



V ANDI Shared Services Center Forum – Colombia



Franco Garita

Global Process Lead – Employee Administration

Posee 20 años de experiencia en la gestión de centros de servicios compartidos en Recursos Humanos y Tecnologías de la Información, además de dirigir proyectos regionales y global como la implementación de modelos de transformación. Ha laborado en multinacionales del nivel de Merck & Co, Hewlett Packard y últimamente en BAT donde lidera a nivel global los procesos de Employee Administration que incluye Payroll.

Es Ingeniero de Sistemas y posee un MBA con énfasis en Administración de la Información y un posgrado en Gerencia de Proyectos de la University of Miami, y está certificado como PMP del Project Management Institute, Prince2 Practitioner del Office of Government Commerce United Kingdom, Sig Sigma Black Belt del American Society of Quality, MCP de Microsoft y Global Payroll Leader del Global Payroll Association.



**BRITISH AMERICAN
TOBACCO**



V ANDI
Shared Services Center
Forum – Colombia



Payroll: Transformando el modelo desde una perspectiva global

Franco Garita
Global Process Lead – Employee Administration





V ANDI
Shared Services Center
Forum – Colombia



Global Payroll Strategy: From Local or Regional to a Global Approach...



Payroll Strategy Design and Transformation

These are typical questions when it comes to the Payroll process.....

- Are my payrolls legally/fiscally compliant?
- Is my process 'audit ready'?
- Do I have sufficient Payroll experts to sustain the operations across all my entities?
- Do I really need to be doing this in every country?
- Am I compliant with current Data Privacy laws?
- Is the cost of providing my payroll above 'market rate'?
- What will I do when the current Service Provider contract(s) expire(s)?
- Should I be doing this in house anyway?
- Should I be bringing it back in house?
- Is payroll the poor relation in our HR transformation journey?
- Is there a better way of delivering payroll?
- What are my options?
- Where should I start?

*Creating the right Payroll transformation strategy
for you, depends on where you
start from and your overall Business and HR
strategy*



Payroll Transformation

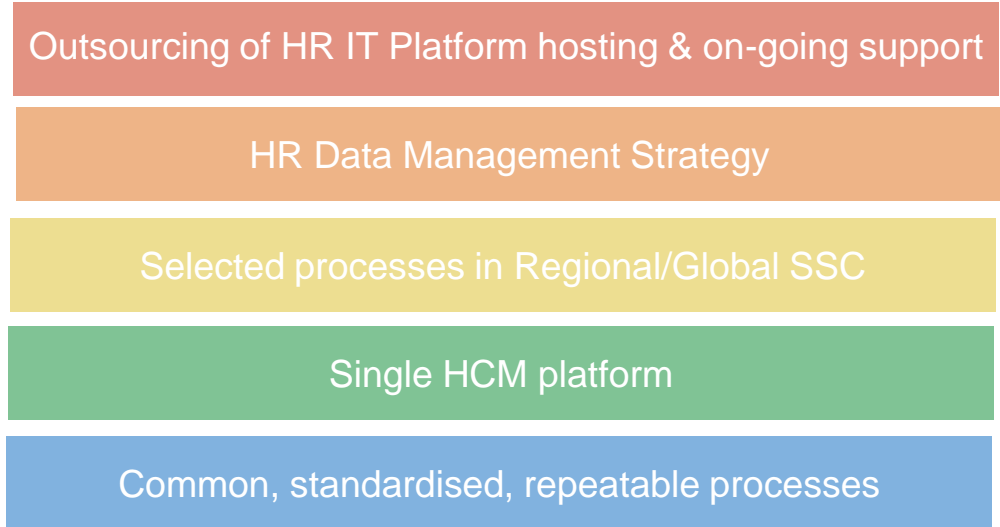
Payroll Transformation Journey

Why?
Who?
What?
When?
Where?

