

# Global Payroll Management

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# Global Payroll Management Discussion



- Introductions
- Payroll Strategy
- Reporting Structure and Team Structure
- Global Payroll Processes
- Engagement of Team
- Culture Time Zones / Travel
- Reporting and Metrics
- Vendor Management
- Audits and Compliance
- Business Continuity Planning

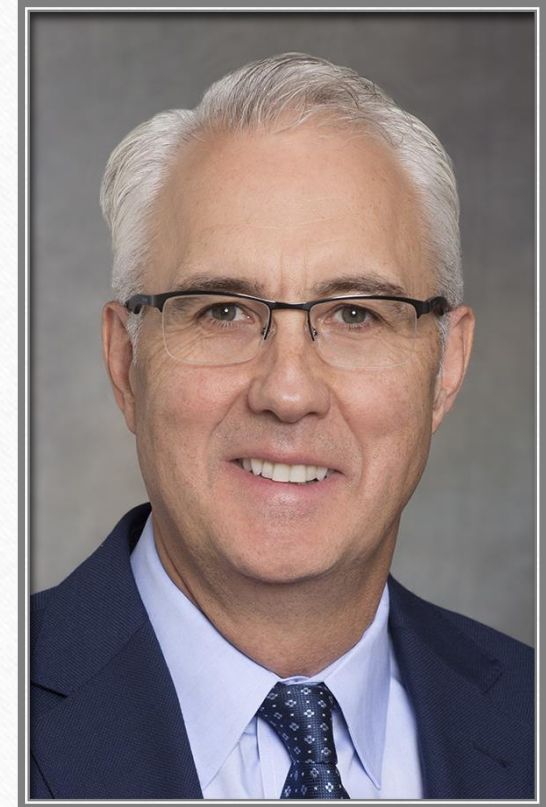


Norbert has over 20 years of Global HR/Payroll support and outsourcing experience across multiple clients and business sectors. He has held various management, project management and consulting roles where he has driven positive client experiences.

Norbert has successfully led large HR/ Payroll operational teams with IBM, Lockheed Martin and Fidelity Investments; he currently serves as Vice President, Payroll Leader with Wells Fargo.

Norbert's responsibilities in his current role as Payroll Leader with Wells Fargo include oversight and accountability for service delivery to 41 countries globally; Norbert manages a large operations team in regional locations around the globe. In addition to strategic insights within service delivery he is also responsible for Analytics, Vendor Management and Business Continuity Planning.

He holds a Bachelors of Business Administration from Wilkes University, a Leadership Certificate from Binghamton University and has been a Certified Payroll Professional since 2004.



**VP, Global Payroll Leader  
Wells Fargo Bank**

# Introductions

- Business Sector
- US Only/US and Expat
- Global
- Country Locations





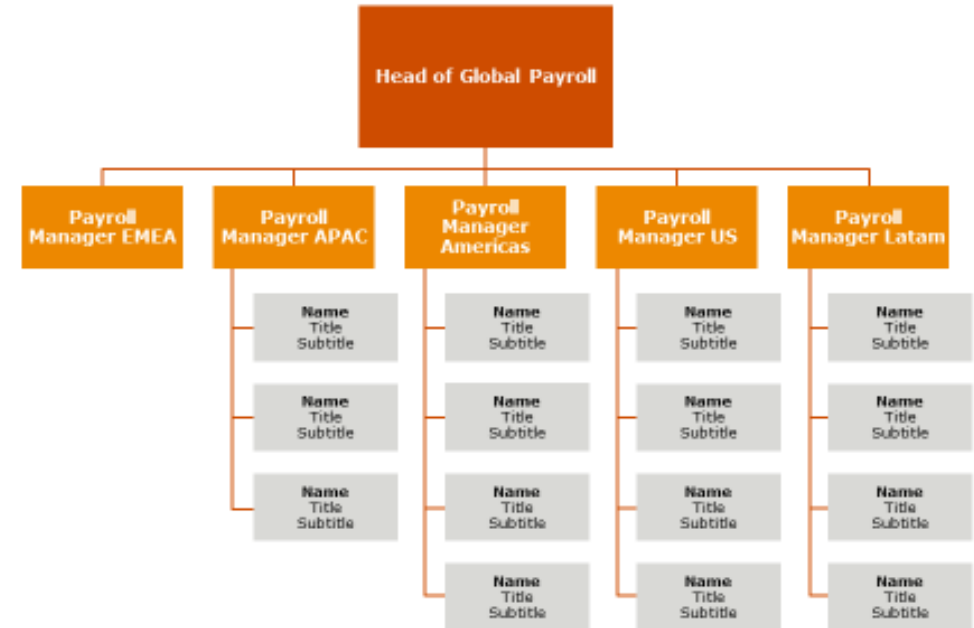
# Payroll Strategy

- **Organizational Goals**
  - In-source / Out-source
  - Near shore / Off-shore
- **Governance**
- **Vision**



