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SAPinsider Benchmark Report

State of the Market: Payroll and Its Impact on Cloud HR

AJ Whalen

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STATE OF THE MARKET: PAYROLL AND ITS IMPACT ON CLOUD HR

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Executive Summary

A pressing dilemma for many companies is whether they should move existing payroll technologies to a new platform (either in-house or outsourced) as they move their human capital management (HCM) technology to the cloud – and if so, when. The decision to migrate payroll to a new platform or processor becomes even more difficult for customers who are unable or unwilling to request new project budgets in a difficult economic time.

The decision to migrate payroll to a new platform can also have a carryover effect on core HR technology adoption. Many on-premise payroll customers have hesitated to adopt cloud-based core HR solutions due to integration concerns with their legacy payroll or due to the fear of disrupting business critical payroll processes.

In February and March of 2020, we surveyed 187 members of the SAPinsider Community to understand their payroll strategies and practices – as well as the solution landscapes and technologies they use – to learn the top issues facing payroll organizations and executives today. We also set out to learn where customers are seeing business value in their payroll processes and the ways in which payroll technology may be impacting the rest of their HR technology landscape.

As a baseline, survey respondents were asked to identify how their gross-to-net payroll is currently processed. Allowing for multiple answers to accommodate companies that utilize more than one platform, a majority of respondents (68%) said they currently host payroll on-premise and process it in-house, compared to 21% whose payroll is hosted and



I think for the longest time there was a sense of ‘if it ain’t broke, don’t fix it’ with regards to payroll systems. But now there is more of a sense of urgency related to the end of mainstream maintenance. There is also more pressure to add process improvements to make things more efficient and to incorporate features that can increase employee experience.

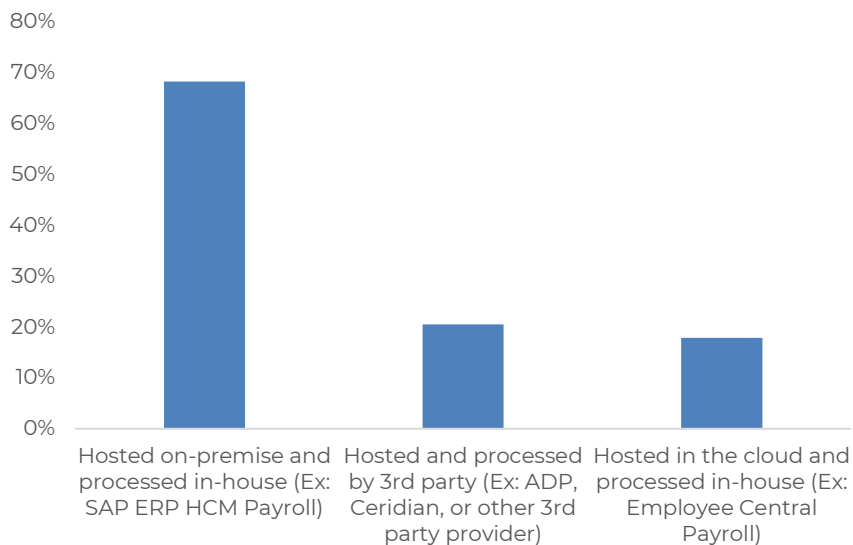


~ **Director, HRIS and Payroll,
Manufacturing Industry**

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processed by a third party, and 18% whose payroll is hosted in the cloud but processed in-house (see **Figure 1**).

Figure 1: Current payroll processing landscape



Source: SAPinsider, March 2020

- When asked which factors might prevent their organization from moving to a new payroll technology or platform, 50% of respondents who indicated they have no current plans to move their payroll said cost was the factor preventing a potential move.
- For companies with a stated desire to move to Employee Central Payroll, cost is not the top inhibitor. A majority (71%) of those companies said the complexity of their existing on-premise payroll configuration (and the effort to replicate it in a new system) is the top reason preventing them from moving their payroll.
- For core HR, 39% of respondents are running Employee Central while 42% reported that they are currently implementing or evaluating the solution. Since Employee Central is required to

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Historically, payroll technology has not changed much and companies could remain on their payroll systems for 20-30 years with only minor updates. Over the last few years, we have seen new demands being placed on payroll technology that require more than just minor updates. On-demand pay, massive last-minute legislative changes, gig economy, and now COVID-19 are requiring significant changes to how payroll operates. All of this means payroll technology needs to be agile enough to react more quickly and provide many more options than the historical periodic payroll check.



