

Is your payroll keeping pace?

Three big changes your mid-sized business needs to prepare for

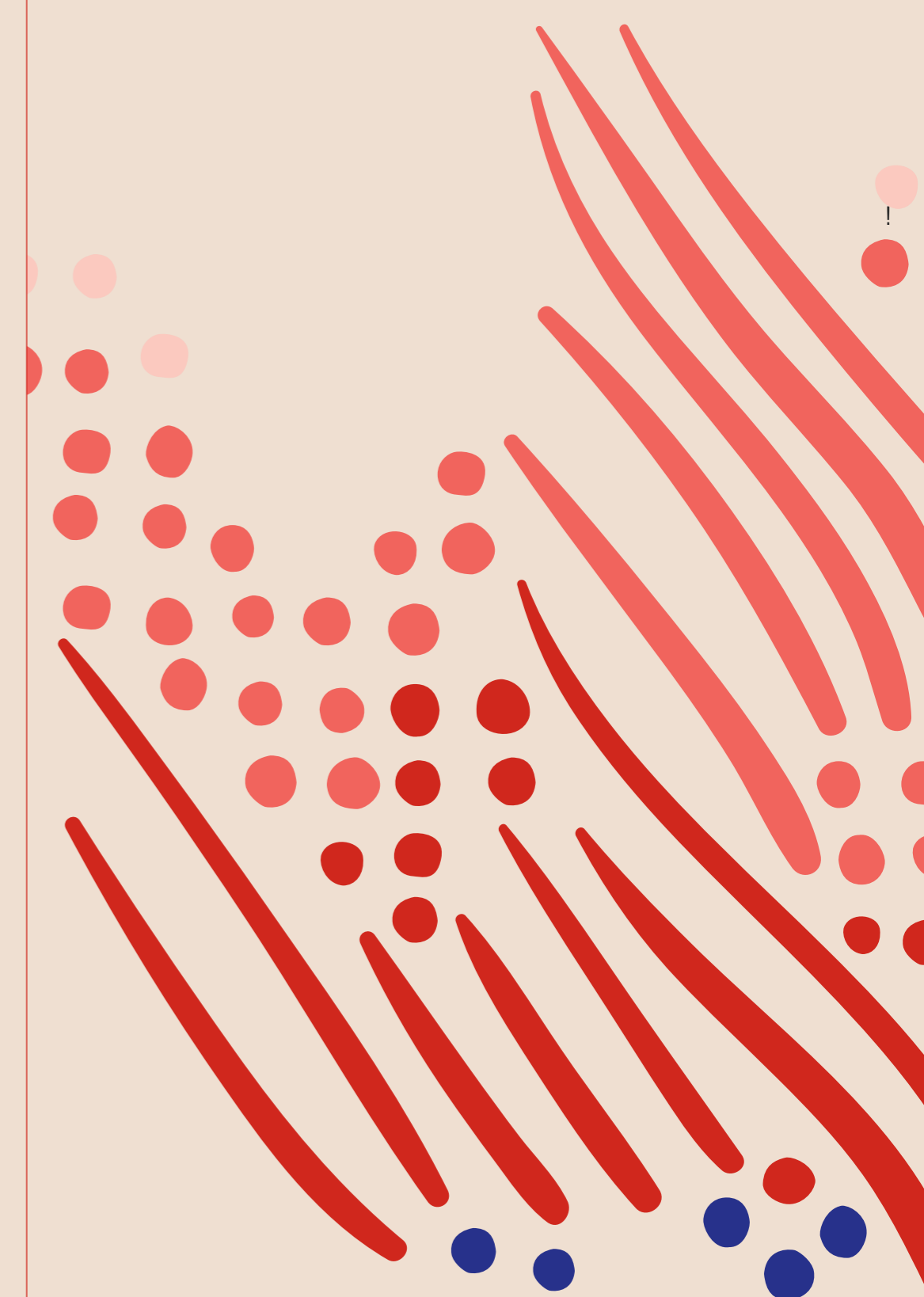


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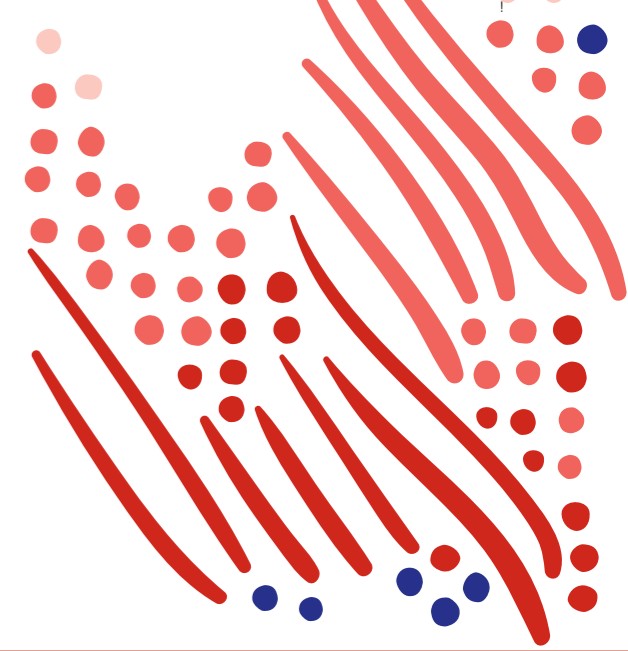


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Life and work in the current climate are vastly different to the way things were pre-pandemic



A direct consequence of all this transformation is businesses of all sizes – companies like yours – finding it difficult to keep pace with how quickly payroll and HR functions are evolving. It's becoming clear: what got you to this point may not necessarily carry you forward.

Your HR and finance teams are, no doubt, working tirelessly to support employees through these seismic shifts – from navigating the complexities of remote working, to coping with the rising cost of living and a multitude of additional COVID aftershocks. At the same time, you're dealing with ever-changing regulations, supply chain challenges, increased demand for flexibility and training, and some very concerning talent shortages.

It's even more intense for mid-sized companies

It can feel like an uphill struggle when you're responsible for and running payroll for hundreds of employees without the big budgets, teams or tools that enterprise organisations have access to. It's understandable that the thing that often gets neglected in these types of situations is payroll (which is, ironically, the most important factor your workforce cares about).

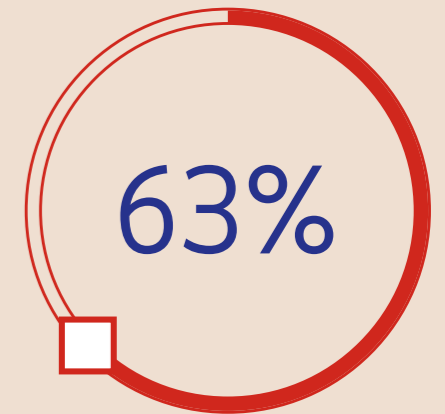
With all this in mind, it's easy to understand why payroll is now more complicated than it used to be, and both employers and employees are feeling the fallout. Findings from our *People at Work 2022: A Global Workforce View*¹ research highlight that payment errors are becoming more acute. A quarter of workers (**24%**) say they're always or often underpaid, **23%** are always or often paid late and, disturbingly for employers, **20%** are always or often overpaid.

The key to success is threefold:

- How your business chooses to rise to these new challenges
- Who you choose as your outsourced payroll partner
- The nature of the relationship you build with your provider

Both the risks and potential cost of making a mistake are too high to disregard.

In this guide, you'll explore three big changes that your payroll and HR teams should be ready to handle, and discover the questions that you as decision makers should be asking.



63% of workers when asked what's more important to them in a job, placed salary at number one.¹

1 Major internal shifts and transformation

Companies grow and adapt. Family-run businesses transform into director-led companies. Some receive investments. Others enter new industries or geographic markets. Many businesses merge or are acquired. These changes, in turn, have a knock-on effect on the people within – inevitably affecting payroll.

Your payroll must be agile enough to adapt quickly in unforeseen circumstances.

How can you be sure your systems are up to task? You can begin by asking the following questions:



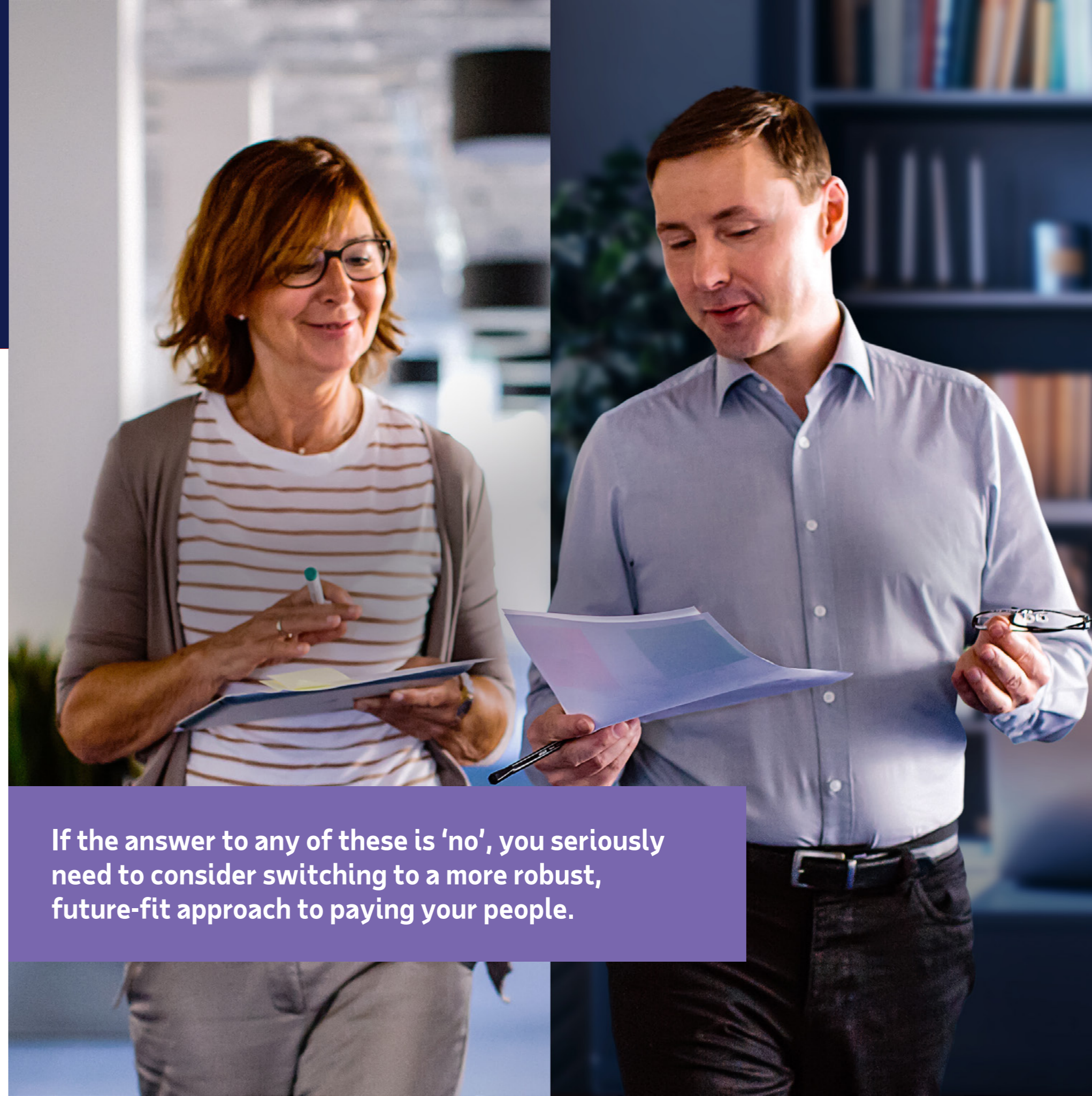
Do you have instant visibility of what your people are doing and earning?



Can you pull reports quickly?



Can you integrate your payroll with other systems?



If the answer to any of these is 'no', you seriously need to consider switching to a more robust, future-fit approach to paying your people.

2 International expansion



The world is becoming a smaller place. Expanding into new countries is essential to finding new customers and talent.

Whether your business is already present in multiple countries or is planning to enter new ones, it's important to ensure that your payroll is prepared for the complexity involved in multicountry operations. You need a partner with a presence in that location – and ideally, one that has a presence in all the countries you're targeting.

There's never been a better time to get ahead of this challenge. Our recent research, *The potential of payroll: Global payroll survey 2022*², revealed the biggest challenges facing businesses operating in multiple countries:

- Delivering a positive experience for employees **(25%)**
- Difficulties with tax payments **(25%)**
- Paying employees when moving into new geographies **(22%)**
- Dealing with cultural differences **(22%)**

You will overcome these issues by ensuring your employees are paid on time, correctly and reliably – regardless of their location, the regulations of their country, and any unexpected circumstances that may arise.