# Reporting Structure/ Team structure

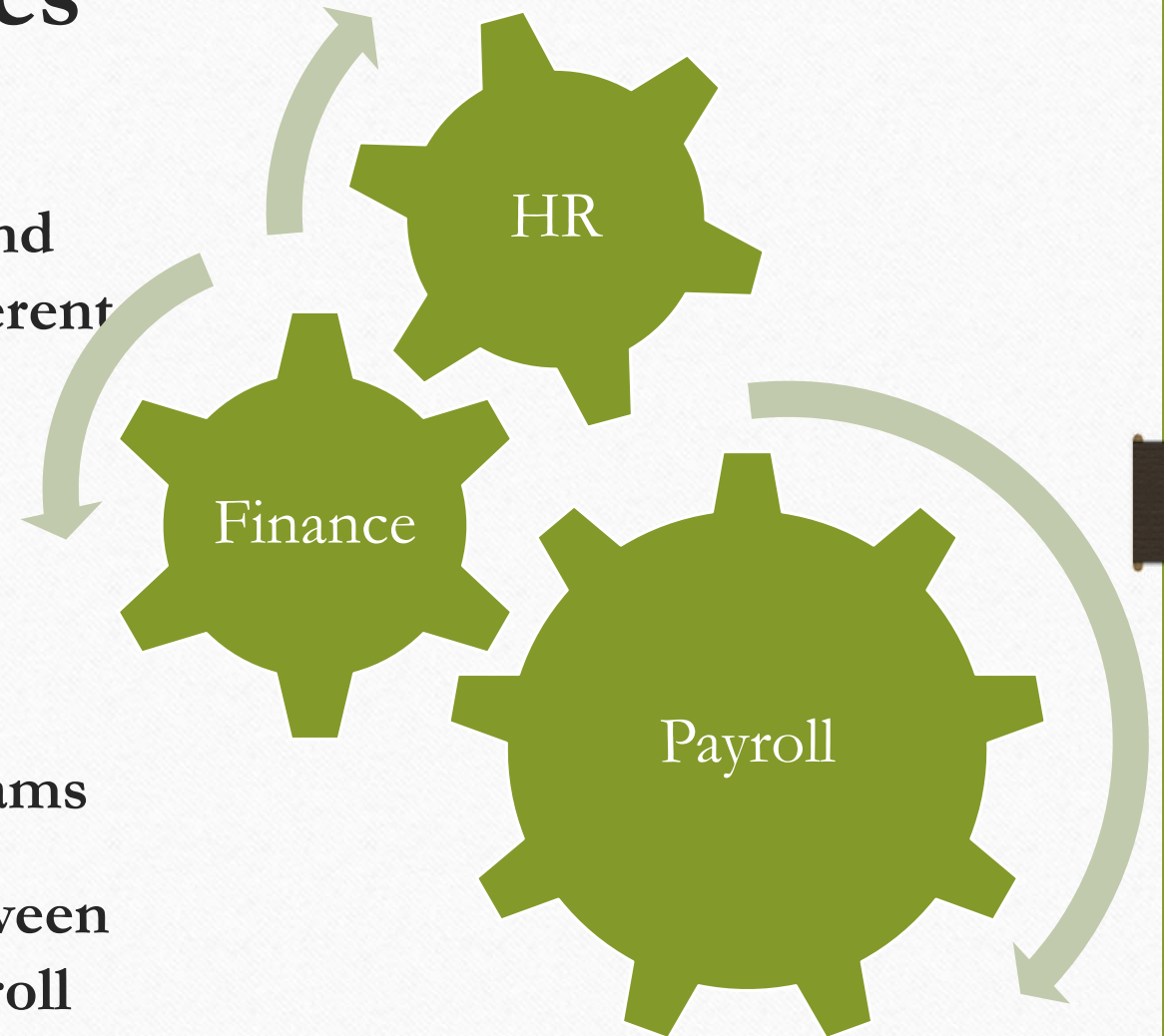
- Direct reporting or dotted line reporting
- Resource Availability