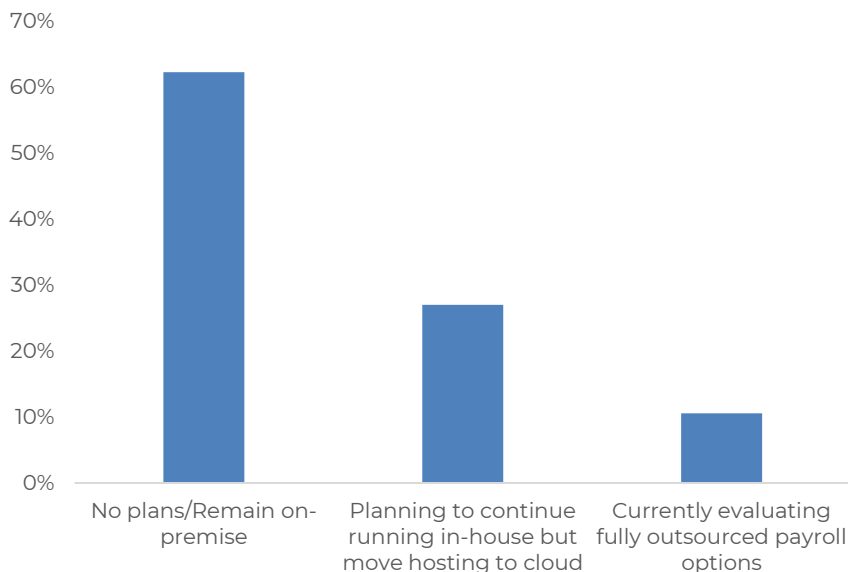
~ Mike Timm, President & CEO, Integrated Consulting Group

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run Employee Central Payroll, many on-premise customers are considering their next payroll move by starting with core HR.

- With SAP's scheduled 2027 end of mainstream maintenance for on-premise solutions looming, on-premise payroll customers face a critical decision regarding their payroll processing. When asked for their plans, 62% of on-premise customers stated that they currently have no plans to move and their payroll processing will remain on-premise. Of the remainder, 27% plan to continue processing in-house but will move hosting to the cloud and 11% are evaluating fully outsourced processing models (see **Figure 2**).

Figure 2: Payroll platform trends/plans among on-premise payroll customers



Source: SAPinsider, March 2020

Required Actions

Based on the responses that we received in the survey, organizations considering new payroll technologies or platforms must:

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- **Revisit digital HR strategies with payroll in mind.** Nearly half (43%) of survey respondents indicated that having a single point of truth for both payroll results and process-oriented data is extremely important. Choosing a payroll platform that is not closely integrated with core HR solutions may lead to an increase in data entry efforts or a decrease in data quality.
- **Focus on process efficiency and accuracy.** More than half (66%) of respondents identified processing and data accuracy as the primary method used by their organization to evaluate the effectiveness of payroll. With this in mind, customers should educate themselves on process-based features such as Payroll Control Center that they can use to improve process performance, reporting, and accuracy.
- **Understand the geographic coverage of both cloud-based and outsourced payroll solutions.** Multinational companies must be sure that their chosen solution or outsourced provider offers coverage for processing and compliance in all geographies in which they pay people. For example, SAP SuccessFactors Employee Central Payroll is available in 46 countries (as of March 2020), so some multinationals may need to account for countries not presently in scope while SAP SuccessFactors localizes additional countries to match the geographic coverage of its on-premise solution.
- **Learn what is required – both technically and resource-wise – to adopt new technology.** It is important for any organization considering a change in payroll technology to learn the prerequisites for both cloud and hosted/outsourced payroll offerings and understand the impact they may have on HR business processes and employee experience.



PERSPECTIVE



If your organization struggles with payroll accuracy and nothing is done, don't expect the problem to stay the same, as it will certainly get worse. Top performing organizations are ones who have top quality people. If you cannot keep quality people because of payroll delays or inaccuracies, you cannot bring in top talent. I don't know about you, but it would be impossible for me to fall in love with an organization that messes up my pay.



~ Imran Sajid,

Director, HCM Solution
Marketing, SAP

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Chapter One: Payroll State of the Market Overview

Recent advances in technology, including machine learning, employee experience solutions, integration tools such as SAP Cloud Platform Integration, and analytics solutions such as SAP SuccessFactors People Analytics, have each contributed to an increase in adoption of cloud-based core HR and talent management solutions by SAP ERP Human Capital Management (HCM) customers over the last several years. However, while the business case to move, shift, or reimplement core HR and talent management has become clearer in recent years, many of the same customers have been more reluctant to move existing payroll systems to a new platform or technology.

Best Practices Model – DART

SAPinsider structures all of its research on its proprietary DART model. This research model provides practical insights that connect business **D**rivers and **A**ctions to supporting **R**equirements and **T**echnologies. Drivers represent internal and external pressures that shape organizational direction. Organizations take Actions to address those Drivers. They need certain people, processes, and capabilities as Requirements for those strategies to succeed. Finally, they need enabling Technologies to fulfill their Requirements.