Is this something you're prepared for? Ask yourself:



Does your payroll partner have much experience in the region(s) you're entering?



Do they know the language(s) and local culture(s)?



Can they provide full visibility and reporting across multiple regions?



Do they have a good understanding of the legislation there?

Again, if the answer to any of these questions is 'no', then it would be a good idea to fortify your payroll before pushing into new territories.

3 Ongoing changes in legislation

One type of change you can always count on is legislation. Of course, every company in every country needs to comply with local government and reporting requirements, including those affecting payroll. The rules change often, and the fines for noncompliance are high.

Is this something your business is ready for?



Are your payroll processes geared for compliance?

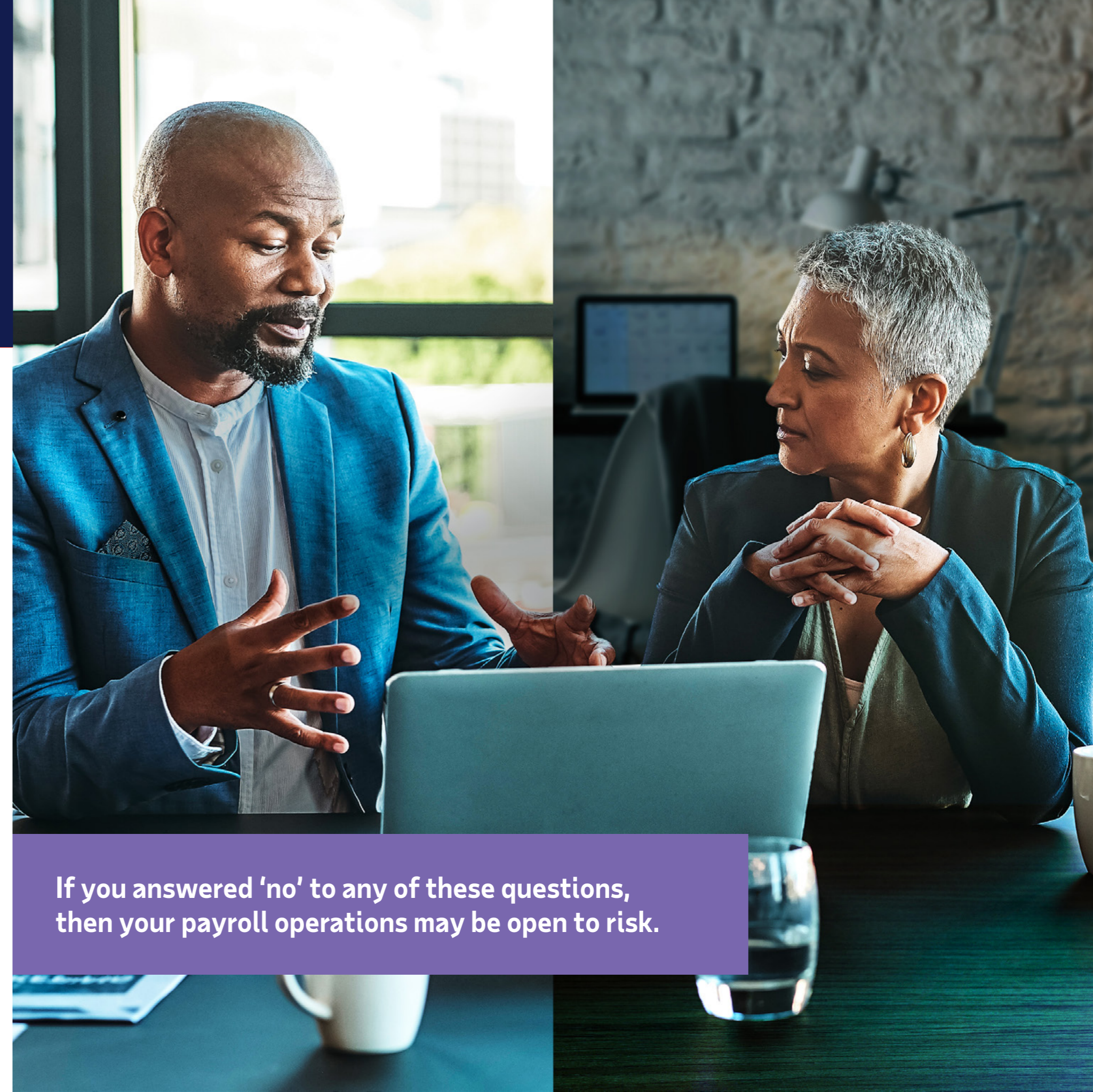


Can you quickly pull sophisticated reports and analyse data?