These questions need to be addressed in the context of the overall Business and HR Strategy



Payroll Transformation Journey



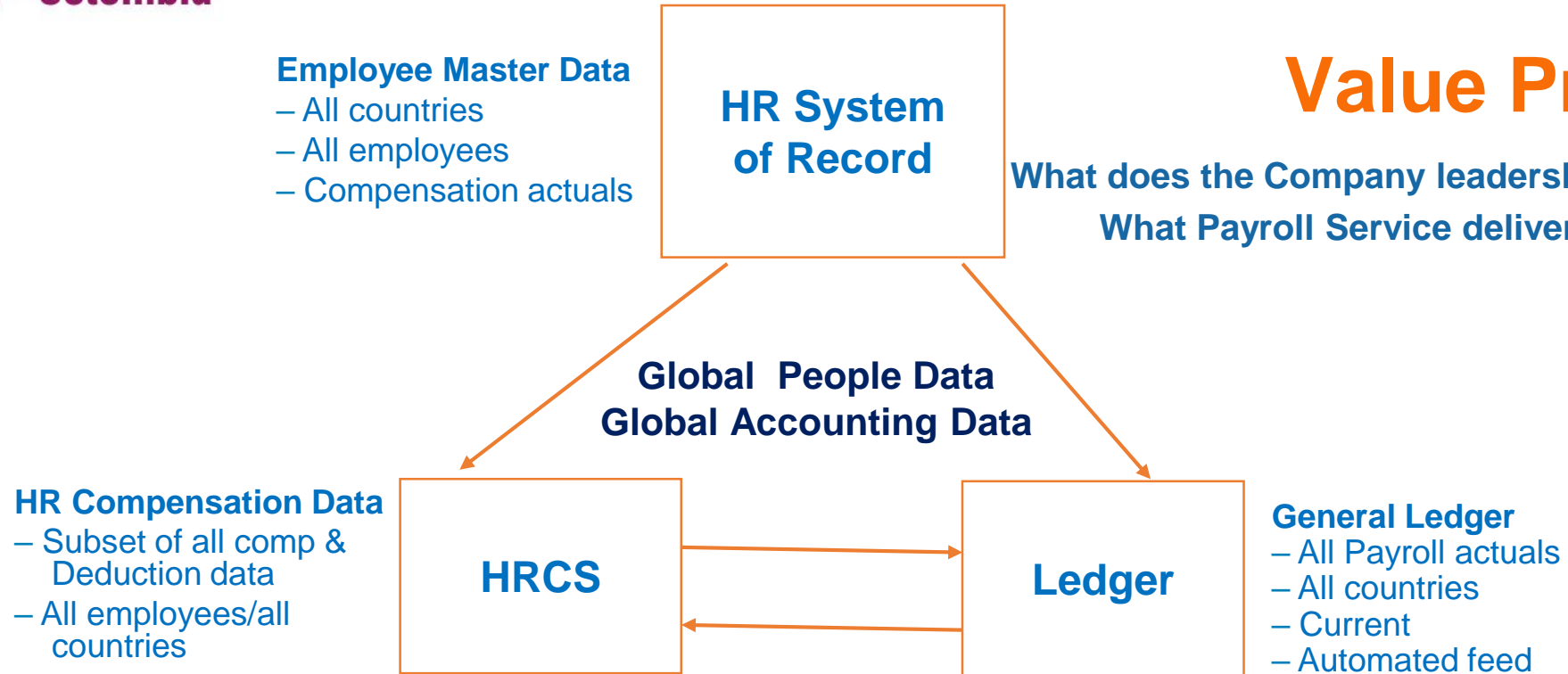
In other words.....

- Where is payroll on the overall HR transformation journey (or Finance and IT transformations)?
- Decisions on payroll need to be taken in the wider context
- Payroll’s future can be overlooked in this journey
- Payroll transformation journey will be impacted or driven by overall HR, HR IT or Finance decisions and timelines



Value Proposition

What does the Company leadership team really need?
 What Payroll Service delivery model is required?



