

TransferMate
GLOBAL PAYMENTS

gpa
Global Payroll
Association

YOUR PAYROLL TOOLKIT FOR A GLOBAL RECESSION

Brought to you by the Global Payroll
Association & TransferMate | 7th March 2023

YOUR PANEL



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WHAT WE WANT YOU TO LEAVE HERE TODAY WITH

A menu of practical solutions (with their upsides and downsides) to deploy in your organisation, as well as the strategic mindset needed for payroll and HR professionals during difficult economic times.

1: THE OUTLOOK

What can we expect to happen in 2023?



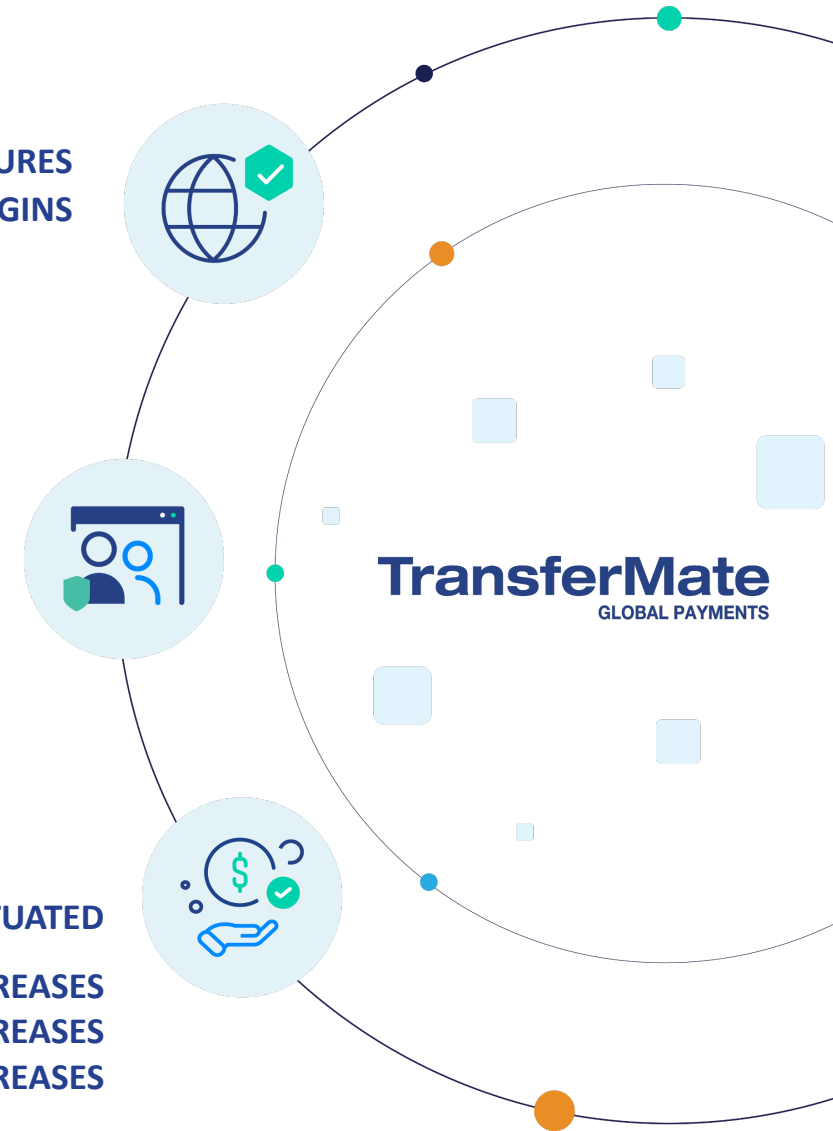
ORGANISATIONS BEING SQUEEZED FROM SEVERAL DIRECTIONS