If you outsource payroll, is your provider guiding you on upcoming legislation changes?

- Are they giving you the information that you need?
- Are you confident that they're looking out for you?

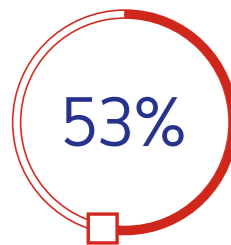


If you answered 'no' to any of these questions, then your payroll operations may be open to risk.

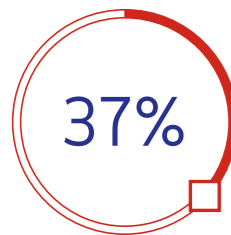
Making time for meaningful HR and payroll changes

Finding the time to think about, let alone prepare for these changes, is a big ask of whoever is responsible for payroll in your company. Whether you're running it internally or managing one or more providers, your payroll people are likely to be pushed to their limits already.

The potential of payroll² research also revealed evidence of these types of stressors. In the last two years:



of payroll teams have been affected by staff shortages, leaving fewer staff trying to cope with higher workload and complexity. This could lead to increased payment errors and noncompliance penalties.²



have had over 10% of their workforce leave the payroll team.²

Your existing payroll partner might have a good range of skills, but lack the capacity to meet your needs going forward. There's currently a huge talent shortage in the professional pool.

Or, if you're building your payroll and HR team in-house, finding the perfect payroll manager with all the expertise and experience you need may be proving impossible. A high attrition rate in payroll means many of the most experienced professionals who specialise in this field are heading into retirement. It's also risky to have only one or two people who know how to run payroll. What would your plan be if they got sick, or resigned?

You could rely on your outsourced accountant or payroll service provider, but they may not have the skills and resources to deal with much more than your current monthly payroll runs. Whoever manages this function for you needs to be experienced, skilled and responsive enough to guide you through progressing your payroll to keep pace with business growth.



Solve today's payroll problems while preparing for tomorrow's challenges



The best way to prepare your payroll is to team up with a partner who can meet you where you are and take you to where you want to be.

If you're looking to streamline and evolve your payroll processes and reporting, then you need a partner who:

- Knows exactly how to do it (across multiple countries)
- Can give you total visibility and access to your data
- Keeps track of legislation changes
- Can help you automate and standardise your processes

If you're ready for international growth and expansion, then you need a partner who:

- Has entered your chosen markets before, using their experience to help clients avoid pitfalls and maximise their expansion success
- Has payroll experts local to those countries and is ready to take care of everything on the ground
- Can give you full visibility into company-wide payroll data
- Can ensure that all markets follow a standardised process



When the best payroll skills and software meet, good things happen

ADP is a world leader in payroll delivery. We have the technology, expertise, innovation and commitment to be the reliable partner you need in uncertain times.

We make payroll personal, building a custom package of systems and processes to support and bolster your specific business goals. With that comes a dedicated team of experts whose mission is to help you get the most out of your payroll tools and team.

Most importantly, with ADP your payroll will be scalable. This means it will flex and adapt as your business evolves. There will be no need for you to seek a new service provider in the face of unexpected world events or advancements in software. ADP payroll grows with you.



Expertise customised for you

Fill critical payroll gaps with highly trained payroll professionals who always go the extra mile. Get local and global expertise to help you navigate cultural and legislative changes when entering new markets.



Reliable services built on integrity

Gain confidence from a fast and reliable service on a wide range of payroll and compliance matters. Optimise your payroll operations with proactive support, standardised processes and security built in.



Future-proof your business with flexible services

Manage transformation and times of transition with ease. ADP's flexible service levels are designed to scale with you as you grow. Turn your payroll data into actionable organisational strategy and HR policies that make a difference to your people.

Making any change to your payroll function is a big deal, we know. Our experienced teams will make sure there's minimal disruption to your operations, and that you feel the benefits of our exceptional service ethic from day one. Payroll is the primary focus of our people. You will always have their full attention and their unwavering advocacy.

