



From payments to processes, productivity to performance – the role of payroll is shifting. Its potential to enhance visibility and track every payroll, funding source, and payment cycle in real-time is moving it from back-office processing to a true business advantage.

Why waiting to innovate is holding you back, and costing your payroll more than you know...

But as operations grow across borders and regulations become more complex, there's a new cost that finance leaders need to consider with their payroll: the cost of doing nothing.



Multiple processes, multiple providers; multiple resources soaked up by multicountry regulations. And that doesn't include those that matter most: employees who need to be paid. On time, without errors – and without exception.

In a <u>recent report</u> supported by CloudPay<sup>1</sup>, **research firm Everest Group** spoke with over 100 senior leaders in payroll, finance, and HR roles to assess the challenges and opportunities faced in their global payroll.

73% 45% 72%

stated that "improving

decision-making using real-

to ensure future-ready decision-making" time payroll data" growth and scalability" was critical was a top objective

of respondents said that

"evolving payroll technology

be a 'significantly difficult' or 'extremely difficult' challenge.

objective of their global payroll

"lacked visibility into payroll

operations for informed

33% 72% acknowleged that "a of Payroll leaders said that lack of standardized "standardizing global payroll payroll processes across and integrating it with countries" was proving to enterprise systems" was a top

The common denominator, seen time and again, is the limitation of existing payroll systems. Complex to navigate and heavily-reliant on manual (and often error-prone) data input, many of today's payroll systems are incapable of keeping pace with the operational expansion and strategic expectations of a globallygrowing business. For finance leaders, the cost of continuing with a dated and

cumbersome approach to payroll is simply too expensive to ignore. The solution – for those very same leaders and their ever-growing global operations - begins with making life simple again, by automating processes to meet the demands of both enterprise and employee experience, with a strategic shift to a single unified payroll and pay solution.

For those who do embrace an automated and unified pay experience, a fast, flexible, and fully future-proofed payroll process awaits. For those that wait on standardizing to a seamless system, the cost of doing nothing may impact more than just their payroll performance.



**OPERATIONAL COSTS** 

INNOVATE OR WAIT



Unified global pay process: Real time analytics ✓ Continuous improvements ✓ Monthly service reviews ✓ Hands-on care × Inconsistent vendor service ✓ Globally standardized data formats

✓ Seamless HCM integration

Innovate Value-adding automation:

was a significant challenge on their global payroll<sup>2</sup>

> Manual multi-vendor process: Lack of global visibility × Inconsistent processes and data × Lack of control

> > × Manual verification

Far from hands-free:

Less time, more resource

Intricate tax regulations. Diverse

in-country compliance. And that's

before you even run a pay cycle.

Today's typical payroll process is still heavily

employee benefits. Complex

More time, less resource Automations handle your core payroll processes from a centrally unified platform, while your provider's global and country-specific experts handle the rest.

Moving to a globally standardized and

business. How?

automation.

supplier set.

of course.

automated payroll process not only reduces

time and stress on your payroll and finance

matters most: adding strategic value to the

By removing the manual processes soaking

up their day; getting rid of the avoidably

repetitive tasks now reconfigurable by

Operational costs are also reduced. With a

single solution driving stronger visibility and

data validation, integration is streamlined and

everyone is on the same page – including the single payroll provider you're working with,

now you've been able to consolidate your

Plus, with a unified solution working in

harmony, running reports, tracking payroll

confident that you'll get your people paid,

accurately, wherever they are. On time,

performance – and expanding into that new territory - no longer drains resources. You're

teams – it frees them up to focus on what

reliant on manual processes and people to set up and deliver, increasing the risk of errors, delays and inefficiencies. Adding to the problem, those are the people needed again for the manual corrections that take place when things do go sadly (but inevitably) wrong. It's time-consuming, lacks essential visibility and data validation requirements – and drains

productivity away from more strategic tasks that

Over time, every payroll process becomes ever-

more siloed and can be complicated by country-

specific challenges. The net result: a fragmented

simply keep up - let alone get ahead - with their

swelling as quickly as new payroll cycles need

per year is the average amount a

full-time payroll employee spends correcting

common payroll errors4

payroll system that requires more resources working with multiple service providers to

Before you know it, operational costs are

could really move the needle.

day-to-day operations.

handling.