CONSISTENT, ACCURATE, COMPLETE, TIMELY PAYROLL DATA at GROUP & COUNTRY LEVEL

COMMON, GLOBAL DATA STRUCTURE ON KEY DEFINED ELEMENTS EG. COST CENTRE, WAGE TYPES etc.

100% of global employees on SINGLE payroll platform

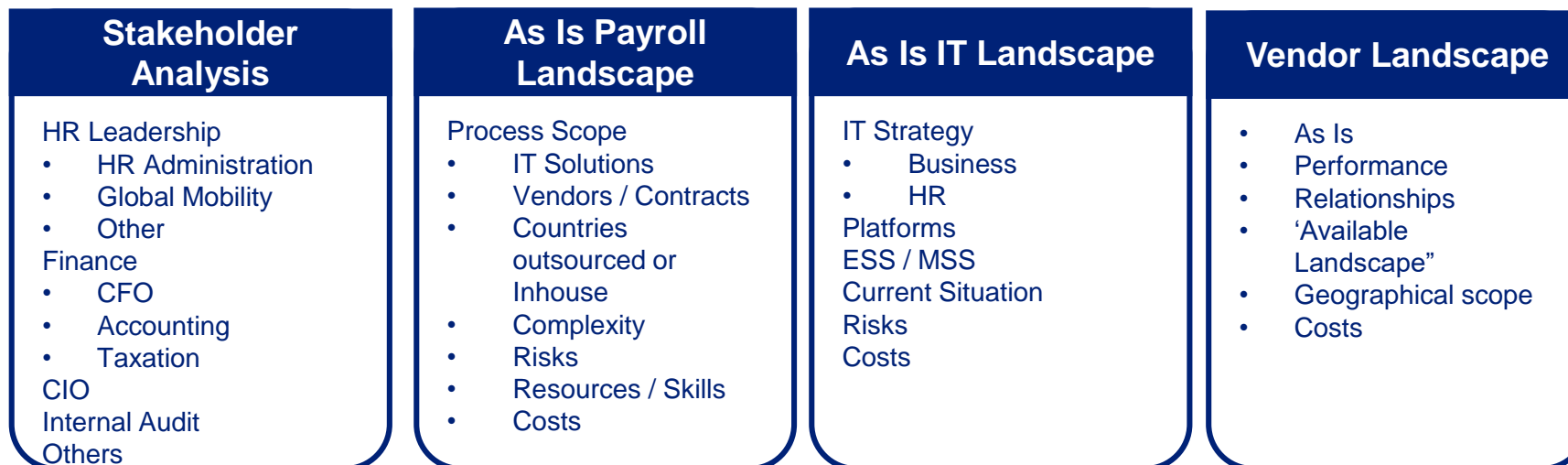
One Payroll solution per country. Single HR/payroll global partner – Shared Service delivery

Global Governance, Global SLA, Audit ready, compliant, cost effective, high touch CRM



Payroll Assessment & Implementation

AS IS



Global Payroll Assessment

Payroll Design Principles
 Payroll Value Proposition & Strategy – Clusters, Timeline, Delivery Model
 Cost / Benefit Analysis
 Options & Recommendations – Risks & Dependencies

Why?
 Who?
 What?
 When?
 Where?





Key Design Principles (Examples)

- Payroll service delivery should be integrated within HR Shared Service Centres and only delivered at Country level by exception.
- Payroll should, by default, be delivered on an outsourced, fully managed service basis unless there is a compelling business case to retain in-house capability.
- There should be pervasive use of Employee Self Service (ESS) and Manager Self Service (MSS) for payroll-related data.
- Payroll provider(s) should support scalability, either where the Client enters new and emerging markets, or where M&A activity drives growth in employee volumes.
- Payroll should look to one system of record for employee master data, and this system of record should contain maximum payroll related data.
- Payroll primary feeds should be automated wherever possible.
- Payroll scope and core process definition should be standard.
- Payroll should be delivered through strategic third-party multi-country providers where possible.
- Payroll providers should be 100% legally and fiscally compliant.
- Payroll should support the Client's drive for standard, consistent financial data, and Group compensation data reporting and analysis.