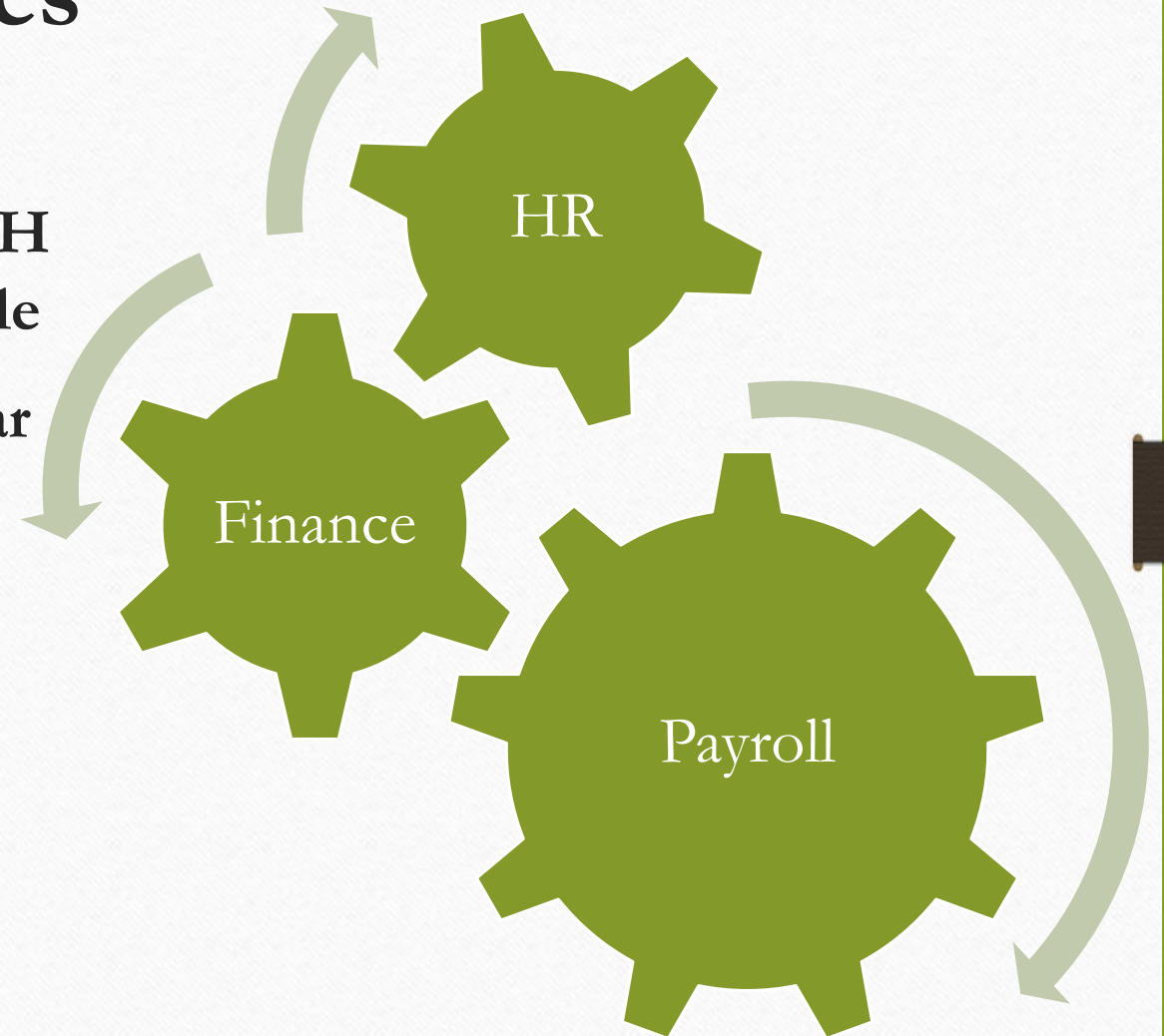
# Global Payroll Processes

- Changing inconsistent processes
- Monitoring complex legislative and data privacy requirements in different countries
- Justifying the business case to remediate countries with a small number of employees
- Harmonizing benefits and programs
- Reconciling data differences between global HR systems and local payroll solutions



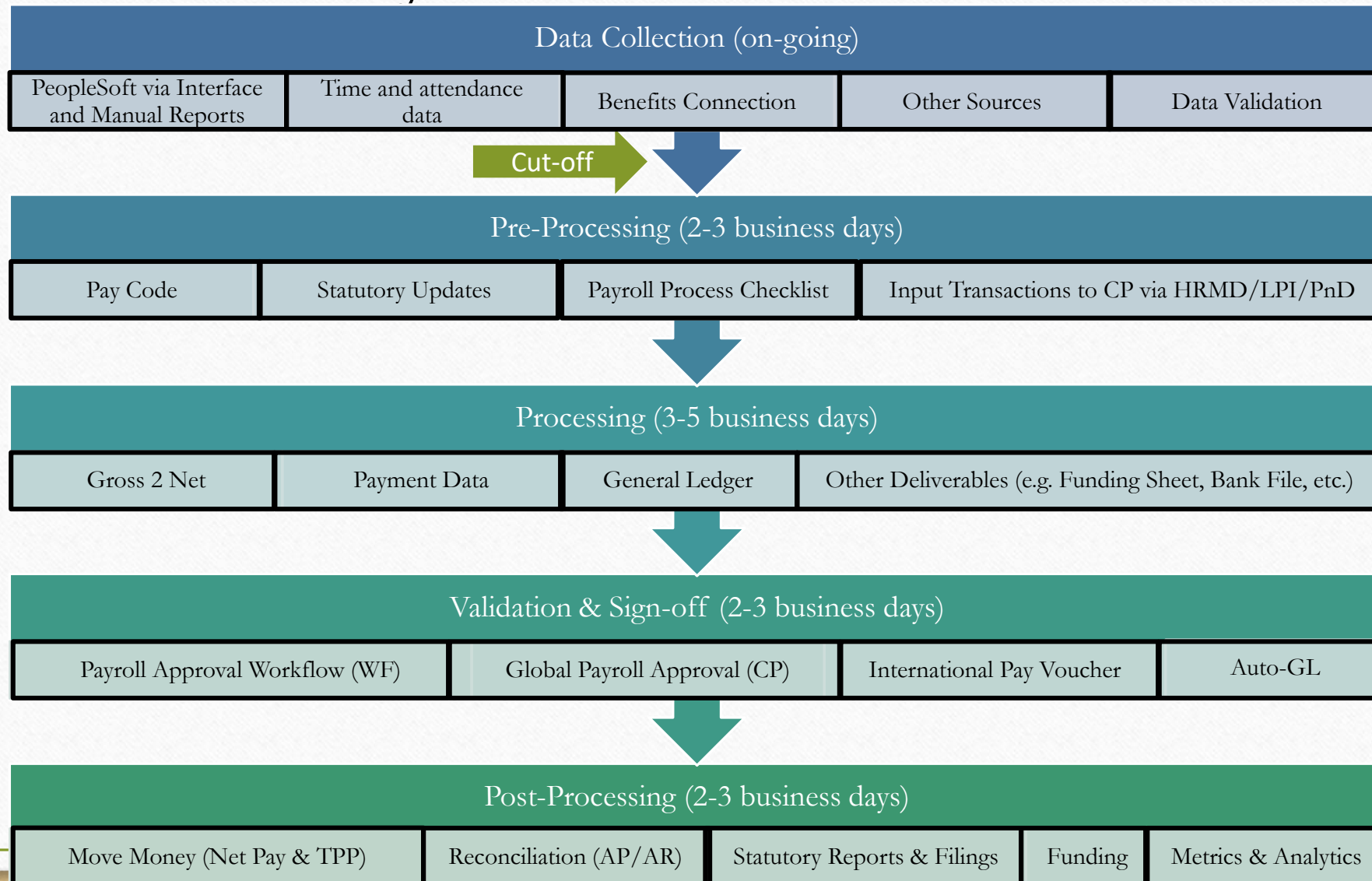
# Global Payroll Processes

- Bank Accounts
- Reconciling payroll register / ACH file/ Funding request / Ledger file
- Conversions – mid-year or tax year end
- Customer Service