**ERROR COSTS** 

is the average cost of a payroll error in the United States, with one-in-five payrolls containing errors4

Inaccurate absence processing

(including sick time not entered)

Employee information not entered in a timely manner Visa status update errors (either not made or incorrect) Incorrect local payroll information \$539 (LPI) errors

Top four errors by direct cost per error4 \$705 \$635 \$615

Innovate Reduce errors: Empowering a slicker employee pay experience With a unified payroll system and new automations in place, errors are replaced with confidence. Confidence that your input data is correct. Confidence that it's validated. Confidence that payroll checks and approvals are as air-tight as

That all rolls up into intelligent insights, accurate

analytics, and the ability to position payroll as a

strategic enabler for the finance function – as

With a centralized system working from a

before they impact your bottom line (or that

unified platform, any anomalous one-off errors can be traced, tracked and resolved

your real-time reporting.

well as the wider business.

all-important business trust).

of senior executives believe

↑ Highest FTA ↓ Lowest FTA

And with processes prone to human error, associated costs can easily magnify with every mistake... ...it's not just the direct costs associated with an error that payroll leaders need to consider - it's the rippling consequences brought with it. From wider potential penalties and legal disputes, to inaccurate forecasting increasing decision-making risks, a seemingly innocent error can have a significant impact on both business trust and your bottom line.

of finance leaders say

Error-induced losses: The avoidable

price of poor payroll processes

For the majority of payroll systems, it's

human error that causes most of the

delays and complications.

first-time approval (FTA) 'compliance' to be the tax and compliance is top focus area for payroll rate at 42.7%, compared to an increasing priority in Croatia with a record-setting helping to reduce costs provider services to improve<sup>5</sup> highest at 96.8%6 and/or avoid penalties<sup>7</sup> A Global View on Payroll Complexity The cost of 'doing nothing' is too risky to ignore when it comes to ensuring your payroll's global compliance and removing avoidable penalties. Understanding country-specific complexities through the lens of payroll

**COMPLIANCE PENALTIES** 

The UK has the lowest

'first-time approvals' (FTA) highlights the impact compliance, reporting,

cultural customs, and tax and employment laws can have on your ability to navigate complexity and champion simplicity. From CloudPay's Global Payroll Efficiency Index 2024, here are the top five best and worst performing FTA countries.

The weight of the world on

your shoulders

...and with multiple providers running

a feat in itself.

multiple payrolls in multiple countries, staying

A siloed approach to payroll processes also makes centralized visibility impossible. Instead,

confidently compliant and avoiding penalties is

of payroll leaders stated that "manually entering or loading payroll inputs" was the

most time-consuming aspect of payroll9

## your hand For every country where your Unifying your global payroll solution workforce is deployed, you need to requires more than just automation. know how to navigate its regulations It's also reliant upon process standardization, combined with and ensure compliance - or risk paying specialist knowledge across countries the price...

What are first-time approvals (FTA)?

don't require any changes.

**Innovate** The world in the palm of

and currencies.

complexity.

By uniting local, on-the-ground payroll

platform, navigating compliance across

expertise with a global, centrally managed

countries happens with confidence, not added

Additionally, communication between payroll

usp\$4.78

is the average cost of a single point of

data entry when completing manual payroll-related tasks<sup>8</sup>

Days saved per vendor

Day saved per vendor

Innovate Time rich: fully-charged and

strategically focused

automated core tasks, your team can

focus on driving business value, such

decisions and strategic planning for

No longer handcuffed to manual processes and

repetitive tasks, payroll becomes a productivity

time access to global reporting and analytics,

of senior executives stated that "evolving payroll technology to ensure future-ready

growth and scalability" was key to their global payroll strategy<sup>10</sup>

Ensure continuous evaluation

Refine a risk-friendly change

Utilize accurate data to

drive decision-making

Gain support from

Adopt the right partners and technology

experienced external experts

management strategy

and improvement

13

12

Innovate

Integrate, innovate & transform

A well-oiled and largely automated

machine with teams working on

value-adding initiatives, payroll is

helping finance prime for future

While integration between finance systems

to continuously unlock new cross-functional

Payroll data informs finance-related insights; finance can make data-driven decisions and

identify potential issues before they escalate;

financial planning enhances...the list goes on!

