



# Your guide to perfect People & Payroll



**Aurion**

PEOPLE & PAYROLL SOLUTIONS

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# Can people and payroll management be perfect?

In any business, looking after your people as your greatest asset is a must. But sometimes it can be hard to get it exactly right, which is what you need to be doing to stay competitive in today's world. Having the right expertise and tools to help you achieve perfect people and payroll – in a way that's right for your business - is a great place to start.

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

We firmly believe in working with you to find the right solution – a solution to address your actual needs and deliver true value for your business. In order to do people and payroll perfectly the first step to understanding what you need to do is to take a real look at your requirements, which can be challenging in a market filled with different options and conflicting advice.

That's where we can help.

Our Guide to Perfect People and Payroll will help you to understand what your business needs, and what to look for in a solution.

# DO YOU UNDERSTAND PEOPLE & PAYROLL?



To effectively manage people and payroll, you need to understand industrial relations, payroll and tax law, compliance, technology and how to keep up-to-date information about all of your people and payroll outcomes flowing around your business, so that everyone has the information they need to make well-informed decisions. And this is on top of focusing on what your business actually does to make money!

Do you really understand how to best manage your people and payroll, to get the right outcome for your business? Do you have the right skills, processes and technology in your business to manage people and payroll?

Finding the right people and payroll solution for your business is essential to maximising your people investment, and it won't be the same solution for every business. From People & Payroll outsourcing, through to cloud software solutions with automation of simple people and payroll processes built in, finding the right solution can save you time and money, which you can then put to use to drive your core mission.

## COULD SOME OF THE TIME, MONEY AND ENERGY SPENT MANAGING PEOPLE & PAYROLL IN YOUR BUSINESS BE BETTER USED SOMEWHERE ELSE?

**YES – I don't have all of the skills, processes or tools needed to fully manage our people and payroll needs, and getting a better solution would reduce the time, money and energy we currently put into it.**

If you don't have dedicated people and payroll specialists or efficient processes and tools, you will definitely spend more time, money and energy than you need to keep your workforce running smoothly. You could also be exposed to additional risks as your workforce grows, and as the people and payroll obligations of your business change.

Investing in solutions with built-in expertise and advice can help you to reduce cost and risk. Plus, there's the assurance of knowing that your people and payroll processes are optimal, and if anything changes you have the support you need.

**NO – I have a dedicated team of people and payroll specialists who fully understand our business requirements, and how to maximise our people investment.**

If you're in this position, happy days! But it's still always a great idea to re-evaluate your people and payroll solutions to be sure you're meeting your obligations, and that your people and payroll is driving productivity and efficiency in your business.



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## **Key features for businesses who need extra expertise**

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### ***Access to people and payroll experts, processing and tools***

- + Fully and partially outsourced payroll service packages to meet the needs of any sized business
  - + Cloud software solutions with all software, technology and maintenance built-in
- 

### ***Understanding of people and payroll obligations and compliance***

- + ISO-certified and ASAE-accredited tools and processes to ensure 100% guaranteed security, accuracy and compliance with employer obligations
  - + Meet all requirements for legislative workforce management out of the box
- 

### ***Support when you need it, with shared expertise and guided lifecycle advice***

- + Dedicated service desk and support staff, available 24/7
  - + KPIs and service monitoring so you can always see how your people and payroll solution is working for you
- 

### ***Integration with key business systems***

- + Built-in integration options for your Finance, Rostering and specialist HR tools, so that information is always flowing effectively around your business
- 

### ***Record and track all key data for your people***

- + Track all key people and payroll data for your team in one solution
-

# DO YOU HAVE A LARGE WORKFORCE?



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?**

**YES - 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).



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## **Key features for large and growing workforces**

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### ***Set and forget payroll***

- + Fully automated interpretation of complex requirements
- + Fully and partially outsourced payroll service packages to meet the needs of any sized business
- + Cloud software solutions with all software, technology and maintenance built-in

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### ***Easily manage individual arrangements***

- + Examples include salary sacrifice, superannuation, and special deductions (garnishee etc.)