In this report, we looked at current customer payroll strategies and practices, including the solution landscapes and technologies they use, to understand the top issues facing payroll organizations and executives. We examined where customers are seeing business value in their payroll processes and the ways in which payroll technology may be impacting the rest of their cloud HR solution landscape. The results of the survey showed that customers are very driven by the desire to lower costs and increase efficiency of their existing payroll processes. To address these goals, customers are focusing on integration strategies and

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process enhancement tools and reports to gain efficiencies. Many are also developing or refining their payroll reporting and analytics strategy to support those efforts. Respondents use or plan to use a wide range of SAP and third-party tools and platforms to fulfil these requirements.

Respondents' answers to our survey and interview questions revealed clear trends, which are summarized in **Table 1** and will be examined throughout this report.

Table 1: DART model framework for payroll strategy

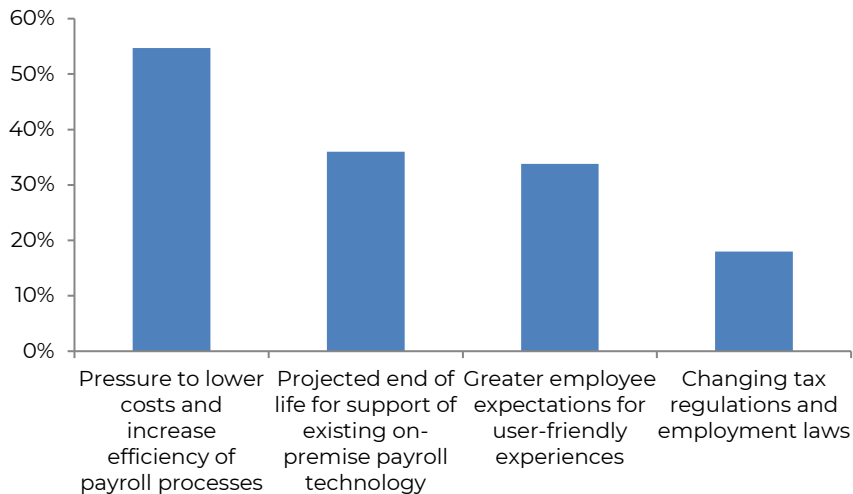
Drivers	Actions	Requirements	Technologies
<ul style="list-style-type: none"> Pressure to lower costs and increase efficiency of payroll processes (55%) Projected 2027 end-of-life for support of existing on-premise SAP technology (36%) 	<ul style="list-style-type: none"> Streamline existing payroll configuration and processes (53%) Selectively apply intelligence and automation to streamline payroll processes (48%) Improve data integration between HCM and payroll platforms and vendors (38%) Develop meaningful payroll and tax reporting to ensure data accuracy and oversight (28%) Compare costs and benefits of in-house and outsourced payroll providers (27%) 	<ul style="list-style-type: none"> Single point of truth of payroll results and process-oriented data (79%) Real-time updates of tax and regulatory changes both globally and locally (71%) Administration skillset for supporting payroll solution updates, releases, and maintenance (61%) Process enhancement tools (48%) Integration strategy for supporting cloud and on-premise solutions (47%) Global payroll reporting and analytics strategy (41%) 	<ul style="list-style-type: none"> SAP ERP HCM (on-premise) (75%) SAP on-premise time management solution (i.e., CATS, time and attendance, time evaluation) (62%) SAP ERP HCM Benefits (42%) SAP SuccessFactors Employee Central (39%) Third-party workforce management solution/platform (35%) Third-party benefits management solution (29%) SAP SuccessFactors Employee Central Time Management (13%) SAP SuccessFactors Employee Central benefits (10%) Non-SAP core HR application (10%)

What are the Business Drivers for Payroll Technology Strategy?

More than half of all respondents (55%) said that the pressure to lower costs and increase the efficiency of their global payroll processes is the primary driver behind their payroll strategy.

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Figure 3: Top drivers for payroll technology strategy



Source: SAPinsider, March 2020

The projected end of maintenance for on-premise SAP ERP HCM Payroll solutions is playing a role in payroll decisions for many organizations. In our survey, 36% of survey respondents identified the stated 2027 end of mainstream maintenance date as a key driver of their payroll strategy and a factor in their future payroll technology plans (see **Figure 3**). The risk of losing maintenance for their on-premise payroll technology is spurring some to evaluate hosted payroll technology or fully outsourced payroll solutions.

According to respondents, their company's overall cloud strategy is not a primary driver of payroll strategy. Only 20% of respondents said that their company's directives related to adoption of cloud technology are driving payroll strategy. Several customers interviewed for this report indicated that they have less of an appetite for investing in – or re-implementing – payroll applications that work properly, and that their focus is more on efficiency of existing processes.

