

# Payroll Buyers Guide



**Aurion**

PEOPLE & PAYROLL SOLUTIONS

# The right solution for your business.

At Aurion, we are experts in People & Payroll solutions, and trusted advisors for our customers – both current and future. That trust is built on a 30-year history of providing the right advice and solutions, tailored to your business.

We firmly believe in working with you to deliver the right solutions – solutions to address your actual needs and deliver true value for your business. The first step to understanding your requirements in a Payroll solution is to do a real assessment of your requirements, which can be challenging in a market filled with different options and conflicting advice.

That's where we can help.

Our Payroll Buyers Guide will help you to understand what your business needs, and what to look for in a Payroll solution. Only your team can know what truly works for your business – but we're here to help with expert guidance.

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# DO YOU HAVE A LARGE WORKFORCE?



- ✓ Size
- 2 Complexity
- 3 Cost
- 4 Deployment
- 5 Service
- 🔒 Review

Let's start with one of the basic – but most deceptive – considerations of your workforce. Is it large, or getting larger?

Let's first define 'large'. Depending on whom you ask, a large workforce can be 200+ (the standard definition used by the ABS), or 500+ (usually if someone is trying to sell you a really big suite of products). A much better way of measuring the size of your business for the purposes of payroll is a really simple test:

## IS IT POSSIBLE FOR YOUR PAYROLL PERSON OR TEAM TO KNOW EVERYONE AND THEIR REQUIREMENTS, PERSONALLY, AND DELIVER A RESPONSIVE SERVICE?



**I have a large workforce. It's impossible to track all the payroll requirements of my team without a dedicated payroll solution to automate processing, reduce risk and free up payroll staff to offer a great service to my team.**

If you have a workforce with more than a couple of different entitlement models – for example, a mix of salary, award and individually negotiated packages – as well as the usual payroll complexities that each individual can bring to your business – for example, superannuation or salary sacrifice preferences – you're officially 'large'.

A large workforce will quickly become difficult to track for your payroll person/team without a solution that can automatically take care of payroll, and a big risk to your business, no matter what size your workforce is. Your payroll may become inaccurate and unreliable, exposing you to the risk of extra costs in staff and mistakes, compliance penalties and fines, and worst of all – negative employee experience.

- + I have a workforce with multiple entitlement models – for example – salary, award and individually negotiated packages I could use a basic timekeeping solution to keep track of where everyone is, and what they are doing.
- + I offer my employees the option to salary sacrifice, buy shares or other perks designed to entice great talent but frustrate payroll and finance people.
- + I can't track all of the individual options my employees choose to take manually, without exposing the business to some risk.



**NO – I don't have a large workforce. My payroll person/team can track all individual requirements quickly and responsively without a dedicated payroll solution, with no risk.** If you have a workforce where everyone's entitlements are based on a similar model – for example, a salary model - and your payroll person can manually track any individual variances from that model each pay and manage these, as well as the other day-to-day enquiries that payroll get, you are not a 'large' employer. You could most likely continue on with the payroll features of your finance system for a while (if you have them).

Key features for large and growing workforces	Aurion	Vendor X
<b>Set and forget payroll</b> + Fully automated interpretation of complex requirements	<input checked="" type="radio"/>	<input type="radio"/>
<b>Easily manage individual arrangements</b> + Examples include salary sacrifice, superannuation, and special deductions (garnishee etc.)	<input checked="" type="radio"/>	<input type="radio"/>
<b>Seamless compliance with all legislative requirements</b> + Meet all requirements for legislative workforce reporting out of the box	<input checked="" type="radio"/>	<input type="radio"/>
<b>Time and Attendance functions built-in</b> + Automate payment for employees based on what they do, without third party plug-ins	<input checked="" type="radio"/>	<input type="radio"/>
<b>Integration with key business systems</b> + Built-in integration options for Finance, Rostering and specialist HR tools	<input checked="" type="radio"/>	<input type="radio"/>
<b>Record and track all key data for your people</b> + Track all key people and payroll data for your team in one solution	<input checked="" type="radio"/>	<input type="radio"/>



# DO YOU HAVE COMPLEX PAYROLL AND/OR HR REQUIREMENTS?



Arguably, for any business operating in Australia the answer to this question is always yes. Australia has some of the most complex industrial relations conditions in the world, with complicated taxation structures, industry protections and awards, and a matrix of social benefits intertwined with employer remuneration.