The Global Payroll Strategy will deliver the following key benefits & mitigate risks (example)

- Centralisation of payroll delivery to a small number of strategic shared service delivery centres
 - Synergy savings – optimisation of in country payroll resources
 - Establishment of ‘professional’ critical mass
 - Mitigate risk from reliance on key individuals
 - Resources able to deliver payroll across multiple countries
 - Resources able to manage workload across multiple pay-date commitments
- Enhanced controls and compliance
 - Consistently documented end to end payroll processes
 - Mitigation of Segregation of Duties risks



The Global Payroll Strategy will deliver the following key benefits & mitigate risks (example)

- Reduced manual intervention
 - Pervasive ESS/MSS for payroll related transactions
 - Strategic feeds from HR systems
- Improved accuracy, timeliness and consistency
 - Standard delivery model
- Improved global governance
 - Clearly defined strategy, rules and standards
 - Standard payroll scope, definition and roles and responsibilities
- Improved vendor management
 - Focus on contract management – SLAs & KPIs



The Global Payroll Strategy will deliver the following key benefits & mitigate risks (example)

- Fewer providers and feeds
 - Limit to strategic providers
- Improved management visibility
 - Management information and reporting – at department, legal entity, country, region, global levels
 - Standard global compensation related data and analysis
- Improved employee experience
 - E2E employee service delivery
- Improved agility and scalability
 - Framework contracts applicable for growing and/or emerging markets



Roadmap to Strategic Global Payroll Delivery (example)

2019 -
2020

- Strategic 3rd Party Contracts Globally
- Single Service Delivery Model
- All Country Payrolls hosted in Regional HR SSC's
- Penetration/ Functionality/ Automation
- Pervasive ESS & MSS/ Common interfaces
- Standard Global Processes/ Common Data
- Ongoing roll out program to countries

2017 -
2018

- Commence roll out program beyond priority countries
- Common payroll service delivery and governance model
- Close alignment of payroll within 'e2e' employee service delivery model
- Common Global Payroll Data

2017

- Strategic global framework contract in place
- Address key risk countries
- Some automation for key inbound/outbound feeds
- Some flattening of self-inflicted unique payroll practices
- Outsource tax filing services for North America

2016

- Local payroll arrangements by Country
- Embedded Country payroll delivery
- Mixed Service Delivery model - in house, outsourced, (Managed Service, Hosting Service)
- Some T&Cs / Benefits harmonisation
- Manual data capture across payroll process