With a unified global payroll system working

payroll is no longer an operational function -

seamlessly in its own right, while now

it's a competitive advantage.

engaging with wider business initiatives,

and payroll is nothing new, the capabilities of a unified payroll solution reveal new opportunities

transformation and growth.

innovation.

11

14

driver - empowering employees with real-

With streamlined operations and

as real-time reporting for quicker

scalable growth.

performance.

communications, too.

First-time approvals are the percentage of payroll runs that are approved at the first attempt and

you have to rely on your country-specific and wider finance teams becomes clear, simple providers to not only keep you compliant, but and empowering. also to communicate with clarity. With everyone involved in your payroll cycles With little standardization and no unified now communicating through a central view, your global payroll not only suffers from conversation thread - from local and head performance inefficiencies, it's also openly office teams to your previous payroll providers exposed to the very real financial risks of - ensuring compliance becomes a case of breach fines and non-compliance penalties 'what's next?' instead of 'what now?'. You're due to a lack of control and communication fully in control and free from the fear of breakdown. communication breakdown.

**EMPLOYEE PRODUCTIVITY** 

payroll with a Unified Global Platform **Manual Data Adaptation** Transposing and migrating data from local HCM systems into a vendor's format-specific template Days saved per vendor Payroll processing Managing individual processing requirements and handling vendor-specific advising and querying of issues Day saved per vendor Post-processing reviews Interpreting vendor-specific payslips and export reports, including post-processing vendor querying Organizing payment

Payslip validation

Local HCM management

if not covered by the above

Total time saved per vendor, per payroll run 9.5-10 days

Scheduling and executing direct deposit arrangements or

Ensuring payslips are available in vendor-specific systems and importing data into HCM for payslips

Converting payslip data back into local HCM system,

Manual process drain:

Pulling the plug on productivity

With multiple payrolls running on

manual processes, the hours soon stack up - and that's before factoring

Before you know it, what was once a 'simple'

system becomes fraught with frustration as

repetitive tasks become a huge drain on the

of senior executives said "standardizing

global payroll and integrating it with enterprise systems" was a key objective of

their global payroll<sup>10</sup>

Access current capabilities

Performing to survive

While global payroll processes struggle

along, the lack of evolution is not only

limiting payroll's own innovation, but

business transformation.

Amidst the acceleration of AI and ML technologies being utilized by finance

departments – let alone competitors – payroll

plays a pivotal role in providing data to reveal new insights across workforce productivity,

payment cycles, and financial forecasting.

It is data that's needed to drive proactive

growth opportunities.

at large.

For today's payroll, HR, and finance leaders, failing to evolve current operations by doing nothing clearly comes with consequential costs too high to ignore.

In order to fully champion a payroll future-proofed for global

planning and cost-optimization; to inform strategic decision-making and unlock new

However, without a unified global payroll

system working seamlessly to integrate with, HR and Finance departments' own

transformation capabilities are limited. Standing still is now stifling growth – both within the payroll function and the business

that of the finance function and wider

3

Identify pain points

Quantify benefits

it grows and slows globally; the day-to-day

in any errors.

other payment methods to ensure timely and accurate delivery

Time saved per vendor by transforming

unlocking insights to enhance value and finance function's productivity. Over time, this decreased productivity begins to With data from every country stored in a single drain profitability. But it's not just numbers on system of record, it's having an impact on a page you need to worry about - it's also the impact felt by the people off it. From internal payroll and finance teams and More hours spent manually intervening with payroll processes means fewer hours out to the business, payroll has a purpose beyond pay - it's now helping shape decisions delivering on more valuable initiatives. If poor productivity isn't already limiting the sense that inform future productivity. of purpose and performance in your finance team, it will, alas, be likely to do so soon. **DELAYING TRANSFORMATION** 