Less than half (34%) of respondents indicated that the need for a more user-friendly employee experience is driving them to consider usability enhancements to payroll



We have been running SAP on-premise payroll since 2004 and have made many customizations, including PCRs, BADIs, and user exits. If we decided to evaluate new payroll software, we would first undertake a full "as is/to be" analysis to determine what customizations are still required and what can be moved to a standard payroll solution.



~ Director, SAP HCM Systems, Public Sector

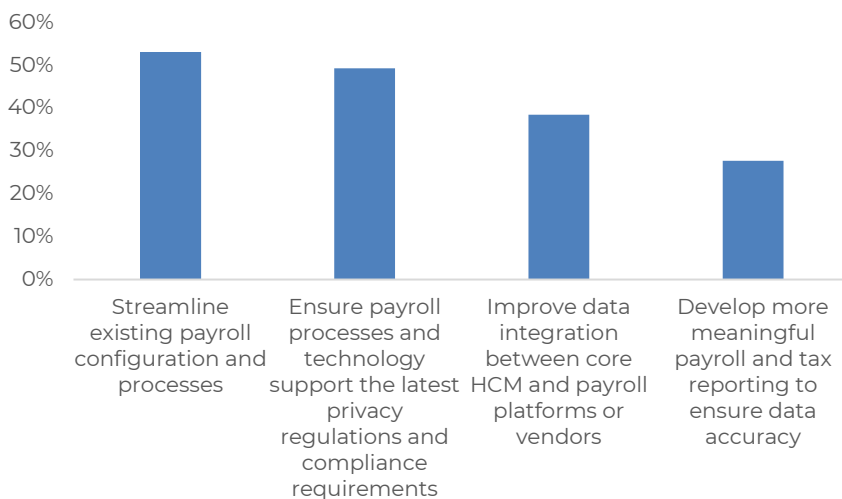
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processes, such as mobile access to payslips, pay cards, and early direct deposit programs.

How Do Customers Meet Their Business Drivers?

Overall, more than half of respondents (53%) indicated that they are taking steps to streamline existing payroll configuration and processes in order to meet the increased demands for efficiency in payroll processing (see **Figure 4**). These steps include adoption of payroll process optimization solutions like Payroll Control Center and advanced third-party reporting solutions that enable both compliance reporting tools for payroll professionals and issue resolution capabilities for shared service center employees.

Figure 4: Top strategies prioritized to address the top drivers of change



Source: SAPinsider, March 2020

This action is less of a priority for companies who have already adopted SAP SuccessFactors Employee Central Payroll. Only 38% of those organizations reported actions to streamline processes as their top strategy, due in part to the fact that they are already using process efficiency tools like Payroll Control Center in their SAP SuccessFactors

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Work on standardizing, streamlining, and simplifying payroll-related processes before going to Employee Central Payroll. Complexity is the enemy of payroll and it will drive cost and risk for any implementation. For example, if you have three 401k plans with different rules for eligible wages or waiting periods, consider streamlining them into one plan. If there are multiple ways of posting to accounting per company, consider one approach to posting accounting for all companies.



~ Steve Bogner, Managing Partner, Insight Consulting Partners

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Employee Central Payroll instance and have already benefitted from process enhancements.

Compliance strategies are equally important to all payroll organizations, although the emphasis on this strategy varies between processing types. Overall, 49% of respondents reported that they are taking actions to ensure compliance with data privacy regulations. This strategy is the top priority (55%) among SAP SuccessFactors Employee Central Payroll customers surveyed. Customers currently running SAP SuccessFactors Employee Central Payroll for core HR reported using SAP SuccessFactors localization services for regulatory compliance, while both on-premise and SAP SuccessFactors Employee Central Payroll customers use BSI for payroll tax compliance. Respondents whose payroll is processed by a third party take advantage of similar regulator and tax services offered by their respective solution providers.

Finally, integration strategies (38%) are most important to cloud hosted payroll organizations as they balance integration solutions like SAP's Point-to-Point (PTP) integration, SAP Cloud Platform Integration, Dell Boomi, and others to connect payroll to SAP SuccessFactors Employee Central and the rest of their HCM landscape and vendors.

Key Takeaways

Based on our research with respect to payroll technology strategy, the following takeaways are clear:

- Take a hard look at existing payroll processes to identify areas for process improvement.** Many organizations assess the performance of payroll processes when adopting new technology as they look to take advantage of the tools offered by the new platform. However, as seen above in **Figure 4**, the pressure to increase efficiency in payroll processes is not limited to those undergoing a new implementation. All organizations should review processes and look for procedural changes as well as process and reporting tools that can boost the performance and accuracy of their payroll operations.

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Integration of SAP SuccessFactors Employee Central and SAP SuccessFactors Employee Central Payroll has become smoother and easier since the introduction of point-to-point (PTP) integration. The PTP integration provides packaged content and direct communication and replication between the systems, which means no setting up, configuring, and maintaining the middleware. Additionally, if there are any limitations in the middleware or the integration package in the middleware, then these no longer become roadblocks to integration.



