuity amid COVID-19, several businesses were forced to relocate their operations to a Work From Home (WFH) setting. Early adopters of technology discovered that expanding their internet and network capacity was more straightforward, allowing them to connect remotely with their employees, customers, and other stakeholders. Those lagging had to ramp up with significant investments to ensure business progression. Over time, most enterprises were able to adjust to the next normal and continue their core operations. However, supporting essential support functions digitally, such as payroll, continued to remain a challenge, as most payroll employees relied on legacy systems, paper-based transactions, and physical record systems. Enterprises will now need to support flexible work shifts, adapt payroll schedules, address health management, and manage a remote payroll department

The global economic downturn, a changing workforce, and the rapid pace of digitalization will accelerate growth in the payroll space. There will be higher emphasis on traditional payroll goals, such as cost, control, compliance, EX, and efficiency, and newer priorities such as flexibility and resilience will surface, as illustrated in Exhibit 3. Therefore, payroll will emerge as one of the top investment priorities for businesses.

EXHIBIT 3

Objectives for payroll

Source: Everest Group (2021)

■ Accelerated ■ New



Cost: Payroll is among a company's most significant expenses, and, hence, controlling payroll costs is critical from a strategic standpoint. COVID-19 has only exacerbated the need for cost savings across a wide range of business support functions.



Control: With enterprises' payroll operations spanning multiple countries, it is imperative to have mechanisms that take stock of global operations. Integrated visibility of payroll information at global and regional levels helps enterprises increase efficiency and improve control over their operations.



Compliance: Even minor changes in regulations can significantly impact the payroll function. Any non-compliance can have a significant impact on an enterprise's brand image and finances. The COVID-19 pandemic has driven several regulatory changes, with many businesses finding it difficult and time-consuming to make payroll adjustments.



Employee experience: Payroll is a constant touchstone in EX because it needs to be processed on time and accurately every month. It is a critical hygiene factor for employees, and any misconception can have a long-term impact on employees. Further, payroll can be used to personalize interactions with employees.



Efficiency: Accuracy and timeliness are two critical components of an efficient payroll operation. Any miscalculation can result in a significant amount of time and effort for the payroll team to correct it. These mistakes can have far-reaching financial consequences for both the employer and the employees.



Flexibility: With the fabric of the workforce changing and enterprises battling a multitude of talent-related issues, organizations need to ensure their payroll and HR activities cater to the evolving needs of the workforce. Additionally, their operations need to be more agile to accommodate temporary workers.



Resilience: Due to COVID-19-induced disruptions, enterprises are actively looking to future-proof the payroll function against any disruptions, while also enhancing its strategic value. There is an increased focus on risk management, as well as BCP/DR activities.

Payroll consolidation and its benefits

A planned and meticulously implemented payroll consolidation strategy can help enterprises realize the accelerated and new objectives for payroll. Additionally, it can provide several other benefits to enterprises, including, but not limited to, cost advantage, standardization, and greater integration. In many cases, enterprise presence is limited to a single sales office or a workplace staffed by a limited number of people. In such instances, a dedicated payroll department may not be economically prudent, and organizations may prefer to outsource the payroll process to a local vendor for the latter's financial and legal know-how.

However, this poses a challenge when an enterprise has global operations and needs to deal with multiple vendors, resulting in additional administrative burden and costs and, in some cases, loss of control and visibility over the payroll process. Enterprises can only analyze a limited subset of high-level payroll data, resulting in missed opportunities for deeper insights. Some enterprises go through the effort of manual aggregation but are unable to add much value because the data gets outdated by the time they finish aggregation.