# International Payroll Process – Outsourced



# What is Robotic Process Automation & Areas for RPA

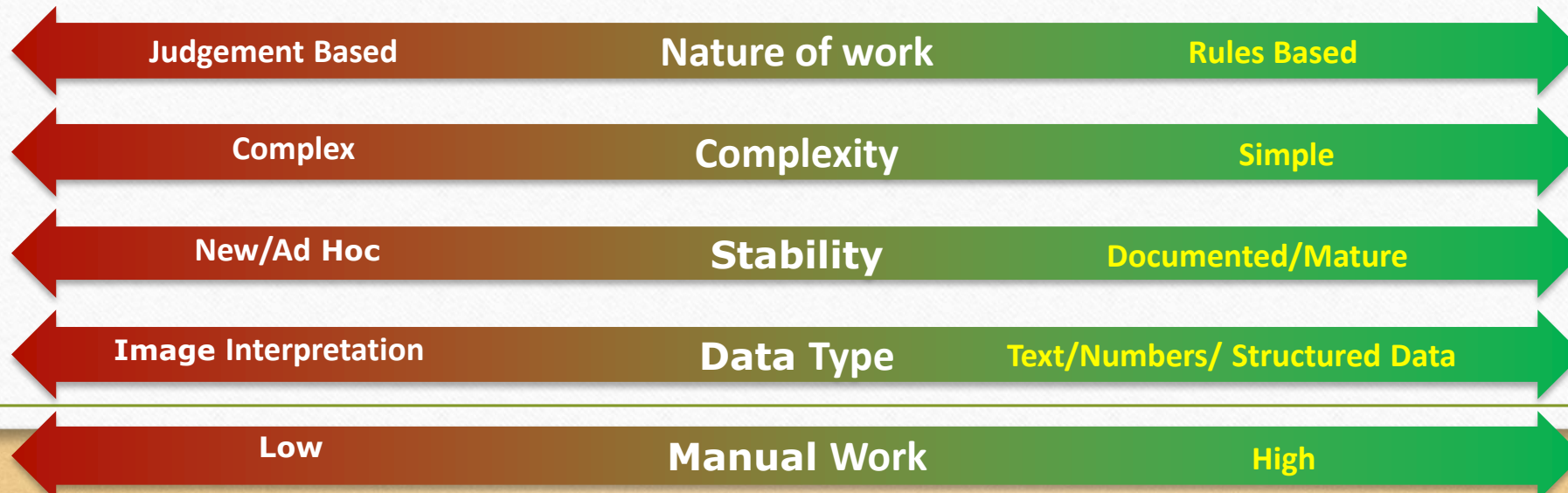
## The Definition of RPA

Robotic process automation (RPA) refers to software that can be easily configured to do basic tasks across applications just as human workers do. The software robot can be taught a workflow with multiple steps and applications, such as taking received forms, sending a receipt message, checking the form for completeness, filing the form in a folder and updating a spreadsheet with the name of the form, the date filed, and so on. RPA software is designed to reduce the burden of repetitive, simple tasks on employees.



## Process Selection Criteria

- ✓ Digitized Inputs are the primary source
- ✓ Minimal human judgement/decision making
- ✓ Structured, rules-based, repeatable
- ✓ Prone to error or rework
- ✓ Need to access multiple systems
- ✓ Manual workloads, high volumes, and/or long AHTs
- ✓ Areas with a scaled level of resources
- ✓ Areas with high attrition





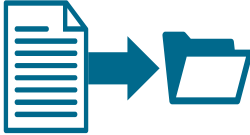




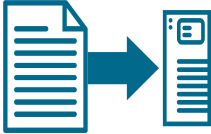






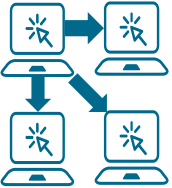


# RPA Ideal Candidates & Capabilities

## RPA Capabilities

### RPA Ideal Candidates

- **Function staffing of 5 or more** – high operational cost processes
- **Repetitive and rule-based** that require manual interaction with 1 or more systems
- Accesses **structured data sets**
- Utilizes applications on windows, web-based platform, and mainframe
- Processes with a higher volume of transactions
- Processes with long cycle times
- Processes that require error-free processing such as regulated processes
- Data input that is prone to human error

Open Emails and Attachments 	Log Into Web/Enterprise Applications 	Move Files and Folders 	Scrape Data From the Web 	Connecting to System APIs 
Follow if/then Decision Rules 	Extract and Reformat Data Into Reports or Dashboards 	Extract Structured Data From Documents 	Collect Social Media Statistics 	Merge Data From Multiple Data Sources and Systems 
Make Calculations 	Copy and Paste Data 	Fill in Forms 	Read and Write to Databases 	Manipulate Multiple Applications at Once 