~ Luke Marson, Co-Author,
 “SAP SuccessFactors
 Employee Central: The
 Comprehensive Guide”

- **Review configuration in on-premise or legacy payroll applications to find opportunities to simplify.** For companies with a stated desire to move to SAP SuccessFactors Employee Central Payroll, cost is not the top inhibitor. A majority (71%) of those companies said it is the complexity of their existing on-premise payroll configuration (and the effort to replicate it in a new system) that is preventing them from moving their payroll. Many legacy payroll systems have a myriad of configuration and rules that have been added over time and may not be necessary or could be accomplished in different ways. Simplification of configuration can improve performance and extend the life of some payroll systems.
- **Build an integration strategy.** While 42% of respondents said integration remains an inhibitor to their payroll strategy, the reality is there have been advances in integration tools that can address most customer needs. Before embarking on an implementation or migration project, take the time to formulate an integration strategy that you can apply to your entire HR and payroll technology landscape. This step, along with investing in training your project resources in the top tools like PTP and SAP Cloud Platform Integration, will help reduce or eliminate integration as an inhibitor to future payroll plans.
- **Review the metrics you use to evaluate payroll process success.** The most meaningful metrics are those that measure how payroll directly impacts an organization's bottom line. Our research shows that the most commonly used measures of payroll process success reported across all respondents include payroll accuracy (66%), time to run payroll (51%), and cost of payroll function per employee (44%). The use of proper metrics and measurements can help elevate your project's priority over others, reduce risk in payroll investments, and properly track return on investment in payroll projects.

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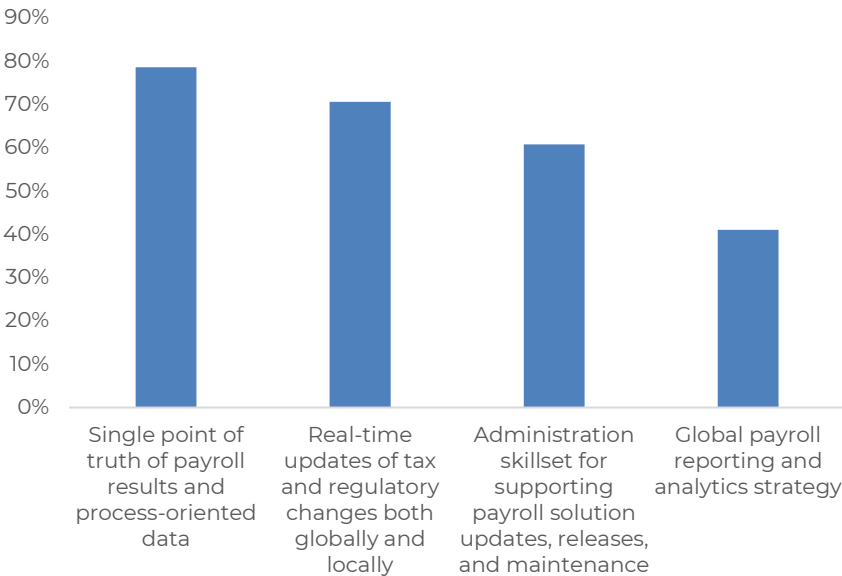
Chapter Two: How SAP Customers Approach Payroll Strategy

This section explores how organizations prioritized the different requirements and capabilities that respondents indicated they needed for a successful payroll strategy, and the tools they used to support those requirements.

Top Requirements for Payroll Strategy

Respondents to the survey selected having a single point of truth for payroll results and process-oriented data as their most important requirement, with 79% indicating that this was very or extremely important to their organization (see **Figure 5**).

Figure 5: Top requirements for payroll technology strategy



Source: SAPinsider, March 2020

Maintaining a single point of truth for payroll and HR data offers consistency in data and format. Consistent data is

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critical to streamlining processes and standardizing employee experience, two of the top drivers of payroll strategy mentioned in chapter one of this report. Standardization also facilitates visibility of data that is needed when adopting practices like online or mobile payslips, pay cards, and programs that enable early direct deposit of payroll to employee accounts. Each of these practices is used by payroll organizations to not only streamline processes but also to increase employee engagement.

Ensuring real-time updates of tax and regulatory changes in each country or region was the second most selected requirement at 71%. Timely updates to tax and compliance-related changes are necessary to not only lower regulatory compliance risk from authorities, but also to ensure data accuracy and improve employee satisfaction.

The need for an advanced skillset to administer payroll was chosen as a requirement by 61% of the overall respondents. Payroll systems, particularly those processed in-house, can require resources to manage and maintain tax and regulatory updates, as well as the daily changes in master data that can have a downstream impact on payroll processing. It makes sense, therefore, that only 9% of organizations running third-party payrolls felt that an administration skillset was extremely important. This is due to the fact that fully outsourced payrolls require less direct intervention than either on-premise or hosted payroll solutions.