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### ***Seamless compliance with all legislative requirements***

- + ISO-certified and ASAE-accredited tools and processes to ensure 100% guaranteed security, accuracy and compliance with employer obligations
- + Meet all requirements for legislative workforce management out of the box

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### ***Time and Attendance functions built-in***

- + Automate payment for employees based on what they do, without third party plug-ins

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### ***Integration with key business systems***

- + Built-in integration options for Finance, Rostering and specialist HR tools

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### ***Record and track all key data for your people***

- + Track all key people and payroll data for your team in one solution
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# 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 investment 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 are required to provide legislative reporting.** 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.





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## Key features for complex workforces

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### *Designed and built in Australia*

- + Expert understanding of Australian operating conditions built into our services
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### *Award management and interpretation of modern, enterprise and public sector awards*

- + Fully automated interpretation of awards, including hours worked and service-based conditions
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### *Seamless compliance with all legislative requirements*

- + Meet all requirements for legislative workforce reporting out of the box, including Single Touch Payroll
- 

### *Reporting tools for complex environments*

- + Including standard business reports in the box, customized reporting options and workforce analytics
- 

### *Configure for a single company or group of companies*

- + Manage all of your business entities through one solution
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### *Integration with key business systems*

- + Built-in integration options for Finance, Rostering and specialist HR tools
- 

### *Expert services to support your business requirements*

- + Expert advice and services when you need assistance with complex changes
  - + Fully and partially outsourced payroll service packages to meet the needs of any sized business
  - + Cloud software solutions with all software, technology and maintenance built-in
-

# CAN YOU AFFORD A DEDICATED PAYROLL SOLUTION?



## This one is not a straight yes/no question.

Enterprise software projects, including payroll/HR implementations, have a reputation for their high cost and effort. And with good reason – failed Enterprise Resource Planning (ERP) projects regularly hit the headlines for cost blowouts in the millions (sometimes billions!) of dollars. Projects can run over years, exhausting your resources and capacity, before eventually not delivering the promised value or return on investment.

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 dollars 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.
- + 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.



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**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.

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**Key Features for a cost-effective payroll solution**

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***Flexible pricing options and service models***

- + Fixed-price Software as a Service and Cloud solutions, through to licenced on premise
- + Fully and partially outsourced payroll service packages to meet the needs of any sized business
- + Cloud software solutions with all software, technology and maintenance built-in

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***One vendor for all your Payroll and HR needs***

- + + Reduce time spent on vendor management with one vendor supporting a single, integrated solution and a dedicated Client Advocate managing your ongoing relationship

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***Fixed price implementation and service packages***

- + Access fixed cost assurance during implementation, with fixed price packages for service delivery, implementation and major updates
-

# DO YOU NEED A CLOUD SOLUTION?



**‘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.

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## **Key Features for a Cloud Solutions**

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### ***Flexible deployment options***

- + On premise, cloud and outsourced options for your evolving business

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### ***Backed by secure, scalable technology***

- + Delivered by the world leader in cloud solutions as a service, AWS, security and scalability are assured

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### ***Full transparency of costs with fixed price options***

- + Pay per user per month, or annually by headcount, depending on the requirements of your business

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### ***Built-in integration for Finance tools***

- + Aurion provides seamless integration for finance systems using easy to configure tools

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### ***Custom integration tools***

- + Integration tools including API and web services enabling real-time integration with applications of your choice

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### ***24/7 service availability with full service level agreements***

- + Uptime guarantee, with access to business-critical services 24/7
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# WHERE TO NEXT? //

Hopefully by this stage you've built a better understanding of perfect people and payroll and how to do get it right every time (but if not, we're happy to help).

For more expert advice and information 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 people & payroll experts will be in touch.



Aurion is a pioneer of integrated people and payroll software and outsourced payroll services. For over 30 years we've been helping our customers simplify People & Payroll, driving business efficiency and automation.

We are passionate about technology and how we use it to solve People and Payroll business challenges. Our solutions are powerful yet elegant, with built-in expertise and tools to meet the most complex business process.

Aurion is part of the Chandler Macleod Group and is a Member of Recruit Holdings Co., Ltd - the 4th largest staffing company in the world.

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