**Future Capability**

# Engagement of team

- Recognition
- Periodic Visits
- Video / Telepresence



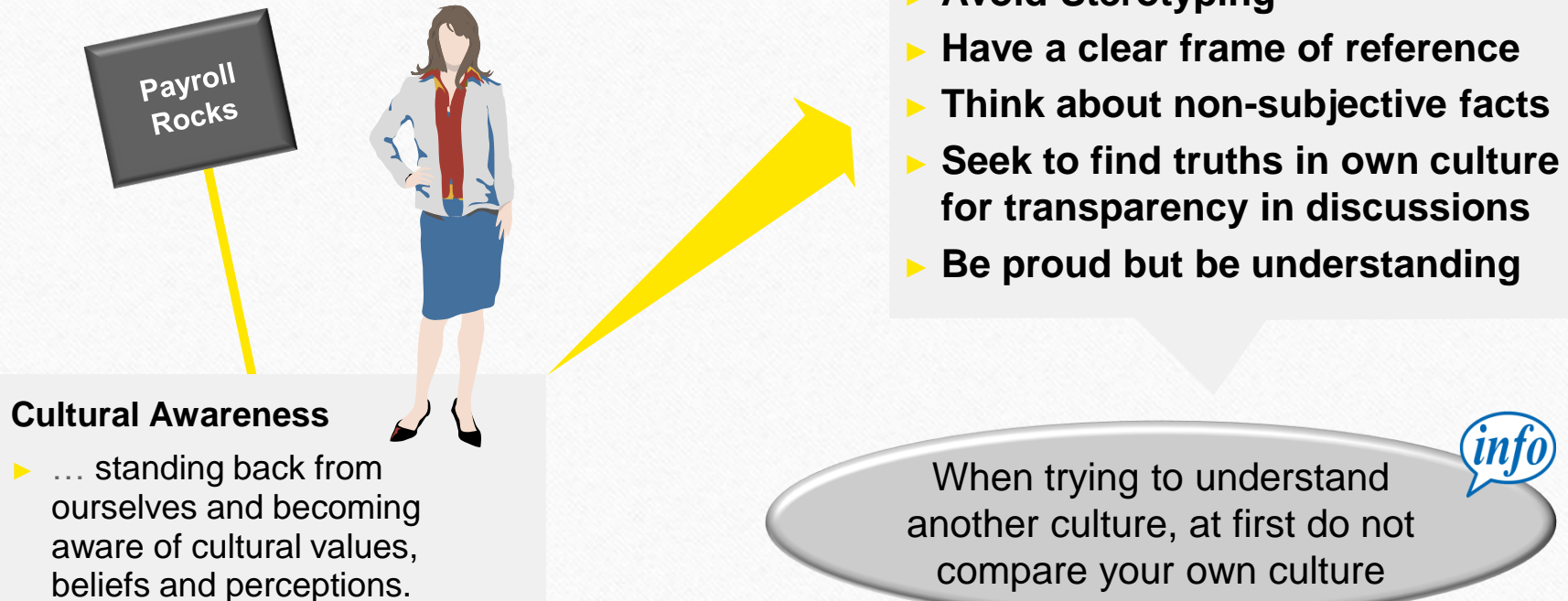


# Culture / Time zones / Travel

- Cultural differences
- Time zones
- Resource availability

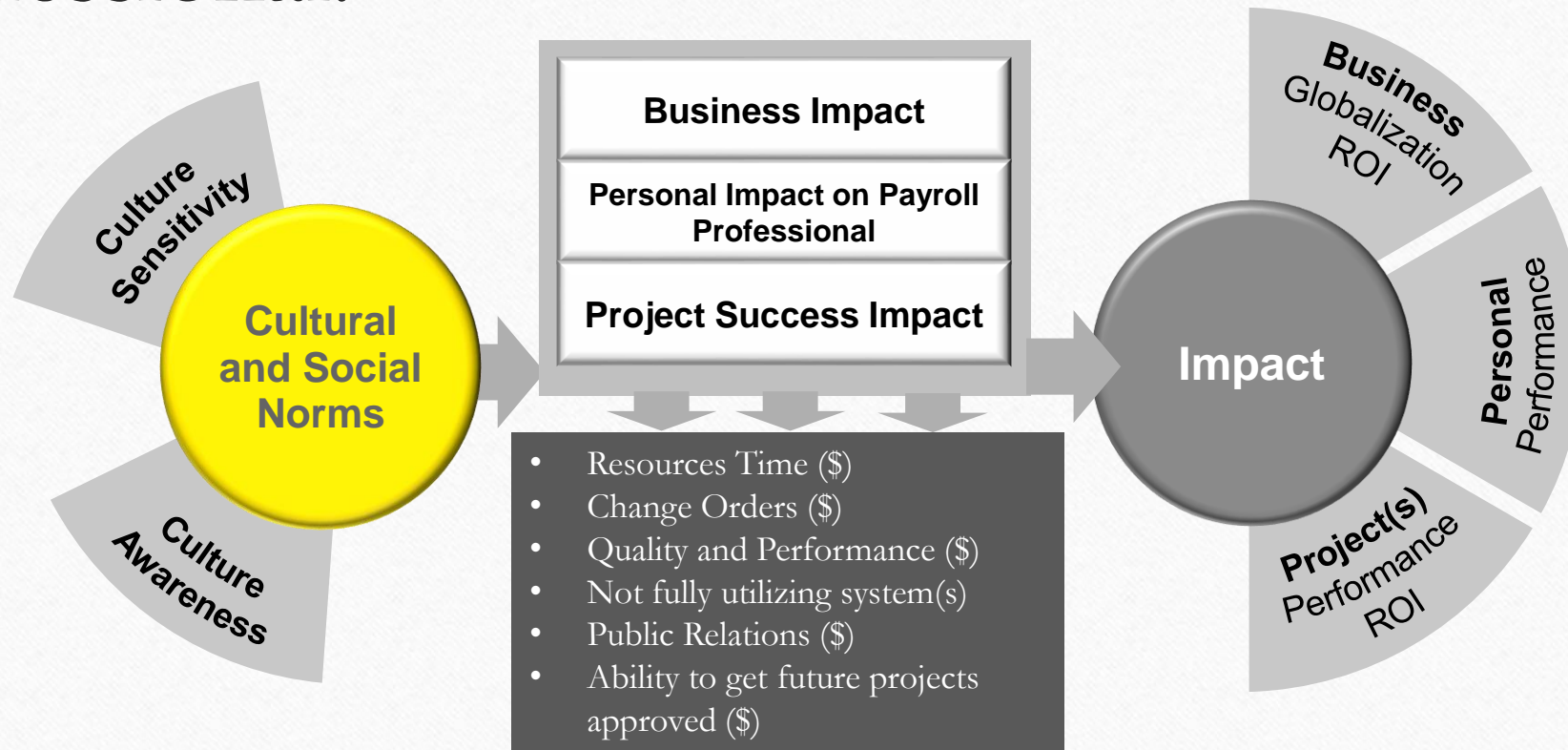


# Its Best to Understand Own Culture before trying to Understand Another





# Why is Culture Important to the Payroll Professional?

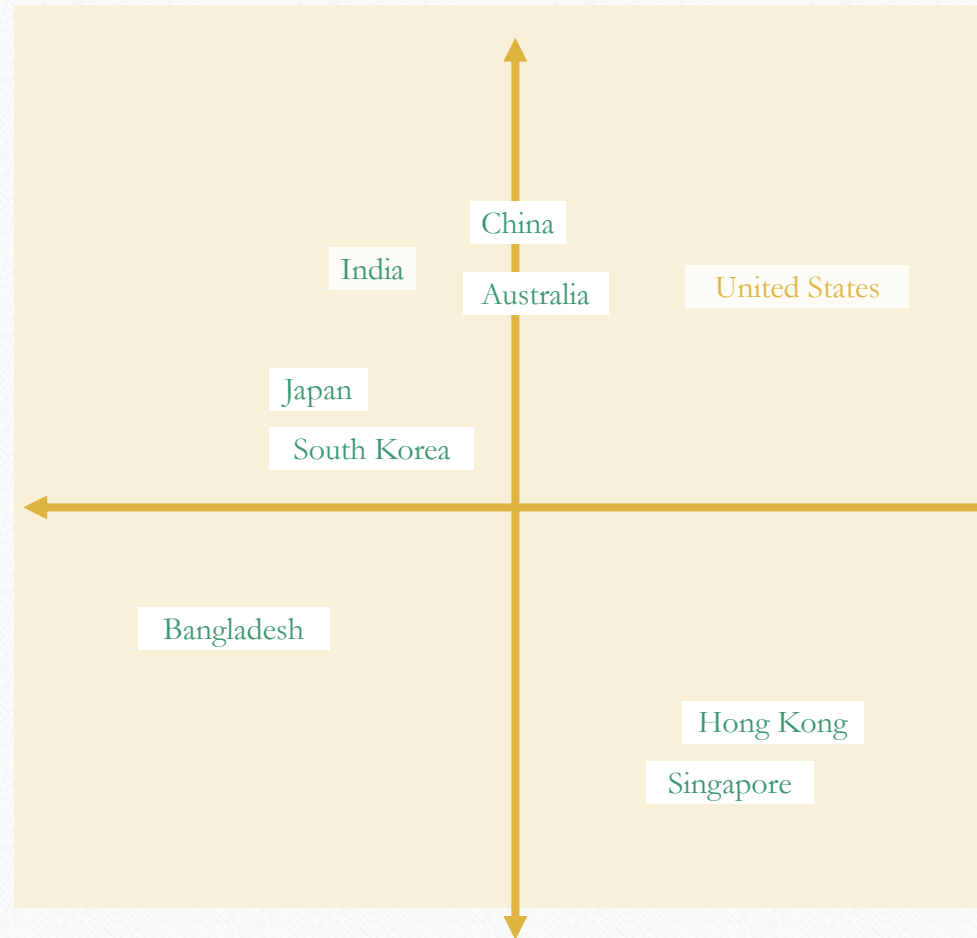


# APAC HR Landscape

The regulatory framework

**Employee Friendly:**

Employment protected  
Employee proprietary rights



**Employer Friendly:**

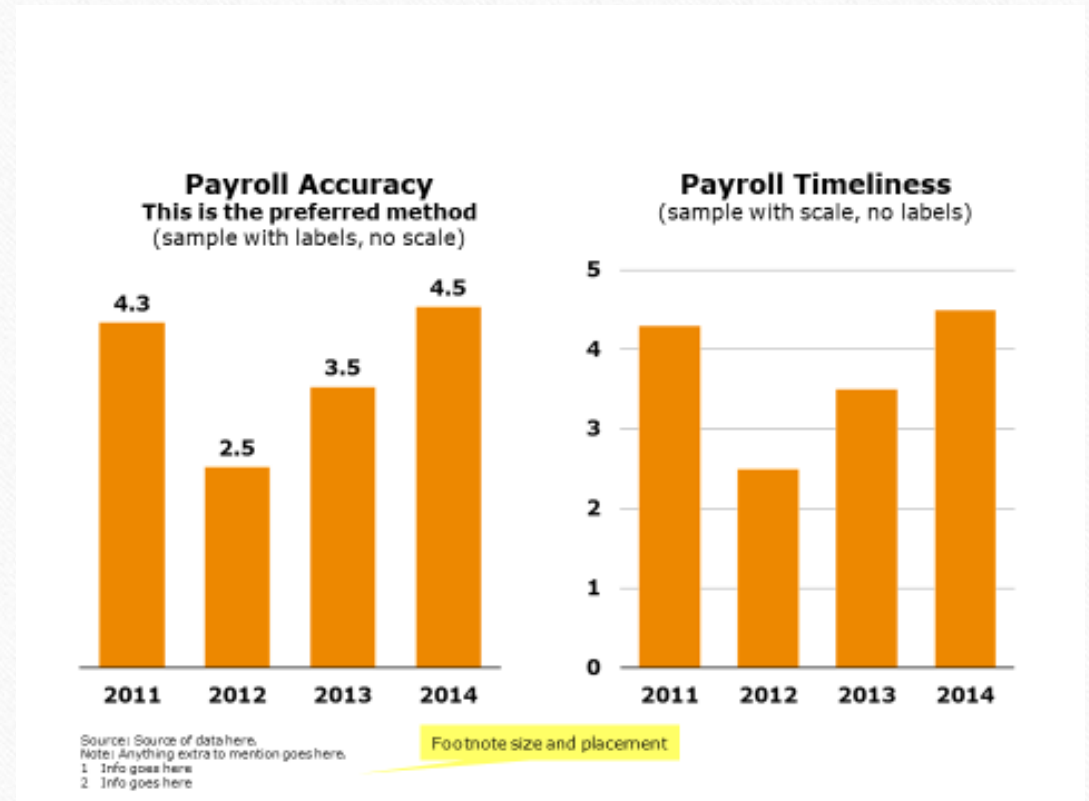
Employment at will (except protected classes)

Employer proprietary rights



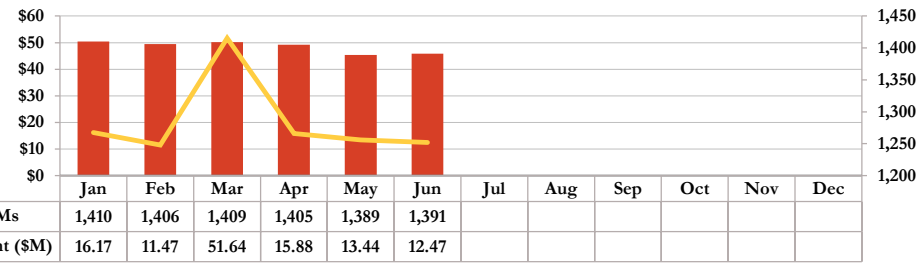
# Reporting and Metrics

- Dashboard
- Balanced Scorecard
- USD \$\$ reporting or FX
- Predictive Analytics
- Frequency
- Audience



**YTD 2019** - Team Members: 1,391; Gross Payment \$121.05M; Taxes: \$9.92M  
 2018 - Annual Payroll: \$202.49M; Taxes: \$15.99M