Nearly half of respondents (41%) identified a global payroll reporting and analytics strategy as important. This requirement ties very closely to the need for a single point of truth, but it also aligns with the need for comprehensive compliance strategies to support both privacy and tax regulations outlined in chapter one.



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Any new payroll system we consider must have the ability to integrate with our complex time collection, valuation, and validations. Additionally, any project to move payroll has to be easily mapped to a timeline and process. Currently all options we have seen have a significant degree of variability and unknowns, from the timing to the ability to meet our requirements.

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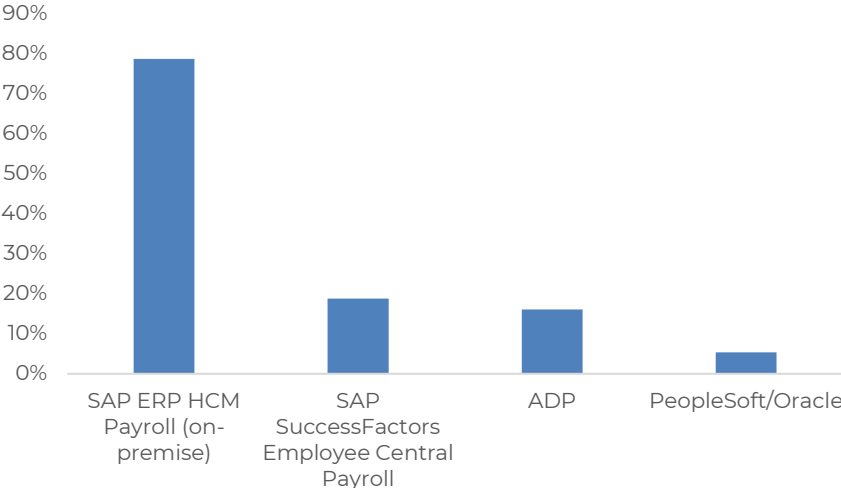
~ IT Systems Architect,
Manufacturing Industry

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Which Technologies Do Respondents Use to Support Their Payroll Strategy?

When it comes to the technologies that are in use by respondents around payroll, it is important to look at both payroll processing platforms and the non-payroll HR technology that integrates with them. **Figure 6** shows the results of the payroll platforms in use today.

Figure 6: Current platforms for payroll processing



Source: SAPinsider, March 2020

As **Figure 6** illustrates, a majority (79%) of respondents are still running payroll on-premise with SAP ERP HCM Payroll. Of those respondents who are still running payroll on-premise, 30% have already moved their core HR to SAP SuccessFactors Employee Central and are integrating back to their on-premise payroll solution and 35% are currently considering Employee Central as well. On-premise payroll customers who have already adopted SAP SuccessFactors Employee Central are the most poised to move to SAP SuccessFactors Employee Central Payroll as they have already established the required core HR solution.

It is not unusual for multinational companies to have multiple payroll providers or technologies. Of those surveyed, 14% currently use more than one solution for their

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global payroll processing (not including payrolls processed by local country banks and standing order payrolls). For some of these companies, this is driven by geographic availability of payroll solutions. For others, it is simply more cost effective to use a local provider for small country populations.

Many outsourcing solutions – including business process outsourcing (BPO) providers – offer packages of payroll and core SAP SuccessFactors HR technology. Of all companies surveyed, 21% use at least one outsourced payroll provider. Of the companies that currently only run SAP Payroll on-premise, 11% are currently evaluating fully outsourced payroll options.

When companies who only run on-premise SAP ERP HCM Payroll were asked about their plans to move to SAP SuccessFactors Employee Central Payroll, 28% indicated that they are planning to move payroll processing to that solution in the near future.

Key Takeaways

When it comes to equipping organizations with the capabilities and technologies required for an effective payroll strategy, customers should:

- **Consider SAP S/4HANA when making decisions about future payroll platforms.** SAP recently announced its plans for SAP Human Capital Management for SAP S/4HANA, on-premise edition. On-premise SAP customers that want to keep processing on-site may move to SAP SuccessFactors Employee Central Payroll now or they may migrate to SAP S/4HANA beginning in Q3 of 2022. By moving HCM and payroll to SAP S/4HANA, they will no longer be at risk of the 2027 end of mainstream maintenance date that will impact on-premise systems. Current plans published by SAP indicate that SAP Human Capital Management for SAP S/4HANA, on-premise edition will be fully supported until 2040. For companies that have committed to

SAP EXPERTS PERSPECTIVE



The decision to select a new payroll platform can't be made in a vacuum. Payroll technology needs to be part of a company's overall HR technology strategy in order to ensure that integration, governance, and data structures are accounted for between both payroll and non-payroll solutions.



