

COST-OPTIMIZED SALARY PROCESSES WITH PAYROLL FACTORY

Outsourcing ensures cost variability, flexibility & compliance at a global convention group

Challenge	Solution	Benefit
 100% Compliance with regulations	 Standardization of salary process for numerous subsidiaries	99.5% Correctness of payroll accounting

The complexity of salary accounting has been increasing for years. Legislative requirements at national and European level, collective agreements, but also mergers and acquisitions lead to ongoing changes that must be mapped in the accounting system. Since the client, a global technology, services and finance company has outsourced payroll accounting to SPS as a full-service provider, the company can rely on the fact that billing is carried out in compliance with the law. Thanks to cost variabilization, the company also benefits economically.

The complexity required for an employee to receive salary and payroll is often underestimated. The correct calculation, taking into account all factors from company agreements, sick leave, overtime or on-call duty, deductions from taxes and social insurance, the requirements for reporting procedures and even tax and social security audits – demands constantly increasing effort.

In the specific case there are also organizational challenges, since the company not only operates many independent subsidiaries, but depending on strategy adjustment or profitability, takeovers or company sales take place.

Outsourcing reduces personnel efforts

Through outsourcing, fixed costs in the HR department remain low and ensure flexible reaction to changing conditions at any time without having to increase or reduce headcount.

IT also benefits from outsourcing responsibility to SPS. The timely

implementation of all legal changes in SAP HCM is not always without problems. The company does not need internal SAP specialists responsible for implementing the often complex changes nor has to qualify backups, in case of vacation or illness, for this business-critical task.

Through centrally addressing all legal requirements in its Payroll Factory, SPS ensures that the customer's procedure complies with the law. Whether GDPR or ISAE 3402 Compliance – the client does not need to worry about security and data protection either.

Since the Payroll Factory is used for numerous SPS customers, the client also benefits from effective updates or release changes that are implemented once and rolled out into the system clients.

Outsourcing ensures standardization

Since accounting for all subsidiaries in Germany is managed by SPS, the standardization of payroll accounting is guaranteed. If the client

takes over a company, SPS takes over the payroll management. The main task in this is to adapt internal company agreements or tariffs to the group standard. In doing so, the sometimes completely different criteria of the works agreement must be taken into account. The example of anniversary bonuses after 25 years of service illustrates what standardization means: How much is paid out? Are shift times valued separately? How is parental leave dealt with? Questions such as these must neither disadvantage employees nor undermine company-wide standards. Depending on the size of the company and the systems used, takeovers have so far been implemented within a few months.

More than just payroll accounting

From the client's point of view, the payroll processing with SAP HCM is extremely satisfactory. SPS's team of clerks has extensive quality assurance routines in place to ensure 99.5% payroll accuracy. At the company, SPS is not only responsible for payroll accounting, but also supports other payroll-related processes. The entire time management – including overtime, shift pay and bonuses – is also handled with the Payroll Factory. In addition, a portal is maintained where employees use Employee Self Service to obtain salary and HR-relevant information. With the help of workflows, approved vacation requests flow directly into the Payroll Factory.

Our HR solutions are always up to date, because SPS reacts immediately when legislative or organizational changes are pending. Whether through mergers, changed processes or legal requirements: We can rely on the fact that everything is mapped to the payroll system on time.

– Lead HR Specialist Payroll & Benefits Global Operations Germany

For smaller companies, it is easier to adapt the processes so that the Payroll Factory is launched directly. In the case of larger takeovers, the SPS HR clerks initially work on the existing systems, while a parallel integration project is evoked to ensure a smooth transition to the central SAP HCM of the Payroll Factory.

Employees of the company find the phone number of the HR service team on each payslip. A dedicated SPS team is available in Germany and at the SPS Shared Service Center in Hungary to answer questions from the employees.

Thanks to the Business Continuity Plan, in emergencies it is possible to switch to a wide variety of SPS locations so that continuous support is guaranteed – another plus that confirms the outsourcing decision.

About the client

The client is a global technology, services and finance convention group that has outsourced payroll accounting to SPS as a full-service provider. Since then, the company can rely on the fact that billing is carried out in compliance with the law. Thanks to cost variabilization, the client also benefits economically.



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