A common misconception is that only 'large' employers are complex. Another common misconception is that all 'large' employers are always complex. In reality, complexity can exist in businesses of any size and constitutes a significant risk in all of them. Both the ATO and Fair Work Australia (FWA) report compliance penalties worth millions of dollars each year. A large portion of this dough is attributable to administrative errors and a lack of understanding about employer obligations. Government agencies aside, a missile worth anywhere from \$1 to \$10M to your P&L because of misinterpretation of your obligations – backpay for forgotten entitlements, or failure to accrue for future payments correctly – is never ideal.

Understanding if you are 'complex' - similarly to 'large' in Consideration 1 – can be achieved through key questions, albeit slightly more complicated ones. Are you certain your requirements aren't complex? Read the yes section and if you can relate to any of those scenarios, your answer is more than likely yes.

## ARE YOUR PAYROLL AND/OR HR REQUIREMENTS COMPLEX?

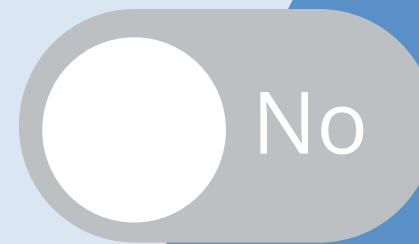


**Yes you are 'complex' if: You employ under an industrial, enterprise or public sector award, and you pay people based on what they do, as well as how long they've been doing it.** You will need a solution that includes award interpretation capability. Manually interpreting award conditions is fraught with risk and takes considerable effort.

Some Finance solutions include modern award rates built-in – but typically, these do not offer full interpretation of all conditions. Rostering systems can also include interpretation of modern awards (industry or job-specific awards). Generally, these systems will be industry-specific, and they will be limited in their ability to interpret award conditions that are not directly related to hours worked by the employee – for example, entitlements based on type and duration of service, such as leave. For enterprise-specific or public sector awards, you will always need a dedicated payroll solution capable of full interpretation of their myriad conditions.

**Yes you are 'complex' if: You have to report a lot of stuff.** If you employ a team of more than 20, you will need to report to the ATO every pay, with the data they require changing progressively each year. If your payroll exceeds your state-based payroll tax threshold, you'll have to pay and report Payroll Tax. This is in addition to other legislatively required reports, and other reports you need to measure the health of your payroll HR operation, and your workforce.

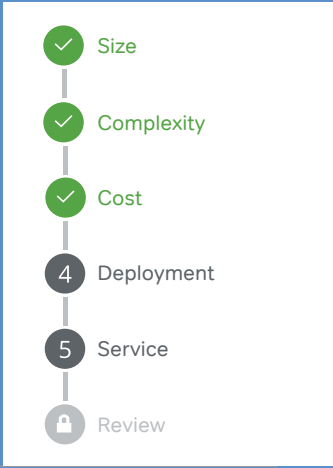
**Yes you are 'complex' if: You have a lot of Payroll/HR 'noise'.** Payroll and HR face a continual stream of activity, including interpretation of requirements, reporting and one-off events, such as restructuring or mass onboarding. If that stream of activity has seen your payroll operating ratio (a fairly reliable indicator of complexity) sink to 1 payroll person for every 250-300 employees or less, it's a good sign that you need a better solution.



**NO – I am not complex. I don't interpret, report or pay anything beyond regular salary and wages, excluding a manageable number of one-off events.** If you have a workforce where staff are employed under a single modern award or a manageable number of agreements, and you don't have significant business events that impact payroll and HR regularly, you may not need a dedicated payroll solution. The features in most modern Finance systems will deliver some automation in these conditions, with the possibility of manual processing for the remainder.