To address these challenges and achieve the accelerated and new objectives following COVID-19, enterprises can consider consolidating their global payroll operations and upgrading their technological capabilities through a multi-country approach. The goal of payroll consolidation is to adopt a "glocal" approach to ensure global standardization while catering to the unique regulatory requirements of different countries at a local level. Payroll consolidation can be accomplished by:

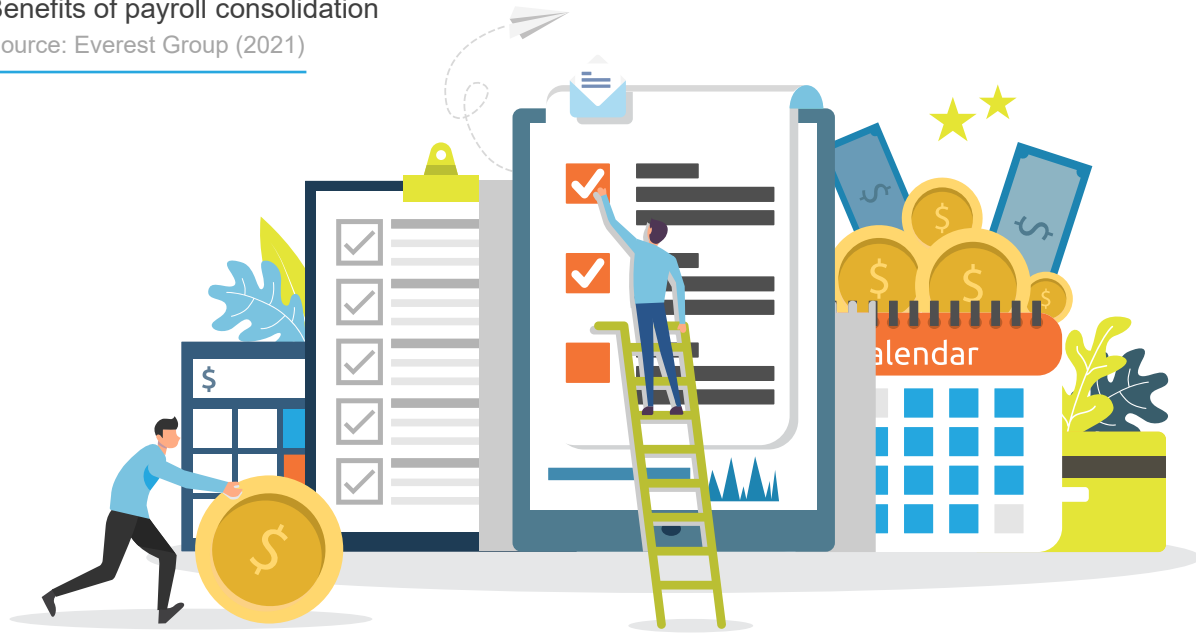
- **Unifying payroll operations and technologies across countries:** Enterprises can achieve payroll consolidation by leveraging payroll solutions provided by an MCP solution provider rather than coordinating with several local vendors and using multiple standalone systems. A unified platform helps HR and payroll leaders slice and dice enterprise-wide data by geography, department, and team, which is not possible with standalone systems. This added capability improves control over the payroll process and opens a plethora of opportunities for improvements such as benchmarking of performance across countries, business units, and peers
- **Reducing dependence on third-party partners engaged for last-mile payroll delivery:** Enterprises rely on several third-party partners for many last-mile payroll services which can result in payroll processing delays, errors, and non-standardization. Adherence to regulations such as GDPR requires businesses to always protect employee data, which might be a difficult task when the payroll process is fragmented. It increases the likelihood of data breaches, which could entail heavy fines in the short term and long-term damage to the enterprise's reputation. Consolidating these operations across borders with a single MCP solution provider can help improve compliance, accuracy, and data security

Payroll consolidation provides numerous benefits to businesses and can help organizations better equip themselves to meet post-COVID-19 needs. The exhibit on the next page lists a few of them.

