

# Ask the expert



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## How to ensure your global payroll project makes it off the starting blocks

Many global payroll projects with huge potential benefits simply never make it past the beginning stages. Reasons can vary, from teams having a poor understanding of what payroll services are actually required, an incorrectly assumed size and structure of the retained organisation, or the misconception of correcting business processes prior to starting a payroll project, which are then often compounded with a poorly articulated financial business case.

These challenges are often the result of the inwardly focused teams, a lack of experience in executing transformational global payroll projects, an adversarial procurement process, the misconception that the vendor is trying to take advantage and, ultimately, the fear of change. All of these can be overcome by considering the following elements during the early stages of a global payroll project.

### Scope of services

Before you have written an RFP or are too far into a project, you should ideally be working with your top two potential vendors to understand how your actual business requirements would align to their standard scope of services.

In a half-day session, it is possible to understand exactly which services are required across payroll, personal administration,

benefits, time and attendance, talent management administration and employee support services and critically, who will be delivering each service line. The resulting understanding of actual requirements will ensure that both you and the vendor will have a much clearer understanding of requirements, and as important, that your cost quotations will ultimately be easier to compare.

### Visit an outsourcing centre

It is critical that you spend a day or more in several large-scale payroll outsourcing centres. This is, without a doubt, the most important aspect of the selection process, as it allows you to truly understand the operational elements of payroll outsourcing, compliance, integration and data management.

It gives you a first-hand glimpse of what a best practice actually looks like. Be aware that 75 per cent of your time in the centre should be on the floor and not stuck in a boardroom listening to presentations.

### FTE and retained organisation

The sharing of FTE numbers - both in the vendor's proposed model and in the client's current and retained organisation - (crazily) continues to be a taboo topic. The client doesn't want to share this data for fear of losing some commercial advantage and the vendor is worried that their 'secret recipe for success' will escape. Rubbish. Only an open and honest dialogue (firstly about scope of services and then the actual FTE numbers - current client, proposed vendor and client retained) will result in a sensible, well-understood project.

### Business processes

It is impossible to first refine your payroll business processes and then undertake a global payroll transformation project that will also include new technology. This is simply a great job for a consultant. What needs to be embraced is a project that considers new technology and new business processes during one implementation and then you can align these to your outsourcing partner's proven best practice.

### Business case

The business case is another worrying element that is often cloaked in a veil of secrecy, often with no direct vendor participation in its creation. A badly written and ill-conceived business case is ultimately why so many potential projects never actually begin. Embrace your vendor, accept they will (and need to make) a sensible margin and then work openly to develop a commercially realistic business case that will deliver the benefit to your organisation.

### Sourcing advisor

Hire a sourcing advisor for your project, ideally one who doesn't also provide the services you are looking to acquire. Look closely for a boutique and proven sourcing advisory partner who is happy to help you successfully deploy your payroll transformation project in a manner relevant to 2015 and not 1985.

Designing, developing, launching and successfully delivering a global payroll transformation project requires you to embrace a more open, transparent approach to partnering with your selected vendors. Be open and share your data points, and demand the same from your vendor. This open approach will ensure not only that the project will have a much greater chance of success, but also that key concepts such as 'gain share' will become a reality. Experience shows that a better outcome for the project will be achieved if you spend twice the amount of time with half the number of vendors.

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Rob Hill has 16 years of experience in global HR and payroll transformation, consulting, system design and technology selection. He specialises in global workforce administration, talent management and payroll solutions supported by payroll and HR outsourcing services and shared services. He has spent the past 12 years working with NGA Human Resources across the world and recently moved to the UK. He writes about global HR and payroll issues and can be found on at [www.linkedin.com/robahill](http://www.linkedin.com/robahill) or on Twitter at @robHill18.