When you partner with ADP, you will gain:

- A dedicated Account Team who will get to know you and your business
- Access to specialist support
- Legislation experts keeping you ahead of compliance
- Global presence and a wealth of experience in entering new markets



Testimonials

Prominent mid-sized companies like yours trust ADP. Here's what some of them had to say about our partnership.



ADP took the time to understand the RPC business model, enabling them to provide a tailored solution which has helped us to focus on our core business – a great example of a strong and flexible ongoing working relationship.

Steve Rowan, Chief Financial Officer at RPC (mid-sized international commercial law firm, headquartered in the UK)



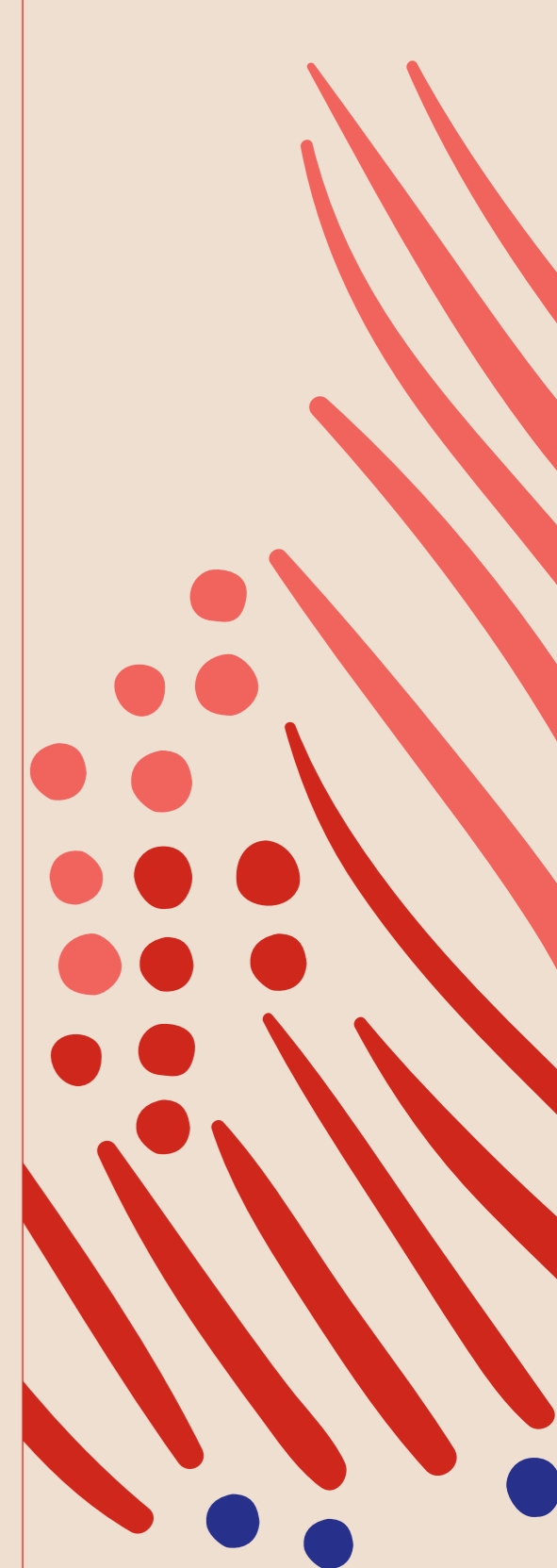
The support we've received from the team at ADP has been exceptional. Their multicultural team has skills across a range of disciplines, and they are dedicated, experienced, and committed to success, with a strong focus on providing excellent service to clients.

Begoña de Torres, Human Resources Department at ISTOBAL (mid-sized manufacturing firm, family-owned and headquartered in Spain)



We have built a real bond with the team at ADP. They clearly care about our business and have turned the impossible into the possible.

Adris Mohammed, Regional Accounts Manager at First Recruitment Ltd (mid-sized global recruitment company headquartered in the UK)



Get future-fit and payroll-ready

When you make the decision to prepare your payroll for change, you're taking actionable steps towards eradicating risk for your business, while becoming faster, more agile, more robust and more strategic. Laying a solid foundation for a future-ready payroll is just the beginning of your long and successful partnership with ADP.

We'll help you unlock invaluable data so you can use it to boost the productivity, health and wellbeing of your employees, while providing world-class security and protection.

Our implementation project team will ensure continuity in service excellence and minimise disruption in the face of chaos.