Gross payment (\$M) and TMs Supported



Quality Assurance	EOY 2018	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD
Payroll Accuracy	100.00%	99.93%	99.98%			99.96%
Payroll Timeliness	100.00%	100.00%	100.00%			100.00%
Cost Efficiency (USD)	EOY 2018	Qtr 1	Qtr 2	Qtr 3	Qtr 4	YTD
Service Operation Cost per TM	66.24	93.96	78.61			86.33
Service Operation Cost per Payment	64.58	88.09	72.15			80.07
Payroll Inquiries	EOY 2018	Qtr 1	Qtr 2	Qtrs. 3	Qtr 4	YTD
Number of Inquiries	607	149	118			267
Benchmark (BNA 2016): 23 per 100 employee yearly	3.22	3.53	2.82			3.17

## Risk/Open Audit Items

Project/Initiative	Status
Financial Audits in Australia, China, Singapore, Korea, Philippines, Taiwan and Hong Kong	Completed
Indonesia Rep Office Closure Audit	Completed
International HR Audit by WFAS (Completed with Effective Rating)	Completed
Australia Pay Date for BFI Award TMs	Pending

Completed | Pending

## Global Payroll Service YTD Accomplishments

Objectives	Results
Year End Processing	Completed the tax year end activities of YA2018/19 for Hong Kong and India (Rep Office)
Legal Entity Rationalization (LER)	Jakarta payroll account has been closed and pending for the result of the closure audit. HCMC closure and deregistration activities are in progress. Payroll setup for the new WFS entity in Singapore in progress
LTCAP Processing	Processed all LTCAP payments and reimbursements in APAC

## Q2 2019 - Risk Avoidance

Objectives	Results
HR and Payroll MRs Review	Compliance review on some payroll-related major requirements in Japan, Singapore and China. Partnering with HR Ops Risk to monitor new MRs and legal enactments in APAC.
Statutory Benefits Administration Services in Japan	The service was migrated to CloudPay to prevent the vendor risk associated with Tricor in Japan.
Australia Pay Date	The Australia pay date was changed to the 15 <sup>th</sup> of each month in April. The change is to meet the requirement of pay date for Banking, Finance and Insurance (BFI) Award TMs in Australia.