EXHIBIT 4

Benefits of payroll consolidation

Source: Everest Group (2021)



Standardization	Accuracy	Cost savings	Integration	Efficiency
<p>Employees working in off-shore or near-shore locations do not receive the same level of service as those working in on-shore locations. Having a consolidated payroll strategy can help eliminate inconsistencies in the payroll process and provide a consistent experience to employees across countries.</p>	<p>When employees are dispersed across the globe, it is difficult for enterprises to onboard new workers or manage existing ones. When companies use multiple platforms, the likelihood of errors increases due to data variability across platforms and multiple data sources for input. A centralized payroll platform eliminates most of these risks and ensures data consistency, making the payroll process more accurate.</p>	<p>Consolidating payroll operations can help enterprises save costs because vendors may offer volume-based discounts. Further, the administrative cost of managing and paying multiple payroll vendors is reduced.</p>	<p>Data consolidation and seamless data flow across borders not only help generate an enterprise-wide view for planning strategic HR initiatives, but also provide greater cash-flow oversight. Payroll is a single source of truth for finance leaders to understand the organization's total expense in terms of wages and salaries paid.</p>	<p>Coordination with multiple vendors and manually aggregating data from various platforms is a time-consuming task that can, at times, result in payroll processing delays. A unified global technology platform simplifies this task and speeds up payroll processing, while reducing the possibility of errors.</p>

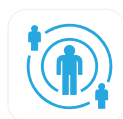
The role of next-generation technology elements

Next-generation technology elements play a critical role in realizing the benefits of payroll consolidation. Some of the broader investment areas include integrated HR and payroll systems aided by digital elements, such as analytics and automation. These digital elements can uncover actionable insights and reduce manual intervention, making the payroll process more employee-centric and efficient.

- **Integrated cloud-based HR and payroll system:** The pandemic has hastened the movement to the cloud for many processes, and payroll is no different. With the concept of consolidation gaining steam, a cloud-based payroll system that is intuitive, integrable, and accessible will drive this consolidation journey for an enterprise. A payroll platform that can be integrated with broader HR and workforce management systems will enable enterprises to glean insights across the hire-to-retire value chain for real-time analytics and insights. Additionally, these integrated platforms will go a long way in enhancing EX, as employees will not have to enter data into multiple systems or switch between systems for various HR needs. These cloud-based platforms also enable employees to have more self-service options
- **Basic and advanced analytics:** Payroll is the most data-driven function associated with employees, and it can be considered the single source of truth for employee data. The value proposition of payroll metrics and analytics can be significant, ranging from hard dollars to strategic savings. Insights generated through advanced analytics can assist HR managers and senior leadership uncover answers to crucial questions frequently left unanswered, such as pay disparity between employees based on performance, gender, geographies, and departments. Analytics can also help detect faults and anomalies. It can highlight outliers in payroll data, including employees taxed differently from the rest of the team/department or someone who claims far more expenses than the rest of the team/department
- **Automation/AI:** Payroll processing entails several steps, and any manual intervention is time-consuming and prone to error. Technologies such as robotic process automation (RPA) and artificial intelligence (AI) can reduce repetitive tasks, increase efficiencies, and ensure timely and error-free payroll operations. In particular, functions such as handling time-tracking forms, calculating salaries, and generating pay slips can be automated. Enterprises can also utilize automated document processing to read text from structured documents for data input. Additionally, technologies can be leveraged to notify the payroll team when tax rates, legislation, or deductions change across different jurisdictions, resulting in higher compliance with less effort

Key considerations for enterprises when planning consolidation

Planning a consolidation journey with a third-party MCP services provider may offer several benefits, making it a compelling business case for enterprises. However, the journey may be marked by complexities unique to each enterprise. Thus, when planning consolidation, we recommend that enterprises consider the 5S's:



Stakeholder involvement: Any changes to the payroll process can have a wide-ranging impact on various stakeholders. Implementing a solid payroll consolidation strategy implies identifying and understanding these stakeholder concerns and priorities. Businesses can use stakeholder maps to identify and group key stakeholders based on their overall interest and influence over the payroll consolidation project. A well-defined communication plan is essential for stakeholder involvement, helps set expectations among various stakeholders proactively, and communicates why it is important to change the payroll process. Change management is an essential component of the payroll consolidation initiative's success, and the effort and time required for it should be determined beforehand to avoid any delays or obstacles later.



