

MYOB Advanced

How to choose an effective corporate payroll solution

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Choosing the right payroll system for your organisation can be confusing. That's why we've put together this handy guide. It'll walk you through everything you need to consider when choosing your next payroll system.

Before you choose a payroll system.

- 1** Identify your key drivers for the change and use this to define the key requirements your chosen solution must provide.
- 2** Look at your staffing / resourcing capability to start and sustain a project. Ensure your chosen vendor can provide the level of support required for your unique needs.
- 3** Determine your budget, supported by calculating the potential cost savings from implementation of process automation.
- 4** Involve key decision makers including IT to ensure all stakeholders are onboard from the inception of your project.
- 5** Test the health of your payroll.

How to test the health of your payroll

Are you manually processing any part of the payroll process?

If the answer is yes, you need to ask yourself whether or not you're getting the most out of your technology. Investing time in automation will allow your company to ramp up with no additional cost, limiting the future cost of payroll. It also ensures business continuity if your leading payroll employee resigns.

Do you have the right ratio of payroll staff to employees?

If the answer is more than 1.6 per 1,000 employees, then your payroll team is likely larger than it needs to be.

Have you considered the cost of reworking errors?

Most of the companies we speak to don't measure or report payroll errors and the time to correct them.

What to consider when choosing a payroll solution

1 Security

Will the software ensure your company is safe from malicious threats, whether internal or external? With the sensitivity of data existing in your payroll system, security is of utmost importance. You will want to check that the software is capable of multiple levels of permissions, to ensure access is at the correct level for each employee.

2 Compliance

Does the solution vendor provide timely updates to local compliance changes? Are these compliance requirements automated, to remove potential liability? There should not be any guesswork when it comes to avoiding compliance vulnerabilities.

3 Automation

Will the automation available in the software improve productivity without the requirement of additional resources? How will your chosen solution deliver the full benefits of automation possible within your unique environment?

4 Employee self-service

Streamline processes and reduce the time your managers spend on admin. Your chosen software should be configurable to your unique business workflows, with an intuitive interface that enables quick adoption by your employees. The base build should allow access to leave, personal info, payslips and timesheet data online, anywhere, anytime.

5 Configurability vs customisation



A solution which offers configurability will ensure that your system reflects the distinctive needs of your organisation. Where possible, avoid unique customisations that may lead to extra costs when software updates occur.

6 Local tax compliance



Local tax compliance should be a given, but this isn't always so. Many organisations still wrestle with manual award interpretation following a new Payroll deployment. You can eliminate this serious business risk by obtaining written vendor confirmation of tax compliance, for the regions where your organisation operates.

7 Reporting requirements



Instead of leveraging a fit-for-purpose system to manage data information, many organisations use spreadsheets or email. This produces unreliable data, meaning that the management team may be making critical business decisions based on inaccurate data.

8 Alignment



Will the solution align to the way your company works? This may include the requirement for a cloud solution, mobile access for employees who travel regularly, or even as simple as ensuring integration with existing software applications.

Major risks to payroll

When choosing a payroll solution you also need to keep in mind if it will help you identify and manage any major risks. These include:

- + Security breaches
- + System failure or data loss
- + Loss of business knowledge
- + Fraudulent activity
- + Non-compliance
- + Soft costs
- + Business fit

Want an in-depth look at the major risks of payroll?

Download our [Payroll Risks guide](#)

What to expect from a best-practice payroll implementation

Vendor has delivered a high rate of successful projects

In this competitive world, projects are expected to be completed within the budget and on-time. Ensure your chosen vendor has a strong implementation track-record.

Client Portal

Why would you need an online portal for implementation? An online portal allows you to track progress in real-time. At any point throughout the implementation, you can respond quickly to any requests regarding the project schedule, budget vs. actual, status reports, billing records, and any other relevant information. A project portal means transparency from project inception through to completion.

Implementation delivered with best-practice methodology

It's important to ensure that your chosen vendor has an internal Project Management Office (PMO). A PMO provides a higher level of assurance around cost management, stakeholder management, and projects delivered to scope.

Post-Implementation Support

Running business critical software without the right support can be overwhelming. Does your chosen vendor have a local support team, that understands local laws? Will they be available to support your payroll team as they get up-to-speed with their new system?

Management changes for successful payroll implementation

Start small

Change will only come if you do something, but it must be small enough not to disrupt the flow of payroll processing. There is a common saying in business that the more data you give, the more people will want. You only need to throw a small stone in the water to start large ripples of change.

Stay focused

Make sure you know what it is you are trying to achieve and keep the team focused. Focus on process improvement instead of system change – often the latter is trying to affect the former and it doesn't work!

Team work

Involve the team early. In our experience payroll team members like to play around and discover something if it is new. They will know best regarding what will work and what won't. They may also need encouragement to bridge the gap between their current-state processes, compared to the future-state processes that the new solution will bring.

Keep at it

Don't give up and revert to old ways of working when it gets tough. Pick out your most resilient and energetic team members to champion the change and make sure you support them to be successful.

Sign up for a Free Consultation to assess your business requirements and let us help you choose the right ERP solution for your business.

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