# GPS Scorecard - United States of America

September 2019 Report - August Data

## Operations

Metric	Jul-19	Aug-19	M2M ± %	YTD	EOY 2018 BK Comp	Trend
Gross Payments (\$Billion)	\$1.86	\$1.95	5.15%	\$20.40	\$28.86	70.68%
Percent of Direct Deposit Payments	97.92%	98.29%	0.38%	97.41%	96.71%	100.72%
Percent of Off-cycle Payments	2.41%	2.11%	-12.47%	3.27%	2.66%	122.93%
Payroll Accuracy	99.82%	99.67%	-0.15%	99.71%	99.76%	99.95%
Payroll Timeliness	98.02%	98.12%	0.10%	97.68%	98.13%	99.54%
Overpayment (\$Million)	\$0.651	\$0.504	-22.58%	\$4.466	\$7.09	62.99%

## Cost and Efficiency of Payroll

Metric	Jul-19	Aug-19	M2M ± %	YTD	EOY 2018 BK Comp	Trend
SOP Expense per TM Served	\$3.05	\$2.96	-3.07%	\$3.04	\$2.77	109.71%
SOT Expense per TM Served	\$3.89	\$3.91	0.70%	\$3.88	\$3.80	102.21%
SOP Expense per Payment	\$1.47	\$1.42	-3.28%	\$1.35	\$1.21	111.71%
SOT Expense per Payment	\$1.87	\$1.88	0.48%	\$1.73	\$1.66	104.07%
SO Staff Members vs.TMs (per 100)	0.0359	0.0369	2.64%	0.0398	0.0397	100.25%
SO Staff Members vs. Payments (per 1k)	0.0173	0.0178	2.42%	0.0177	0.0173	102.06%

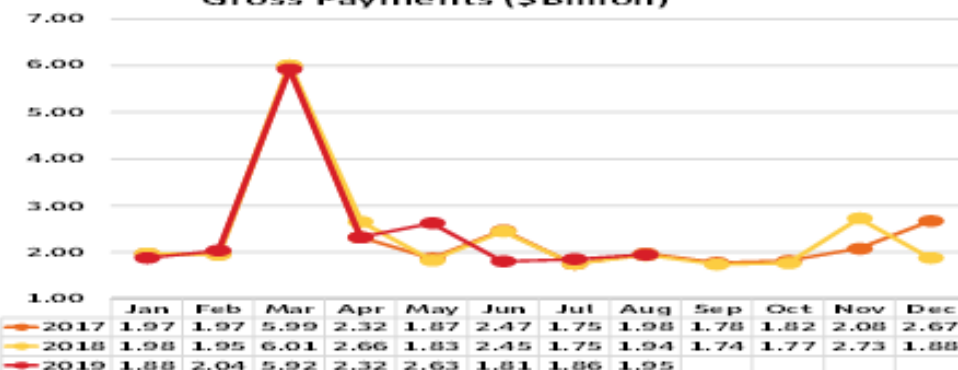
## Cost and Efficiency of Payroll

Metric	Jul-19	Aug-19	M2M ± %	YTD	EOY 2018 BK Comp	Trend
Tax Paid (\$Billion)	\$0.53	\$0.56	5.99%	\$6.38	\$8.67	73.64%
Number of V2e's	70	0	-100.00%	4,145	4,225	98.11%
Unemployment Tax Savings (\$'000)	\$28	\$27	-3.57%	\$602	\$1,367	44.04%
ADP SLA % for Tax Agency Notices	94.0%	88.0%	-6.38%	95.0%	92.0%	103.26%
Unemployment Tax Expense (\$Million)	\$1.57	\$1.41	-10.19%	\$65.95	\$77.42	85.18%
ADP - Garnishment Service Fees (\$Million)	\$0.050	\$0.059	18.00%	\$0.454	\$0.658	68.97%
Garnishment Fees Collected (\$Million)	\$0.017	\$0.017	-0.64%	\$0.153	\$0.243	63.07%
International Assignee Tax Paid (\$Million)	\$0.79	\$0.49	-37.97%	\$18.73	\$40.61	46.13%
Number of Retro-Pay	501	584	16.57%	3,900	9,308	41.90%
Manual Work Generated from SM	3.47%	3.69%	6.34%	3.68%	5.59%	65.83%
Exceptions from the Uploads	9.26%	7.29%	-21.27%	13.45%	17.74%	75.82%
Payroll Tax Reports and Queries	10,706	9,629	-10.06%	65,921	93,295	70.66%
Number of Payroll Inquires	10,471	10,351	-1.15%	97,681	131,452	74.31%

Select to see Metric - Charts and Notes: Gross Payments (\$Billion)

Notes pertaining to chart on left-hand side:

Gross Payments (\$Billion)



M2M (August '19 vs. July '19)

Increased 5.15% (\$1.95 B vs \$1.86 B)

\* US regular pay increase of \$0.023B and "Incentive Award-Formulaic" increase of \$0.06B.

Y2Y (August '19 vs. August '18)

Increased 0.55% (\$1.95 B vs \$1.94 B)

EOY 2018 - \$28.66B; EOY 2017 - \$28.66B; EOY 2016 - \$28.13B; EOY 2015 - \$28.62B

YTD 2019- \$20.40B

Historically - higher gross payments paid in March due to bonus and incentive payments

Home

Dashboard

US

Canada

LATAM

EMEA

APAC

EGS India

EGS PHL

# Vendor Management

- **# of Vendors**
- **SLAs or KPIs**
- **Annual Contracting**
- **RFIs/ RFPs**





# Audits and Compliance

- Audit Readiness
- Quality Programs
- Level of Risk





# Business Continuity Planning

- **Plans in Place?**
  - Loss of Facility
  - Loss of HCM
  - Loss of Technology
- **Test plans**
- **Annual Simulations**
- **Backup Payroll Providers**





# Review/Summary

- ✓ Strategy
- ✓ Reporting Structure and Team structure
- ✓ Global Payroll Processes
- ✓ Resource availability
- ✓ Engagement of team
- ✓ Culture Time zones / Travel
- ✓ Reporting and Metrics
- ✓ Vendor Management
- ✓ Audits and Compliance
- ✓ Business Continuity Planning

# Thank-you

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