State of existing operations: When developing a payroll consolidation strategy, the current state of the payroll process should be thoroughly examined. It is vital to have a bird's-eye view of the current in-sourcing versus outsourcing mix across all countries of operation. Enterprises can use payroll metrics such as processing cost per employee, error rate, and processing time for assessing the as-is state. Enterprises can establish a baseline and track improvements in these parameters following a systematic implementation of the payroll consolidation strategy. Enterprises should also work diligently on a transition plan to shift payroll operations from the current department or local vendors to the new MCP solution vendor to avoid any disruptions in the payroll process.



Setup cost: The MCP solution provider's new technology platform will come at a high upfront cost. The enterprise must account for the cost of training, data migration, and integration with existing systems in addition to the platform cost. Employers will need to organize enterprise-wide in-depth training to make employees aware of the platform's features. When determining the payroll consolidation budget, businesses must account for all these hidden costs. However, these costs can be offset in the long run due to the hard-dollar and strategic benefits brought in by consolidation.



Existing legacy systems: It may be difficult for businesses to replace existing technology systems. For several years, an enterprise with disjointed payroll operations may have relied on multiple technology platforms. The enterprise's local in-country partners typically provide these platforms, which serve as standalone systems, are generally unable to connect with enterprise-wide global HR systems, and do not offer a comprehensive enterprise view. However, because these systems have been in use for a long time, they contain critical enterprise data. Data migration to the new technology platform may present challenges for the enterprise, but they can be easily dealt with if the solution provider possesses the necessary expertise and skills. The implementation team should ensure a systematic phase-out of legacy systems.



Shortlisting the suitable solution model and outsourcing provider: Consolidation is a long-term investment. Enterprises must carry out adequate due diligence in choosing the right partner for this journey and selecting the most suitable payroll model from the many options available in the market, as illustrated in Exhibit 5.