~ **Danielle Larocca, SAP
Mentor and Author**

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moving all applications to SAP S/4HANA, this should be welcome news.

- **Unify your HR and payroll technology strategies.** For some, the rise of cloud-based HR solutions has broken the link between HCM and payroll solutions that existed in a tightly integrated on-premise system. While integration tools exist to enable you to maintain a single point of truth, you should be sure that you are developing a unified technology strategy for HR and payroll that takes cloud, on-premise, and even SAP S/4HANA landscapes into account as well as third-party workforce management, benefits, and reporting solutions.
- **Educate yourself on SAP SuccessFactors Employee Central Payroll.** It is very important that customers separate fact from fiction when it comes to SAP SuccessFactors Employee Central Payroll or any new payroll platform. For example, customers who are concerned about administrative skillsets and updates should understand the role SAP SuccessFactors Cloud Operations plays in managing the infrastructure, hosting, and updates in SAP SuccessFactors Employee Central Payroll. Receiving up-to-date information about the payroll platforms you are considering can help you choose the right solution for your organization.
- **Evaluate processes and payroll-related technology that can enhance employee satisfaction.** While a majority of respondents already use direct deposit of payroll (87%) and mobile or online access to payslips (78%), newer methods of distributing pay are available and growing in popularity. Pay cards for direct deposit (in lieu of bank account direct deposit) are used by 31% of respondents while the newest option of early direct deposit services (sometimes referred to as “instapay” services) are in use by 16% of respondents. Methods such as these make payroll results and distribution of pay more accessible to employees than traditional methods and can be a part of an overall strategy to increase employee engagement and satisfaction.

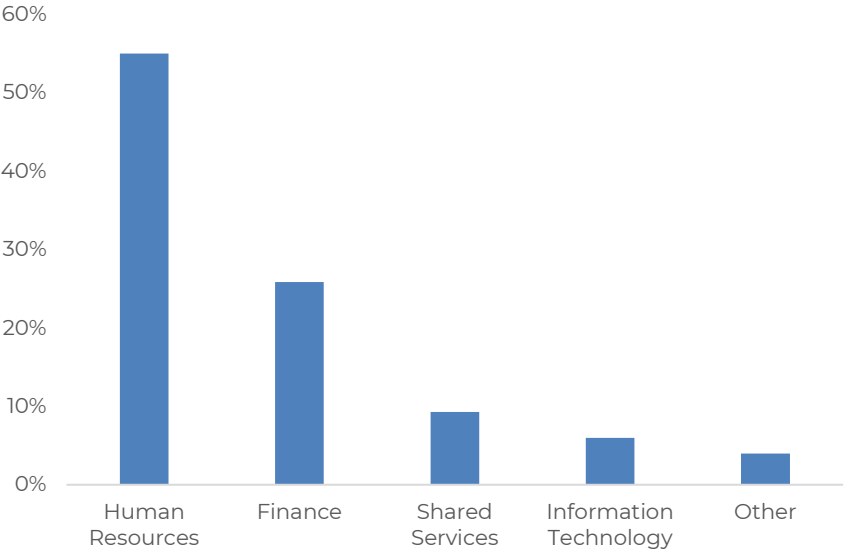
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Chapter Three: Required Actions

The previous chapters clearly show how SAP customers currently align business drivers and actions with supporting requirements and technologies.

In this survey, 68% of respondents indicated that they are currently running SAP Payroll on-premise, while 21% utilize at least one fully outsourced payroll provider, and 18% are using a payroll solution that is hosted in the cloud but processed in-house like SAP SuccessFactors Employee Central Payroll. We also asked respondents which overall business function owns or is responsible for payroll in their organization (see **Figure 7**). More than half (55%) of respondents said that the payroll function is owned by HR, followed by finance (26%), shared services (9%), and information technology (6%). Most of the remaining 4% indicated that their payroll function ownership varies from country to country or even from business unit to business unit.

Figure 7: The overall business function that owns or is responsible for payroll processing



From a non-payroll technology perspective, 80% of respondents are either already running, implementing, or

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are evaluating a move to SAP SuccessFactors Employee Central for core HR. Respondents reported closely evaluating other SAP SuccessFactors solutions, such as Employee Central Time Management (35%) and Employee Central Benefits (33%) as they assess their overall HR technology strategy.

Across all respondents, 55% indicated they feel pressure to adopt payroll strategies that help lower costs and increase efficiency of payroll processes. To help meet these pressures, 53% of respondents are taking steps such as implementing payroll process monitoring applications and enhanced payroll reporting tools. They are also looking at adding additional functionality to their payroll processes to increase efficiency and improve employee experience, such as pay cards for direct deposit of payroll and early direct deposit programs.

Steps to Success

Our research reveals that SAP customers should apply the following key steps to execute their payroll technology strategy.