Key Features for Complex Workforces	Aurion	Vendor X
<b>Designed and built in Australia</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Expert understanding of Australian operating conditions built into our services		
<b>Award management and interpretation of modern, enterprise and public sector awards</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Fully automated interpretation of awards, including hours worked and service-based conditions		
<b>Date-effective automation of changes to entitlement rates, including back-pay</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Fully automated application of changes to entitlement rates including wage, salary, allowance and deductions, with fully automated calculation of back-pay to the correct date ('date-effective')		
<b>Seamless compliance with all legislative requirements</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Meet all requirements for legislative workforce reporting out of the box, including Single Touch Payroll		
<b>Reporting tools for complex environments</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Including standard business reports in the box, customized reporting options and workforce analytics		
<b>Configure for a single company or group of companies</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Manage all of your business entities through one solution		
<b>Integration with key business systems</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Built-in integration options for Finance, Rostering and specialist HR tools		
<b>Expert services to support your business requirements</b>	<input checked="" type="radio"/>	<input type="radio"/>
+ Expert advice and services when you need it		

# PARTNERS FOR LIFE: GETTING VALUE FOR YOUR MONEY



There are a range of payroll/HR solutions of varied levels of capability and price points in the market. From ERP millions to a few bucks a month cheap and cheerful, all tastes - from champagne to lemonade – are catered for, leading to the question:

## IF THERE ARE PAYROLL/HR SOLUTIONS AT EVERY PRICE POINT, THEN I CAN PROBABLY AFFORD ONE...BUT WHICH ONE IS RIGHT FOR ME?

Finding the right solution should always be based on close analysis of your actual requirements, and any proposed solution should be rigorously evaluated against those requirements. Solutions that don't meet requirements should be rejected – you won't get buy-in from users, you won't get your desired outcome and you will waste a lot of time, money and effort.

Likewise, you should also steer clear of solutions that claim to grossly exceed your requirements, or claim to meet your requirements and another set of 'mystery' requirements you didn't actually know you had. Quite often, a simple requirement for better management of complex payroll/HR requirements can morph into a full-blown ERP project, with the corresponding price tag, timeframe and dissatisfaction.

- + Your requirements should include a true assessment of the return you aim to get from your investment. If you are aiming to spend a low amount per month, or spend millions, you should have articulated in your requirements how you plan to return that investment, alongside any costs to implement the solution, and ask any vendor how they can help you to achieve that return, in real terms.

What do we mean by 'real terms'? Your investment in a dedicated payroll solution can be returned through:

- + Reduced staff costs: a reduction in the number of staff you need to deliver your payroll and HR service
- + Reduced software and infrastructure costs: If you are using a payroll solution now, you may be able to reduce the lifetime cost of ownership by moving to a more affordable solution, or moving to a cloud option
- + Financial impacts of payroll mistakes: Overpayments, underpayments, inaccuracy and manual rework cost you money. This can be harder to value in real terms – start by tracking the costs of incorrect payments, and any overtime or additional entitlements for staff who are having to do more related to administration.
- + Ongoing support for the life of your payroll solution investment: Check the ability of your proposed vendor to support your business as it evolves. Things like free legislative and technology updates can save you significant money over the years you're likely to have your chosen solution. A true partner should be able to deliver you service, support and advice included with the solution, so that you're not continually forking out more to keep pace with the speed of workforce changes.
- + Business risk and service user dissatisfaction: the ultimate intangible, the effect of poor systems on your employee experience can be difficult to measure, but can constitute a real problem for your business if they grow into negative perceptions, burnout and increased turnover.



**YES** – a dedicated payroll solution with the right features could definitely provide solid return on investment.

An experienced vendor will be able to assist you to further refine your business case and requirements, based on what your business needs.



**NO** – I can't prove the return on any investment I make in a payroll solution right now.

If any investment you would make in a payroll solution won't return a tangible, measurable benefit, you don't need one. However, your team should steadily compile a list of requirements, based on payroll/HR activities that are causing you problems now, so that you know what to look for when you are ready.

Key Features for a Cost-Effective Payroll Solution	Aurion	Vendor X
<b>Flexible pricing options and service models</b>		
+ Fixed-price Software as a Service and Cloud solutions, through to licenced on premise	<input checked="" type="radio"/>	<input type="radio"/>
<b>One vendor for all your Payroll and HR needs</b>		
+ Reduce time spent on vendor management with one vendor supporting a single, integrated solution and a dedicated Client Advocate managing your ongoing relationship	<input checked="" type="radio"/>	<input type="radio"/>
<b>Fixed price implementation and service packages</b>		
+ Access fixed cost assurance during implementation, with fixed price packages for implementation and major updates	<input checked="" type="radio"/>	<input type="radio"/>
<b>Service and Support Included</b>		
+ Free upgrades for the life of your software solution investment	<input checked="" type="radio"/>	<input type="radio"/>
+ Transparent support and service costs included with your licence or subscription	<input checked="" type="radio"/>	<input type="radio"/>
+ Expertise available to you when you need it	<input checked="" type="radio"/>	<input type="radio"/>