**Transformation Strategy** 

Map local requirements

15

Securing leadership ber

Building the gloundwork

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2

growth however, you'll need a solution provider that really delivers. Here's what to look for in a potential payroll partner... Finding the right partner: A checklist for success Unifying global payroll is about simplifying and streamlining. It's about taking complex pay and making it fast and friction-free. It's about services flexible enough to be deployed globally and then championed with certainty - knowing that no matter how complex things get, payroll is the one

Audit your current processes

**Establish** scalability needs

Find support to prepare a formal RFP

**Identify** operational efficiency opportunities

**Assess** integration capabilities with existing systems

**Evaluate** compliance and regulatory requirements

Define future payroll scope (including pay and funding requirements)

thing you can rely on. To make sure it is, you'll need a partner you can rely on, too. Here's a checklist to help you identify your current payroll performance ahead of exploring a potential provider fit:

> Experienced in the implementation journey Unifying payroll should be a phased approach, rolling out with a select few countries before adding more territories and features across the board. Find a partner with strategic project expertise to avoid costly rollout risks. Unified services in a single pay ecosystem Find a services-driven payroll partner that provides a one-stop solution for truly unified global payroll, from tools and technology to people and performance. All under one roof. A truly global reach Unifying your global payroll is pointless if your provider can't navigate you through multi-country complexities. Find a partner with multi-currency,

multi-language capabilities and feet-on-the-ground support.

From automatic data validation and standardized processes, to modular service deployment and function-rich automations, look for a partner that's

Not just at onboarding, but through implementation and out to the longerterm partnership, the right provider should be adding value through their

In today's changing world, an experienced payroll partner should be able to streamline payroll processes for diverse gig workforces, while providing innovative time-saving features including instant salary payments and

expertise and servicing. This is where high tech meets high touch.

Here's what to consider when creating your supplier shortlist:

From analytics and reporting to KPIs and benchmarking, explore payroll partners who provide actionable insights to continuously improve and strategically evolve. Don't let your payroll pay the cost of doing nothing. current global payroll operations is a far riskier route to take.

**GLOBAL GROWTH? Explore More** 

time, and everywhere. VISA

repeatable global processes.

Continuous optimization

**Future-proofed features** 

there to help you grow with their solution.

**Exceptional customer service** 

Agile and streamlined processes

ARE YOU READY TO STAND AND DELIVER A UNIFIED PAYROLL FOR FUTURE

Transformation doesn't happen overnight. But the cost of doing nothing with your By starting your journey towards a unified payroll solution, you can turn pay from an operational function into a competitive advantage – integrating payroll, funding, and payments on a single platform so you can pay your people accurately on time, every "With CloudPay, we introduced an automated and efficient end-to-end process from information upload through to employee pay. This process is less error prone, fully auditable and most importantly, accurate." VP of EMEA Payroll, VISA

cloudpay.com

cloudpay References 1. https://www.cloudpay.com/lp/report-everest-unified-pay-solutions-ug/ 2. Everest Group 3. https://managry.com/the-comprehensive-guide-to-leveraging automation-for-timesheet-payroll-management 4. https://eyquest.com/files/Cost\_and\_Risks\_Due\_to\_Payroll\_Errors\_2022\_Final.pdf 5. https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-apa-payroll-congress-survey-report.pdf 6. www.cloudpay.com/resources/payroll-efficiency-index/ 7. https://stripe.com/gb/lp/stripe-insights-2023 8. https://www.h3hr.com/the-surprisingly-high-costs-of-manual-hr-and-payroll-processes/ 9. https://www2.deloitte.com/content/dam/Deloitte/ us/Documents/human-capital/us-apa-payroll-congress-survey-report.pdf 10. https://info.cloudpay.com/hubfs/Everest\_Group\_-\_Reaping\_the\_Benefits\_of\_Unified\_Pay\_Solutions\_-\_Web.pdf