

Understanding the payroll industry with Will Jackson



In this article we interview Will Jackson, Managing Director and Executive Vice President at Zalaris.

Will's professional background has predominantly been in HR & payroll solutions and services across a wealth of industry verticals such as Oil & Gas, Finance, Manufacturing, Engineering, Local Government, Healthcare, Distribution, Higher Education and Automotive. Will's experience in HR and payroll is invaluable, and in this interview, Will provides his insights into the [payroll industry in the UK](#), the benefits of outsourcing, and his expert advice to any business exploring the option of outsourcing.

What are the biggest challenges in the payroll industry today?

In my experience, a huge challenge for the payroll industry today is its reliance on outdated, and inefficient technology. Replacing payroll technology is not easy because it's intrinsic to the business, and organisations often become complacent with old technology, and outdated processes. This often means that a lot of time and money is used up on manual data input and processing.

Another significant challenge is the complexity of payroll. Payroll has never been so complex, and furlough alone has taught us that. There's up to 200 pieces of legislation to consider before you can run a payroll. Not

only that but catering for the adoption of new staff can be complex. A lot of businesses are acquiring new companies, and new pockets of staff often have different terms and conditions, benefits and have legislation differences.

Don't leave payroll accuracy to chance!

With this in mind, another challenge is the expectation of accuracy. Payroll accuracy and employee satisfaction is a key factor in employee net promoter scores. People are vocal about things which aren't right, and this can detriment the brand of a company and employee engagement when things go wrong. There is no room for error, and when this is combined with increasing complexities, payroll teams face extreme pressure, especially if the technology is weak and there is reliance on manual processing.

Resourcing is another huge challenge. Payroll is not an industry which typically attracts people when deciding on a particular career path. So, there are massive challenges surrounding how we attract a new generation of payroll personnel. Technology can do a lot, but it can't do it all. The payroll industry needs new and young talent to manage the process and compliment the technology.

Another challenge is the drive for the best data and analytics. Data is more valuable now than ever before, so an aged, fractured reporting system can be detrimental to any business. Pulling together C-level salary and bonus reports is impossible without full visibility across the whole of a company.

The final challenge important to highlight is the cost of payroll. Traditionally, personnel costs make up around 60-70% of the costs in a business. So, if you have twice as many payroll staff than usually necessary due to poor technology or excessive manual processes, your payroll costs will be expensive.

What are the four main benefits of outsourcing HR and payroll services?

First of all, it's cheaper

That's the number one benefit to any business. But also, it's better than the thing you're replacing because this our core business as a supplier. We live and breathe payroll. Payroll is our core business, but payroll is not the core business of the client. For example, Zalaris have hundreds of payroll experts, compared to a team of maybe 4 or 6 when inhouse with

the client. By outsourcing you're gaining exposure to hundreds of people within the supplier's organisation covering all disciplines across [HR and payroll](#). There's no comparison.

Future-proofed technology and services

Another benefit is that by outsourcing, you're future proofing your technology and services. Suppliers take on the burden of providing solutions and services and keeping those both compliant with ever-changing complexity and legislation. Plus, we do that really well at Zalaris, as we're permanently introducing new updates, new functionality, and we're always updating our processes to assure legal compliance.

A third benefit is the TUPE of staff

Often when outsourcing for the first time, there are redundancies for the client and Zalaris offer to transfer those employees to Zalaris as part of the process. This is mutually beneficial for staff, company, and supplier. For the staff, they're moving into a company whose core business is HR and payroll, rather than just being a small department within a business, so they become exposed to better career progression opportunities. For the company it's beneficial by means of saving redundancy costs, and the supplier benefits from the utilisation of the best staff for that client as they have familiarity and experience.

A single unified platform for all your needs

Finally, most HR & payroll outsourcing companies, including Zalaris, offer a unified single platform, with one source of truth globally, meaning that challenges of fragmented technology across different countries and insufficient reporting and analytics are no-more. Equally, employees across the entire organisation interact with the same solution and service model. Similarly, with one integration suite, best of breed technology is easily leveraged for things like time capture, travel and expense, document archiving, etc and this gives the freedom to access multi-technology and multi-services to benefits your business as it grows or changes.

What are business' main worries or reservations when looking to outsource their HR and payroll?

Firstly, I've found that there's a huge concern around lack of control. The reliance on a third party to do something so critical like payroll can be daunting, and sometimes it can mean taking a leap of faith in a provider.

There are also concerns around picking the right supplier for your business. A lot of people in the sales process will say the solutions and services will do exactly what you need but in reality, they might not be the best fit for that organisation. So, knowing who can truly deliver the right services for you can be challenging. It's important to clear the sales fog and determine which suppliers you can trust to deliver what your business needs.

Another reservation is cost. Although overall outsourcing is cheaper, there is an initial cost of implementation which isn't cheap. You have to find money to save money. Some suppliers like Zalaris, however, can offset the cost of implementation and finance that cost throughout the term of the contract thus protecting the client's capital expenditure.

What would your best advice be to companies who are looking for a HR & payroll outsourcing partner?

Do your research and due diligence first, work out exactly what your business needs, and don't let the buying process be your learning process. Do some analysis, engage with forums and membership groups for unbiased advice. Figure out which suppliers can cater to your needs. Also, look at companies who are using a supplier and speak to them directly.

Then once you're ready, go and meet the suppliers. Speak to someone who has significant control in the business. And, if you can't, you're probably not that important to them which should be a red flag. Build a relationship with the partners and establish trust, don't keep them at arm's length.

It's also important to avoid letting the price dictate your choice of supplier. If you buy cheap, you will receive cheap, and if something is slightly more expensive, it's worth investigating why that is. In my experience, the return on investment gained by prioritising technology and services over cost, is always worthwhile in the end.

In your experience, what are the main reasons businesses look at outsourcing their payroll?

I'd say a huge driver is the desire to reduce overhead headcount to save both costs and office space. With the shift towards remote working, businesses can save a lot of money by downsizing their office space.

Also, when you realise that payroll in a business is a non-core function, outsourcing that process to a company whose core business is payroll is a no-brainer. Leave it to the experts, improve user-experience and accuracy, and ensure compliance.

Another driver is the idea of future proofing payroll in terms of both technology and resourcing. The provider takes the responsibility of continually updating and improving the technology, as well as the responsibility to recruit and resource the team in order to provide the services.

What is the secret to building a successful relationship with a customer?

My advice would be to focus efforts on getting to know your customers, their industry and their market, as well as the challenges and complexities they face. Only then will you be able to properly support them. For example, it might be that a business is trying to reduce their supply chain, have challenges with [multi-country payroll](#), or have complex time and attendance requirements.

An open channel of communication should be established to ensure that all these boxes are ticked. I want them to be able to pick up the phone and raise any questions or concerns with me directly. The supplier should feel like a department within a business, rather than an external provider.

The other secret to stronger customer relationships is to go above and beyond expectations

The other secret to building a successful relationship with a client is to service well and deliver exactly what you've promised; to do that you need to measure against the service levels you expect and report on it. The reality is that when a something is procured and subsequently isn't what was sold or fit for the desired purpose, the people on the client-side responsible for that could lose their credibility or in worst cases, their jobs.

A good supplier will not sell something they can't deliver. They will involve the delivery people in the pre-sales process and also involve someone who has significant control within the business. Ultimately though, my advice would always be to:

- service well throughout the period of the contract,
- deliver what you have promised, and

- always do the right thing by the client.

That way you can establish a positive relationship and achieve mutual success. Zalaris have been doing this for over 20 years and we want to be doing it for another 20 ... and another 20 ...