# DO YOU NEED A CLOUD SOLUTION?



- ✓ Size
- ✓ Complexity
- ✓ Cost
- ✓ Deployment
- 5 Service
- 🔒 Review

**'Cloud'. Like the natural phenomena from which its name is derived, cloud solutions - and their value - are sometimes both easy to see and hard to grasp.**

In 2018, your preference should always be cloud, unless your business has specific operating requirements that require dedicated on-premise infrastructure. Not only are lifetime ownership costs of cloud software packages lower, they offer scalable, secure solutions that should comply with a raft of security and quality assurance qualifications which are increasingly required for the management of Payroll and HR data.

To realise the true value of cloud solutions, you shouldn't take your old 'licenced software on a server' attitudes with you to your new solution. Look for fixed-price based on headcount models which provide for easy management of current costs and projection of future growth, with everything included from the one vendor to simplify your integration effort and costs.

When calculating the return on investment to be achieved from a cloud solution, don't forget to factor all costs – software and infrastructure costs, as well as the human effort associated with managing both, and the additional resources you will use ensuring that the solution is secure and compliant, as well as any costs to integrate with other solutions, many of which will already be in the cloud.

## DOES YOUR BUSINESS NEED A CLOUD PAYROLL AND/OR HR SOLUTION?



**YES – I should get a cloud solution because I want a simple to manage, secure fixed-price service without any of the fuss.** You're a convert and understand the ways that a cloud solution can deliver value for your business. However, you may still need to convince a few detractors. Some common concerns about cloud solutions are included below.

### Common cloud objections

*But we already have a server we can use for that*

That may be the case, but you'll need a few of them, and you'll need to keep them updated with the latest versions of the software in order to maintain your legislative compliance and ensure optimal user experience. Payroll software updates are frequent, in response to changes in legislation and user requirements.

You'll also need to continually scale your infrastructure as your workforce, and the data you keep about them changes. On the subject of data...

*We have very secure infrastructure too*

Payroll and HR data is very sensitive, and there are strict policies and laws governing the storage of your data, and the transmission of your data to the government agencies who require it. Personal data cannot be sent offshore, even in transit, and you must be able to prove that you make every effort to manage information security risks for your employees, your customers, and partners. Unless you are prepared to continually invest in an extensive security management framework for your solutions, cloud will always provide a stronger security posture, without the effort.

*If it's in the cloud, it can't talk to any other systems*

This can be true of some large enterprise applications that do not offer 'open standards' for integration with other applications, offer integration only to their own



preferred products, or do not offer integration options that can be easily configured and controlled by you. However, any payroll/HR solution you evaluate should offer integration tools that can be used to connect to any application seamlessly, and in real-time – payroll and HR data can be leveraged to ensure accuracy of other systems you use.

If you are looking for simplified management of your software investment, cloud solutions are your best options.

**NO – I want to maintain full control of any software and infrastructure required to deliver our payroll/HR service because our business needs this.**

Firstly – don't let anyone tell you that you 'must' get a cloud service. Only you and your team know your business, and even though cloud solutions offer myriad benefits including security, lower costs and less effort, your business may have a genuine need to opt for an on-premise solution. Ideally if this is you, you should select a solution with the option to easily move to a cloud solution in the future, should your business needs change and you want to take advantage of a cloud option.