A worrying storm of uncertainty and
real-world difficulties

INFLATION CAUSING PRESSURES
ON MARGINS

ORGANISATIONS
IMPLEMENTING HIRING & PAY
FREEZES

EMPLOYEE WORRIES ACCENTUATED
INTEREST RATES INCREASES
COST OF LIVING INCREASES
ENERGY & FUEL COST INCREASES



LAYOFFS AND HIRING FREEZES HIT THE NEWS

BREAKING

**Meta Confirms Layoffs—
11,000 Jobs Cut At
Facebook’s Parent
Company**

**Disney to cut 7,000 jobs and slash
\$5.5 billion in costs as it unveils vast
restructuring**

**LendingClub to cut 225 jobs as interest rate rises
impact loan demand**

**Asos to axe 100 jobs as new CEO
cuts costs**

**Amazon kicks off round of job cuts affecting 18,000
people**

**Goldman Sachs starts massive round
of job cuts**

**Boeing to Cut 2,000 Jobs, Seattle
Times Says**

**Tesco buys Paperchase brand but not
shops, with 800 jobs at risk**

Insolvency figures soar by 50% in France

**Bank of America institutes partial
hiring freeze: report**

THE OUTLOOK: WHAT TO EXPECT IN 2023

- Global growth is expected to slow from 3.4% in 2022 to 2.9% in 2023
- Some sectors (IT) will be impacted more than others – job losses, recruitment freezes
- Greater focus on cost
- Greater focus on cash management
- Greater focus on performance
- Maximising revenue streams
- Better vendor management - Value for money

PANEL QUESTION

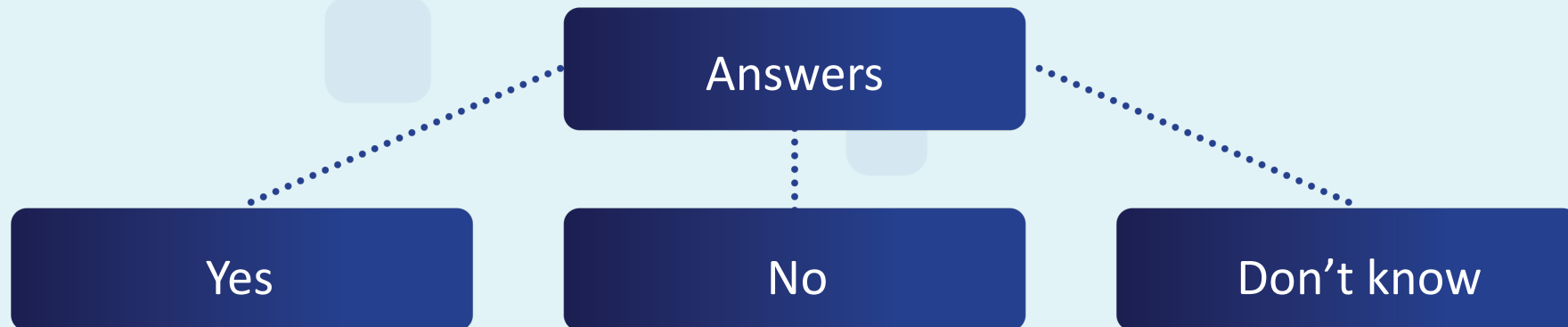


What are the lessons you took away from the last recession? What worked, and what didn't?



AUDIENCE POLL

Do you believe your organization will lay off people or implement a hiring freeze in 2023?