V ANDI
Shared Services Center
Forum – Colombia



Payroll Process Governance



Global Payroll Governance Framework

Process Ownership – Roles & Responsibilities



Continuous Control & Risk Management



Proactive Process Assurance

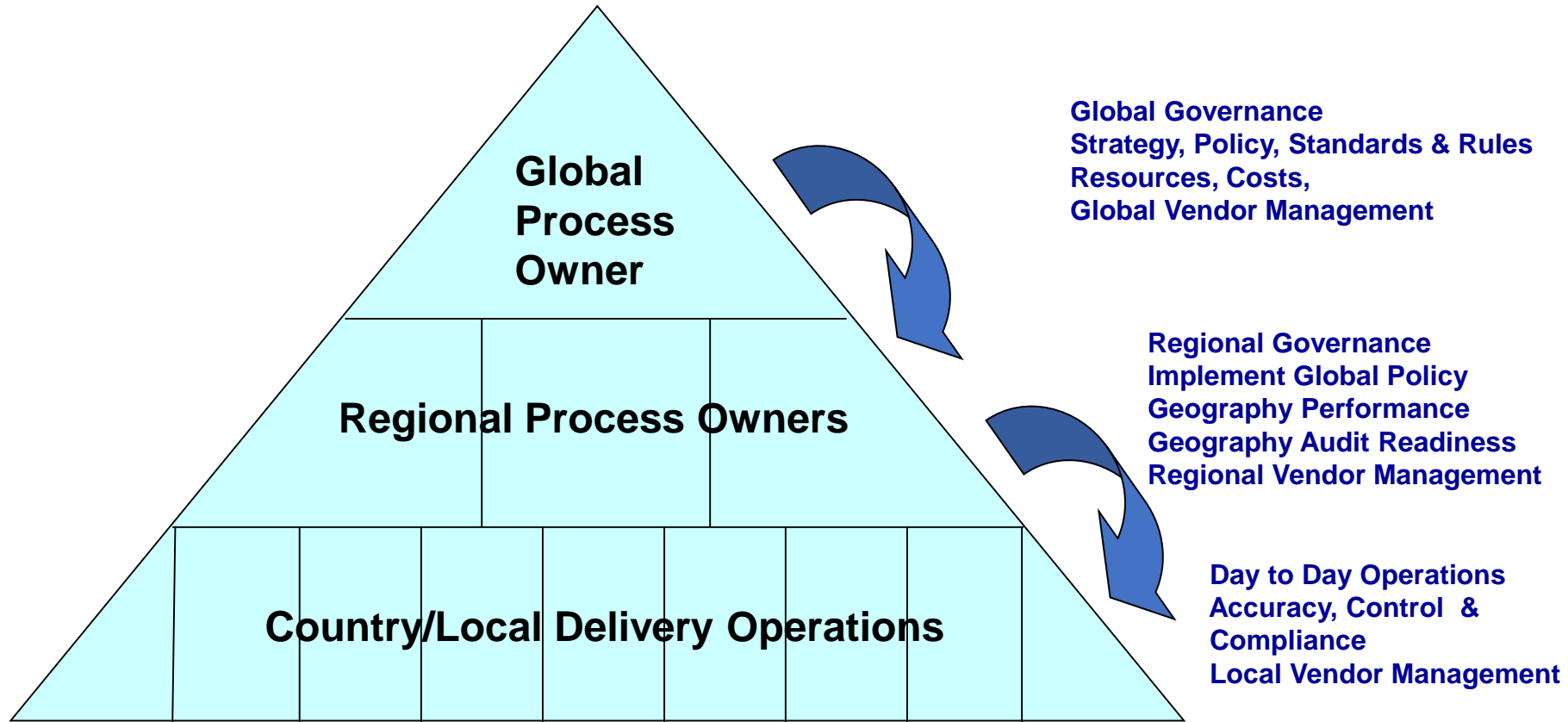


Process Documentation	Applications & I/T	Measurements and Reporting	Segregation Of Duties	Accounting	Risk Management	Transaction Execution
Strategy		Policy		Standards		Rules