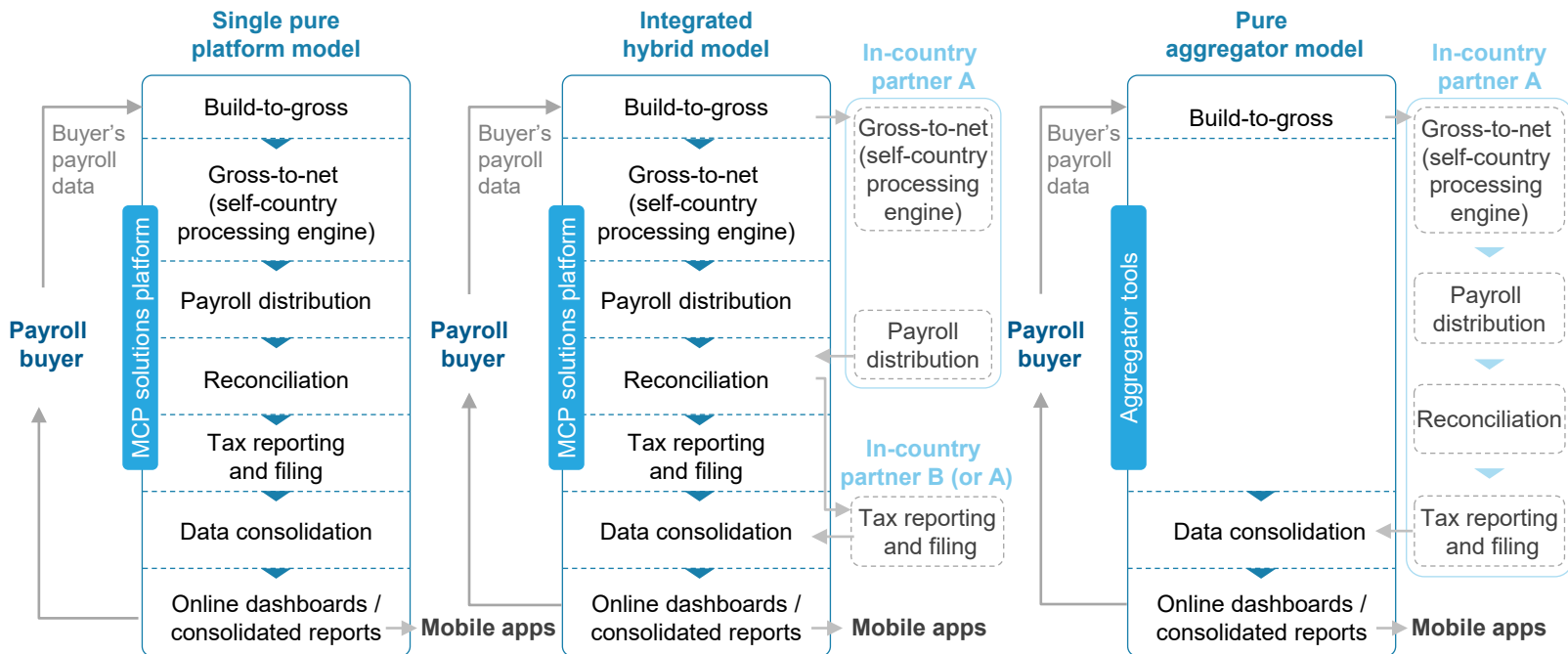
- **Single pure platform model:** a single software system on a database that handles core payroll processing (gross-to-net) in all countries of operation
- **Integrated hybrid:** a combination in which the core software covers certain countries and processes, while the remaining countries are covered by the provider's in-country software systems and partners; some processes such as payroll distribution, tax reporting, and filing can be processed through in-country software systems and partners
- **Aggregator model:** Here, multiple in-country software and partners process payroll on a country-by-country basis for the MCP provider. The data at the country level is then aggregated by the MCP service provider to get an enterprise-wide view

EXHIBIT 5

Technology models adopted by payroll solution providers

Source: Everest Group (2021)

NOT EXHAUSTIVE



The choice between the models is based on various factors, such as employee distribution across countries, available and future technology infrastructure, and budget allocation. While a pure platform model may offer higher quality, in most cases, it may not be the most economically prudent model, especially when an enterprise has global operations where the majority of the workforce is concentrated in a couple of countries and there is an extended long tail of countries with the minority of employees thinly dispersed. Integration for a pure platform in the long tail can be cost-intensive. A pure aggregator model can provide cost advantages, but the challenge of over-dependence on in-country partners remains. The integrated hybrid model offers a mid-way, combining the benefits offered by both the models and, hence, is adopted most widely.

Enterprises must also bear in mind that payroll processing necessitates the sharing of employees' personal information with the service provider and its in-country partners. Thus, they need to ensure thorough due diligence of the provider's data processing systems and stringent vetting of in-country partners. Also, the provider should have local experts in their teams who can ensure the enterprise is fully compliant with legislative updates. Further, the enterprise should evaluate the provider's current technological capabilities and the technology road map for the future.

A consolidation journey in many ways is an integral part of an enterprise's broader HR transformation journey. The right payroll solution should be designed to have the employee at the center, with a laser-sharp focus on improving the overall EX. While next-generation technology components are key enablers to get the best Return on Investment (RoI) from payroll investments, these components should not be adopted at the expense of the quality of service or EX. The technology and services elements in an MCP solution need to work together for the solution to be effective and enhance the EX. Hence, MCP solution providers should be willing to collaborate closely and act as strategic partners to help enterprises orchestrate different solution components to ensure the best service and experience for their clients' employees.