2: YOUR PAYROLL TOOLKIT

Practical solutions to support your employees
and organization



COST-EFFECTIVE COMPENSATION TACTICS

FLEXIBLE WORK REWARDS; ALTERNATIVE STRATEGIES

Cost effective to the Business

Condensed work week

Additional
Holidays

Staff nights out

Flexible working
arrangements

Vouchers/discounts

Holiday
Trade-Offs

IMPACT ON PAYROLL

FLEXIBLE WORK REWARDS

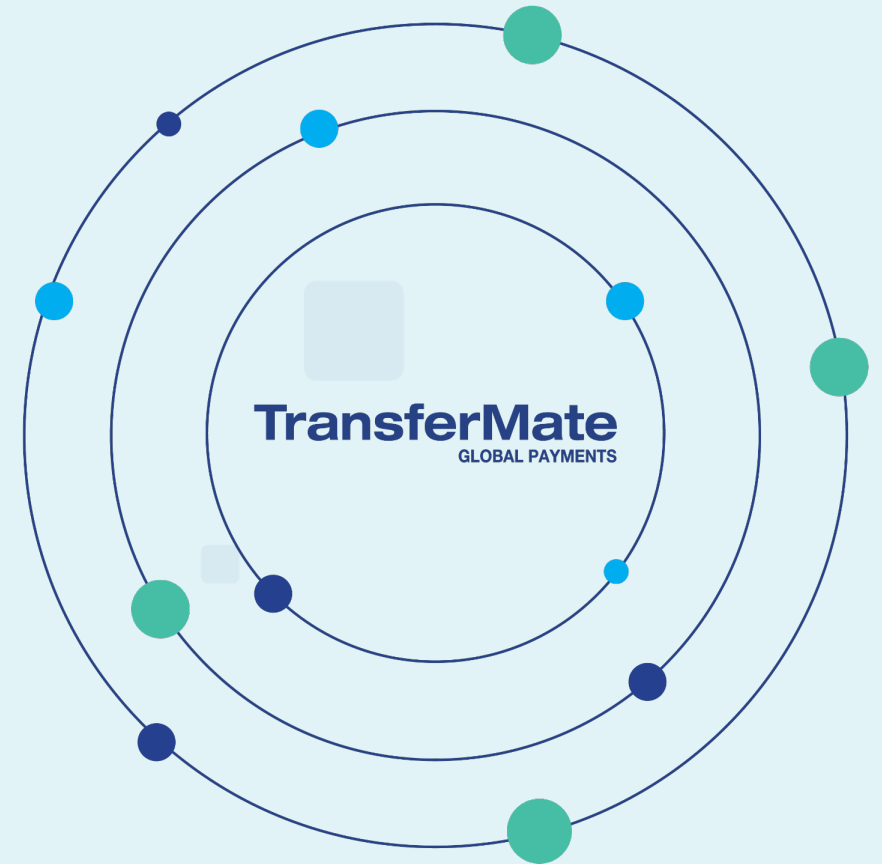
Benefits with costs



IMPACT ON PAYROLL

WHAT ARE THE PAYROLL CONSIDERATIONS FOR THESE BENEFITS?

- ❓ What benefits actually matter to employees?
- ❓ How will these alternatives be treated in different jurisdictions?
- ❓ Do we have the internal knowledge?
- ❓ Do we offer the benefits to all employees or selectively?



CHOOSING AN EFFICIENT PAYROLL MODEL FOR YOUR ORGANIZATION

HOW TO CHOOSE THE MOST EFFICIENT MODEL FOR YOUR ORGANISATION

1. 'Know your payroll data'
2. Understand your costs
3. Know your payroll options; in-house, outsourced, EOR
4. Business continuity is a key consideration
5. Create an RFP and go out to the market

PAYROLL MODELS: THE PROS AND CONS

	In-house	Outsourcing	EOR Partner
Pros	<ul style="list-style-type: none"> Cost saving Expert knowledge of the organisation Flexibility 	<ul style="list-style-type: none"> Reduce internal headcount 	<ul style="list-style-type: none"> They provide international knowledge Potential cost savings
Cons	<ul style="list-style-type: none"> Lack international payroll capability Risk of compliance issues 	<ul style="list-style-type: none"> Can be more costly Loss of Flexibility 	<ul style="list-style-type: none"> Can be less flexible May not be able to provide the full service required
Recommended for	Organizations without international payroll	Good for international operations	Large organizations with international payroll

