



A new wave of total payroll
and personnel management systems



Payroll In The 21st Century

We are going to look at where the most time, effort and resource is consumed within the payroll process. By understanding this we can then identify where efficiency gains can be made. Surprisingly little of this rests within the core payroll application.

The payroll process includes several elements but central to the entire operation is communication. In its simplest form the payroll communicates the work an employee has done to the payroll system and the outcome is communicated back to the employee and other interested parties, management, HMRC, banks and so on.

Historically payroll systems have concentrated on the central part of processing the data received to create the outcomes required. Even today most payroll systems are sold by reference to their “bells and whistles” and pretty appearance. Given that virtually all can handle the necessary calculations and even the most complicated payments and deductions, what can distinguish between them?

Traditional bureau services have done little apart from remove the payroll application from the user, and some providers even insist on the customer maintaining some software of their own. What these bureaux really outsource is not the process but the payroll department jobs.

The underlying bottlenecks and restrictions are no longer connected with the efficiency of the core payroll system but to do with the flow of information into the system and back to those who need it. Whether the process is run from in-house software or operated through a service provider the problem is the same.

Consider a company with an area and branch structure. Each branch has a manager and several of these report to an area manager. Each branch manager has responsibility for hiring and firing at his location and will authorise overtime and some one-off payments and deductions for his team. His payroll returns will usually go to his area manager for approval who then passes them to the payroll team to be input to the system. In the case of a bureau operation the payroll team will need to collate all the information before passing it to the provider. After the payroll has been processed payslips need to be sent back to employees and reports etc distributed around the management team. It is these communication processes that take time and often introduce errors.

While data is being transferred not only is time wasted but it is, to some extent, at risk of a security breach. Securing paper forms, faxes, emails and spreadsheets is not an easy task and detecting a security breach is even more difficult.

The *LivePAY* product from CCM answers all the above issues by making the entry of data available to the users who initiate it. No payroll knowledge is required as *LivePAY* is not an extract of the core LPAY application but designed specifically for this purpose. Once entered, the data is held securely within the CCM network and protected by up to date encryption technology. Each member of the management hierarchy can view the information relevant to their position and give their approval. Only once each of the hierarchy has approved the data is it released to the payroll process for calculation.

As the payroll is processed a tailored selection of reports are prepared automatically and arranged on the CCM report archive server and each member of the management team can access the data relevant to them on-line and instantly the payroll is completed. Employees can also log in to access their own payslip for this payroll period, or previous periods. This removes the need for paper reports or CD's to be created and distributed. The whole process is fast, reliable and very easy to use.

So to the old question, should the process be run as an “in-house” system or outsourced to a bureau provider? Many of the areas to be addressed are not part of most software applications, publishing web interfaces, automatic report pack creation, the archiving of reports and security access. For this reason to operate everything in-house will require several disciplines and probably more than one technology, therefore in-house will be an expensive option. Using a traditional bureau is unlikely in itself to be much different because most bureaux use systems developed by the major software providers that was (or still is) aimed at the in-house market.

What is required is a new approach to the whole payroll environment and this is what *LivePAY* provides.

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