Key Features for a Cloud Solutions	Aurion	Vendor X
<b>Flexible deployment options</b>		
+ On premise, cloud and outsourced options for your evolving business	<input checked="" type="radio"/>	<input type="radio"/>
<b>Backed by secure, scalable technology</b>		
+ Delivered by the world leader in cloud solutions as a service, AWS, security and scalability are assured	<input checked="" type="radio"/>	<input type="radio"/>
<b>Full transparency of costs with fixed price options</b>		
+ Pay per user per month, or annually by headcount, depending on the requirements of your business	<input checked="" type="radio"/>	<input type="radio"/>
<b>Built-in integration for Finance tools</b>		
+ Aurion provides seamless integration for finance systems using easy to configure tools	<input checked="" type="radio"/>	<input type="radio"/>
<b>Custom integration tools</b>		
+ Integration tools including API and web services enabling real-time integration with applications of your choice	<input checked="" type="radio"/>	<input type="radio"/>
<b>24/7 service availability with full service level agreements</b>		
+ Uptime guarantee, with access to business-critical services 24/7	<input checked="" type="radio"/>	<input type="radio"/>

# DO YOU REALLY NEED TO PAY FOR IMPLEMENTATION SERVICES?



- ✓ Size
- ✓ Complexity
- ✓ Cost
- ✓ Deployment
- ✓ Service
- 🔒 Review

The short answer is – of course not. At your current stage in your business journey, you may not have the resources to fund an implementation project, or you may think that implementation services are unnecessary – that you can do this by yourself, using a software package you can implement with your own team.

However, software is not a solution by itself. A true solution supports you to deliver the outcome you need and provides a solid foundation upon which to realise your business strategy. The solution to address your needs should be supported by a qualified, expert team with whom you enjoy a solid working relationship and trust.

The goal of a payroll/HR implementation project is to successfully deliver a solution that meets your needs, now and into the future, within your desired timeframes and budget. During an implementation project, you'll engage with qualified experts to ensure that the decisions you are making for your solution deliver optimum value and return, as quickly as possible, with minimal disruption to your business.

Whilst implementation projects can be resource-intensive for a period and add additional once-off costs to your proposed solution, any implementation project support by a proven vendor will deliver a measurable return on investment and offer the optimal solution for your business.

At different points in your business journey, you will need help to achieve your goals. Depending on your requirements, you will need a solutions partner that offers deep expertise that you don't have within your business, coupled with comprehensive services, including outsourced options, change management, training and professional services, and 24/7 support.

## DO YOU REALLY NEED TO PAY FOR AN IMPLEMENTATION PROJECT WHEN THERE ARE FREE OPTIONS?



**YES – I need a solution supported by an expert team to ensure that I get the outcome I need.**

Proven solutions backed by reputable vendors offer assurance that you will achieve the value you are seeking, which is vital to the success of your project. Any implementation project you embark upon should include quality and satisfaction checks, led by your vendor, as well as dedicated change management activities to ensure that your entire business team realises the benefits of your chosen solution.



**NO – We're not really in the position to commit to an implementation project**

Even if you are not in the position to fund or resource an implementation project designed to deliver a customized solution for you, you can enjoy the benefits of solutions supported by experts who can guide your business journey. With options like streamlined implementation models to implement quick solutions based on best-practice processing, and outsourcing to ensure accuracy and compliance, you should work with a vendor offering ways for you to grow into more advanced solutions, when you need them.

### Key Features for Implementation Services

Aurion Vendor X

#### *Dedicated multi-disciplinary team of experts during your implementation*

+ Expert consulting staff, backed by quality and project management resources and experienced trainers to ensure you deliver the optimal solution



#### *Quality and change management front of mind*

+ Implement the best change for your business for everyone



#### *Low cost implementation and outsourced services*

+ Quick implementation models and outsourcing to get your solution implemented sooner



#### *Ongoing solutions partner for the life of your investment*

+ Access expert payroll/HR services when you need them



#### *24/7 Customer Support*

+ 24/7 access online tools and resources, or speak to a qualified team member during business hours



#### *Dedicated Client Advocate post-implementation*

+ Enjoy personalized after-sales service




# WHERE TO NEXT? //

Hopefully by this stage you've built a better understanding of your payroll and HR needs and figured out whether you need a new payroll/HR solution (but if not, we're happy to help).

For more about how Aurion can benefit your business, reach out to us at [Aurion.com](https://www.aurion.com) or 1300 AURION and one of our expert team will be in touch.





A large, stylized graphic of the letter 'A' in a light blue color, composed of several overlapping geometric shapes, serving as a background for the text.

Aurion is a pioneer of HR & Payroll Software and for over 30 years we've been a market leader helping hundreds of organisations drive efficiency and productivity.

Aurion designs and deploys Best Practice People & Payroll Software that works on any device that makes complex things simple.

**1300 287 466**

**AURION.COM**