- **If you are still running on-premise payroll, you should begin planning your next move now.** If companies are not yet planning to move from on-premise payroll, they should begin formulating a plan immediately. The projected end of mainstream maintenance in 2027 seems like a long way off but implementing a new payroll solution or moving to an outsourced payroll platform can take considerable planning, a great deal of time, and a knowledgeable consulting partner or solution provider.
- **Review all options – including outsourcing providers – when looking to reduce cost.** Companies for whom cost is the primary inhibitor to change should evaluate fully outsourced payroll providers, particularly those that offer pre-packaged accelerators, core HR functionality, and services that can address localization concerns.

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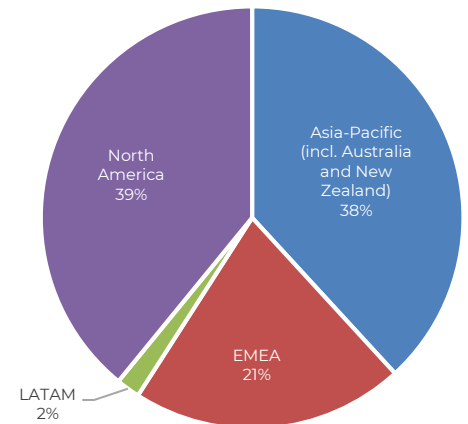
- **Take a close look at SAP SuccessFactors Employee Central Payroll if outsourcing is not for you.** On-premise customers who wish to continue processing their payroll in-house should consider SAP SuccessFactors Employee Central Payroll. While the solution has a higher level of standardization than its on-premise counterpart, customers with concerns about highly customized payroll applications can still build their payroll functions, configure payroll schemas and rules, and even use custom infotypes to match their on-premise setup.
- **Take advantage of available tools to streamline end-to-end processing like Payroll Control Center (PCC).** Survey data indicated that pressure to lower costs and increase efficiency is the top driver for 55% of respondents. For both on-premise and SAP SuccessFactors Employee Central Payroll customers, PCC can be a catalyst to optimizing processing, more closely monitoring variances, and increasing data accuracy. There are third-party solutions that can be used to add detailed reporting and troubleshooting to PCC processes in either on-premise or SAP SuccessFactors Employee Central Payroll.
- **Determine how core HR technology aligns with your long-term payroll plans.** Some companies move to SAP SuccessFactors Employee Central before implementing SAP SuccessFactors Employee Central Payroll, while others choose a big bang approach. This decision may be impacted by budget, risk aversion, available resources, or timing, but for the 79% of respondents who say having a single point of truth for employee data is a top requirement, it's a critical decision.

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Methodology

In Q1 of 2020, SAPinsider examined the experiences of businesses and technology professionals related to their payroll technology strategy. Our survey was administered to 187 SAP customers and generated responses from across a wide range of geographies, industries, and company sizes. Respondents completed an online survey and provided feedback in customer interviews that questioned them on topics such as:

- What are the top business drivers that are impacting or have impacted your organization’s decisions related to payroll?
- Which payroll technology/solution(s) is your organization currently implementing or using today?
- Which metrics does your organization use to evaluate the effectiveness of its payroll function?
- What might prevent your organization from moving to a new payroll platform or technology?



The demographics of the respondents included the following:

- **Job function:** Functional areas reported by respondents include: Information Technology (49%) and Human Resources and Payroll (38%)
- **Market sector:** The survey respondents came from every major economic sector, including: Industrial (34%), Software & Technology (25%), Public Services & Health Care (18%), Retail & Distribution (8%), Financial Services & Insurance (7%), and Media & Entertainment (2%)
- **Geography:** Of our survey respondents, 39% were from North America, 38% were from Asia-Pacific, Japan, and Australia, 21% were from Europe, the Middle East, and Africa, and 2% were from Latin America.

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Appendix A: The DART™ Methodology

SAPinsider has rewritten the rules of research to provide demonstrable deliverables from its fact-based approach. The DART methodology serves as the very foundation on which SAPinsider educates end users to act, creates market awareness, drives demand, empowers sales forces, and validates return on investments. It's no wonder that organizations worldwide turn to SAPinsider for research with results. The DART methodology provides actionable insights including:

- **Drivers:** These are macro level events that are impacting an organization. They can be both external and internal and require the implementation of strategic plans, people, processes and systems.
- **Actions:** These are strategies that companies can implement to address the drivers impact on the business. These are the integration of people, process and technology. These should be business first but fully leverage technology enabled solutions to be relevant for our focus.
- **Requirements:** These are business and process level requirements to support the strategies. These tend to be end-to-end for a business process.
- **Technology:** There are technology and systems related requirements that enable the business requirements and support the overall strategies that the company is taking, they must consider the current technology architecture and provide for the adoption of new and innovative technology enabled capabilities.

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