BENEFITS OF A GLOBAL PAYROLL PARTNER



**TIME SAVING
EFFICIENCIES**



**SPEED IN PROCESSING
PAYROLL**



**COST-SAVINGS IN FEES
AND FX COSTS**



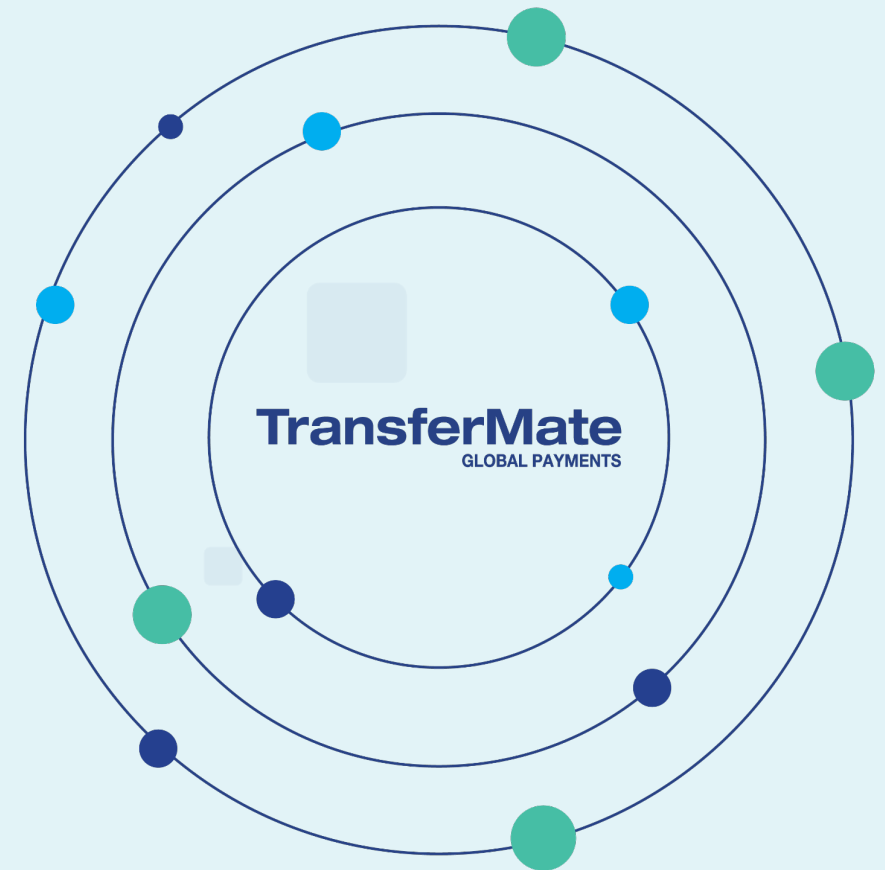
**AUTOMATION AND
TRACKING**



**FLEXIBLE SETTLEMENTS
OPTIONS**



**SECURITY AND
COMPLIANCE**



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3. HOW TO SUPPORT PEOPLE THROUGH CHALLENGING TIMES



HOW TO SUPPORT EMPLOYEES DURING REDUNDANCY

The important things to get right



ALWAYS REMAIN COMPLIANT

Each jurisdiction requires a different procedure.



COME PREPARED

Have clear information about severance and employment benefits.



THE HUMAN FACTOR

Never forget it's a human in front of you. Empathy is the watchword in all communications.



OFFER HIGH-VALUE ITEMS

Offer training programmes, vested stock options, retirement benefits etc.



TRANSITIONAL SUPPORT

Offer CV writing help, References, Pension Plan procedure, stock option procedure etc.

BUDGET EFFICIENT STRATEGIES

Saving costs for employees when making redundancies



Jurisdiction Dependent

Different jurisdictions offer different tax-efficient layoff tactics. You simply need a certain level of knowledge of codes, regulations and laws.



Saving costs through payment methods

Look at the tax efficiency of remuneration – tax-free lump sum as part of the final pay, maybe able to be given training allowance (tax write off), efficient payment of severance of package (structure the payment).



Looking at current benefits

Healthcare benefits – can it be extended? Stock options – is accelerated vesting possible. Furniture, homework set-up etc. Cycle to work, transport benefits etc.

THE OVERALL STRATEGY REQUIRED

What pillars do you need to support the business in challenging times?



Execute leadership strategy

Clear direction provided by the leadership team



Plan Actual Variance

Work with Finance to create a detailed budget and carefully track actual to planned spend each month. No surprises!



Clear Communication Strategy

Tell the communication team the elements that they need to follow, and the language to use.



The Workforce

Support and reassure all staff

4: FINAL TAKEAWAYS

If you take just 3 things away from today...

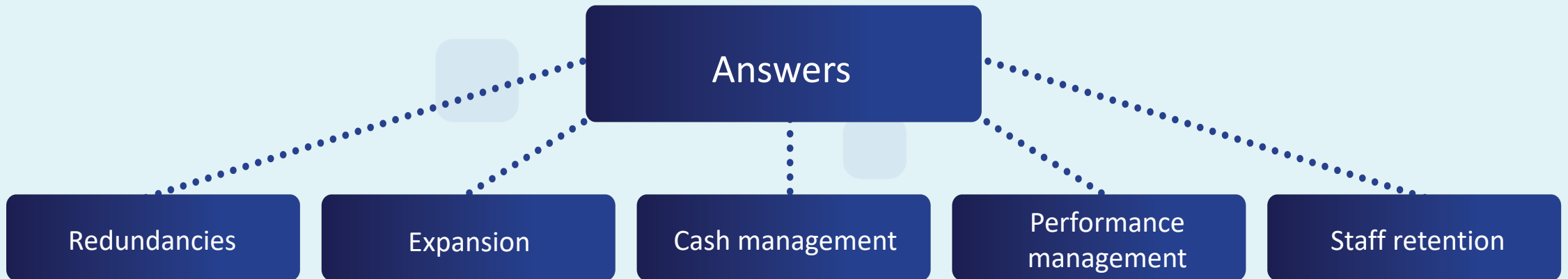




AUDIENCE POLL



What do you see as your biggest challenge in 2023?



AUDIENCE QUESTIONS

THANK YOU!

A series of decorative squares in various shades of blue, arranged in a horizontal line at the bottom of the slide. The squares vary in size and opacity, creating a subtle pattern.