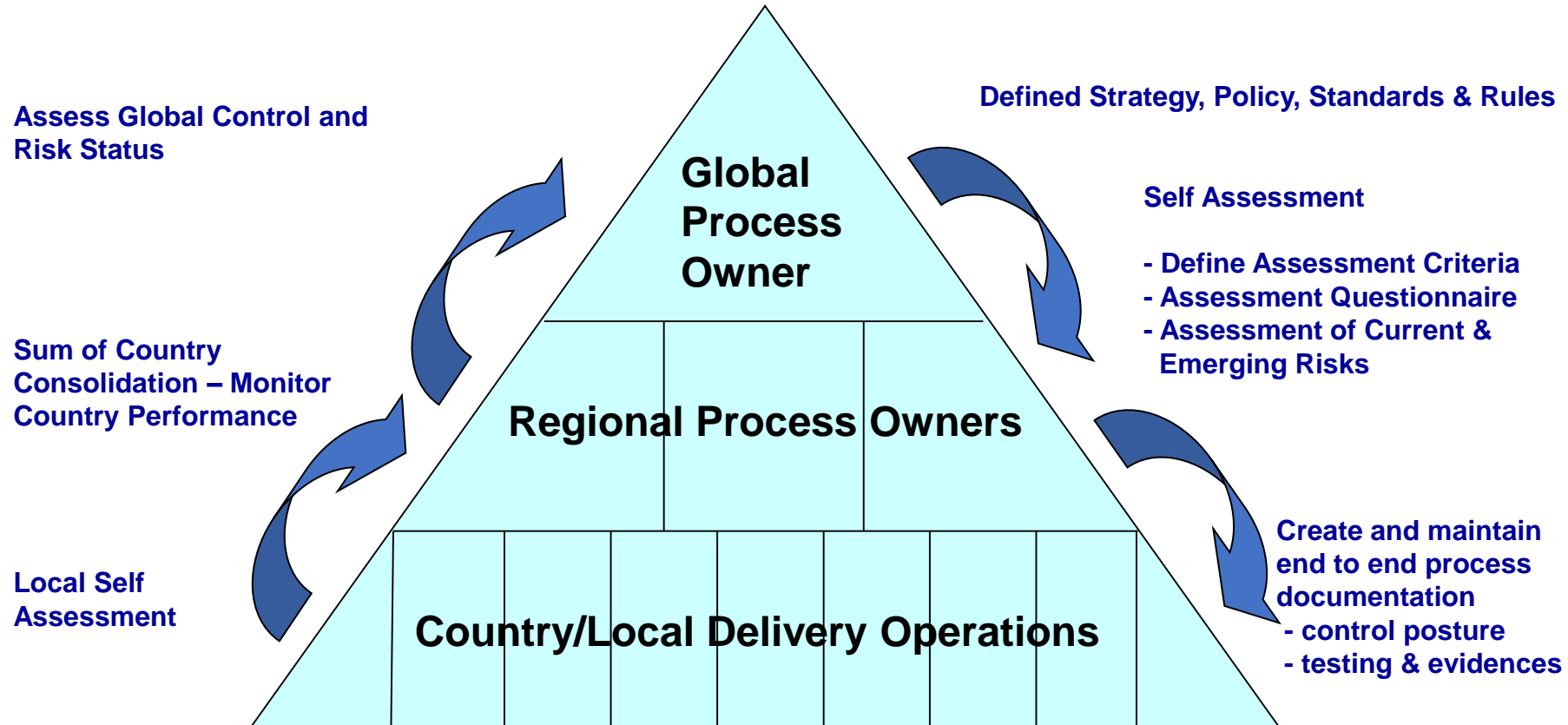
Process Ownership

Roles & Responsibilities



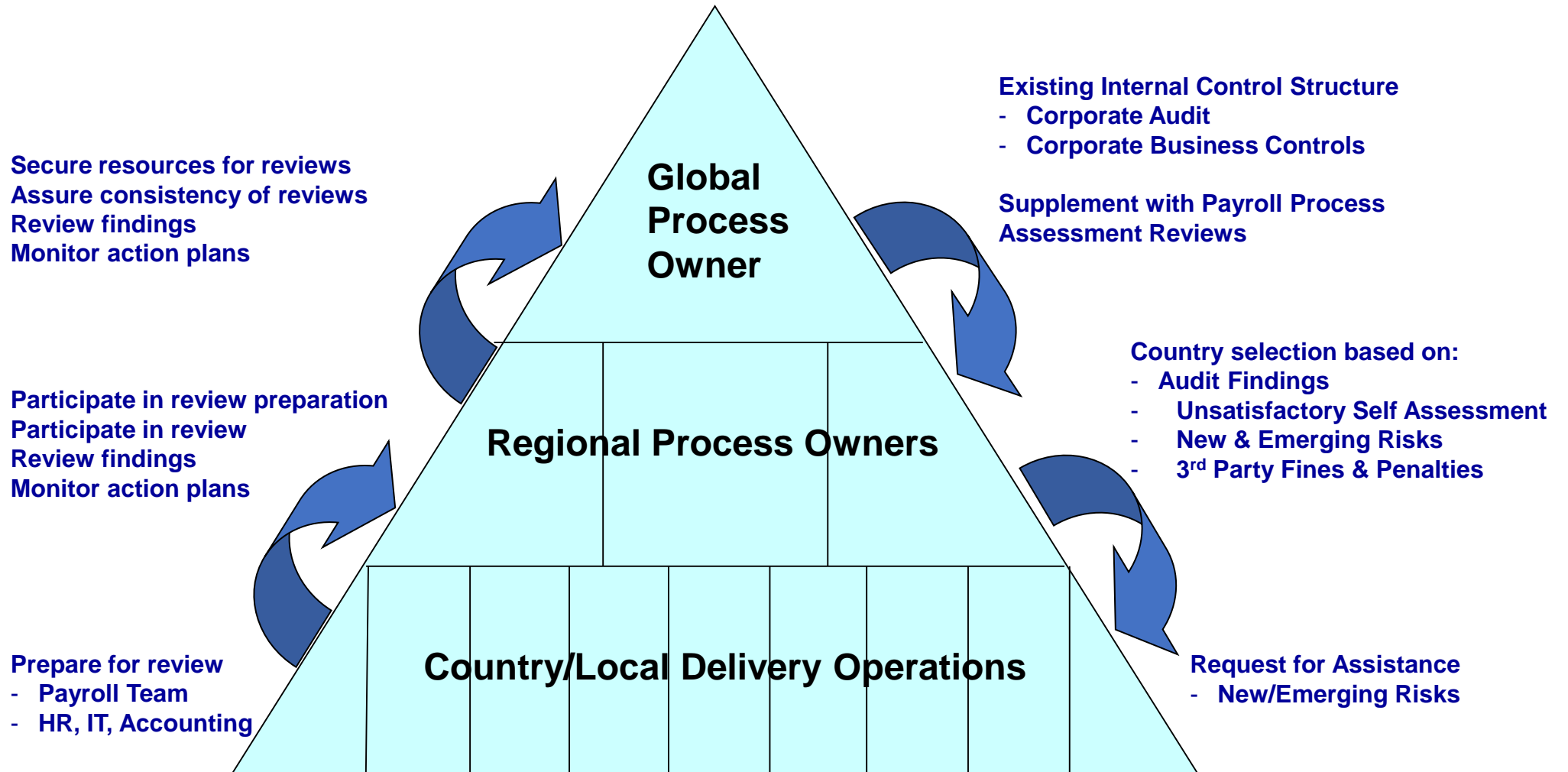


Continuous Risk Management





Proactive Process Assurance





Global Payroll Governance - Summary

Process Ownership – Roles & Responsibilities



Continuous Control & Risk Management



Proactive Process Assurance



For any process is important that this End to End Governance Model:

- Is adapted and appropriate to company culture
- Is socialised and agreed with key stakeholders
- Is not a “one off” exercise but is on-going and sustainable



Summary

- By consolidating a fragmented payroll landscape into an end-to-end solution with standardized global processes, your organization can achieve far more accurate, efficient, and productive payroll performance across the globe.
- With all payroll information flowing through a single solution, you can also cultivate higher-quality data to deliver better business intelligence to senior stakeholders.
- Ultimately, that will help elevate the strategic value payroll provides to the enterprise while also creating additional advantages.
 - Cost & Resourcing Benefits:
 - With a single global solution, you may be able to lower overall payroll processing costs and lessen the internal bandwidth dedicated to payroll.
 - Control & Transparency:
 - Task automation, data validation, and real-time visibility into payroll processing can allow your teams to catch and correct errors before they impact operations.
 - Scalability & Risk Mitigation:
 - A scalable solution can help mitigate compliance challenges in new locations without compromising your security, data integrity, or efficiency.



Muchas Gracias
Pura vida!