We'll scale your service in any direction you decide to grow. Most importantly, ADP will empower you to deliver the most efficient, cost-effective, reliable and powerful payroll for your people.



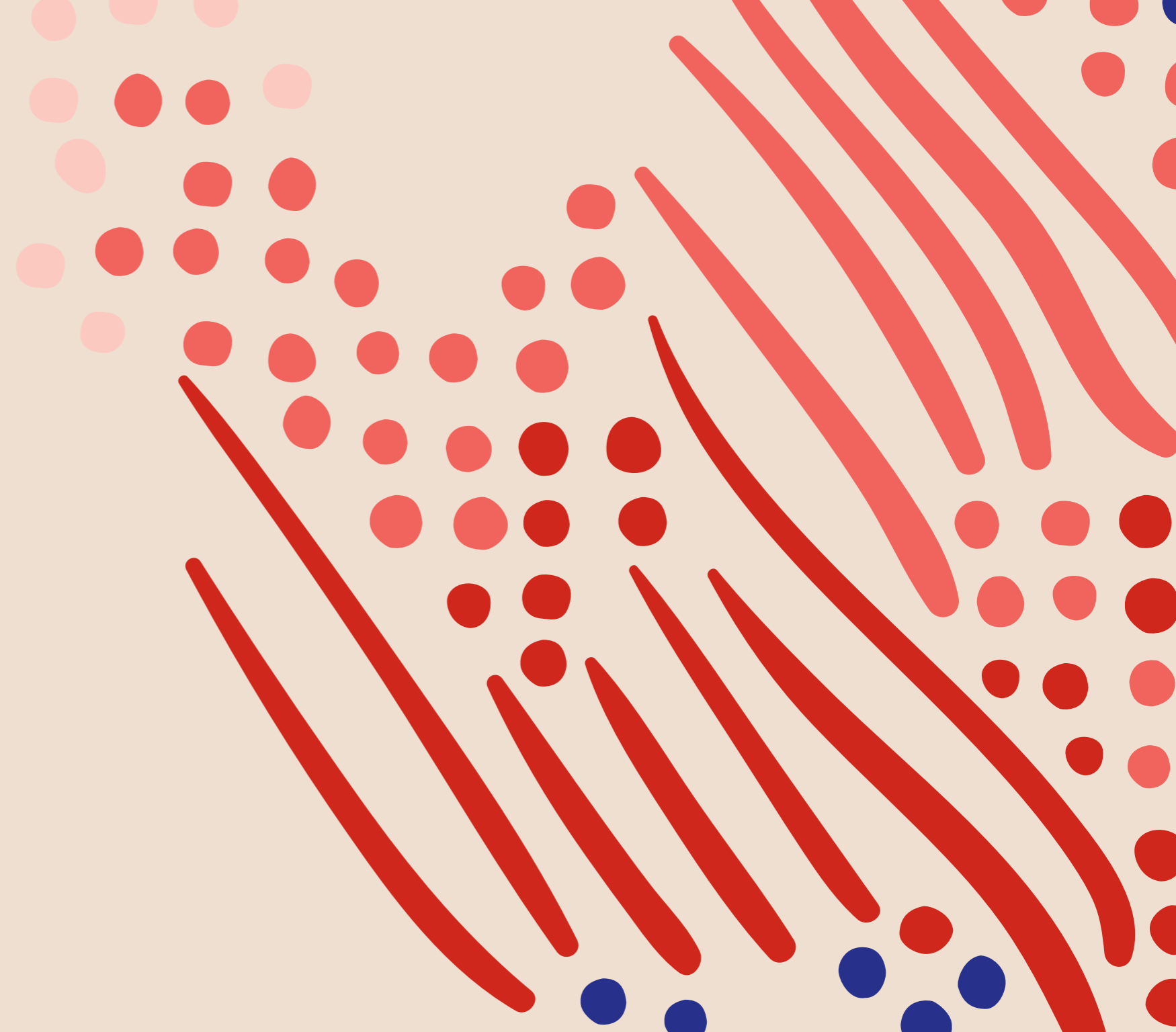
Prepare your payroll team for change.

To find out more about ADP's payroll and HR services, contact our expert team on:

0800 1707 677

or visit

uk.adp.com



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References:

¹ The ADP Research Institute, People at Work 2022: A Global Workforce View

² ADP, The potential of payroll: Global payroll survey 2022