Client case study

The enterprise

Founded in 1960, US-based JELD-WEN is among the largest door and window manufacturers globally, operating 117 manufacturing facilities in multiple countries. The company employs more than 22,000 people worldwide across manufacturing, distribution, and showroom locations spanning 24 countries in North America, Europe, and Australia.

The challenge

JELD-WEN leveraged multiple service providers for payroll processing across different countries in Europe and retained the process in-house in a few countries, using different legacy systems. This resulted in a lack of standardized reporting and visibility into payroll spend and associated payroll costs. It required significant manual effort to obtain a single global report after consolidating multiple stand-alone reports from various systems, consuming additional time and cost. Additionally, the organization faced regulatory compliance risks. The in-house processing was dependent on multiple legacy systems, which required the organization to spend on the systems' upkeep, resulting in operational and cost inefficiencies.

The solution and its multiple benefits

JELD-WEN partnered with TMF Group to standardize and consolidate its payroll operations. The payroll consolidation exercise encompasses 23 separate entities and 7,000 people in 18 countries, with the implementation cycle divided into phases. The implementation began in 2019 and was temporarily suspended due to the closure of JELD-WEN's manufacturing facilities following the COVID-19 outbreak. Currently, 12 countries have gone live with the new system supported by TMF Group, and JELD-WEN has begun to realize some of the benefits that it had aimed to achieve from the consolidation. Below are the benefits at a glance:

- The overall accuracy, reporting, and quality of payroll data has improved, and JELD-WEN's teams can leverage TMF Group's expertise in local compliances for the payroll process and other compliance-related matters outside payroll. After partnering with TMF Group, JELD-WEN's payroll team has gained greater assurance that local regulations are adhered to at all times and updated on a timely basis
- JELD-WEN has access to TMF Group's extended teams for support in taxation, accounting, and other ancillary payroll processes, as well as local language support
- Employee experience is also becoming more consistent, as employees from acquired entities who were previously served by different systems are onboarded to the same single system
- JELD-WEN expects processes to become more harmonized as additional entities and countries go live, driving higher cost and operational efficiencies. Single-vendor consolidation will also allow JELD-WEN to save on vendor management efforts and costs

Thus, the exercise is not only enabling JELD-WEN to transition from decentralized payroll operations to centralized and standardized payroll operations, but it is also starting to enhance employee experience, yield efficiency benefits, increase visibility into payroll operations, and uncover key global insights.

Conclusion

Payroll is no longer about paying employees on time; it is a way for enterprises to improve and standardize the experience of their global workforce. It is a crucial piece in an organization's overall HR transformation, and any strategy around it should be employee-centered. Employee experience is likely to become increasingly important in attracting and retaining the best talent, necessitating greater enterprise focus when designing payroll for the future.

Notably, the dynamically changing technology and the workforce of today, combined with the macroeconomic shifts following COVID-19, will hasten the payroll transformation process. Payroll consolidation will be able to address many enterprise imperatives and is expected to be a major driver of the payroll outsourcing market's future growth.

However, while payroll consolidation can provide a compelling business case for enterprises, the 5S's approach must be taken into account to select the right partner and engagement model. An effective payroll consolidation strategy combines the most suitable technology and the service delivery model. Enterprises should collaborate with the solution provider to maximize the impact and returns on their payroll consolidation investment.

At a time when businesses around the world are attempting to recover from the pandemic's impact and prepare for the future, the demand for payroll consolidation solutions will only grow. In fact, it is only a matter of time before payroll consolidation becomes widely adopted, as we see more and more enterprises making this strategic decision for themselves.



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We make a complex world simple for them, with experts on the ground to make sure that all rules and regulations are adhered to and operational compliance is maintained.

We provide legal, financial and employee administration through TMF Group's teams in 120 offices, in jurisdictions covering more than 92% of world GDP and 95% of FDI inflow. Our global technology platform and service model put our clients in control of their portfolio of entities and global locations. The data insights we deliver keep them on top of emerging regulation, the status of their own activity and any points of risk.

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