



## ***What I wish I'd asked my payroll outsourcer before I signed the contract***

Outsourcing your payroll function can have a massive impact on your business, and so before embarking on such a proposition, it takes far more than price comparisons and due diligence to make sure that you have chosen the right outsourcing company.

What do you wish you had asked, before you signed on the dotted line with your current outsourcer? Or perhaps you are contemplating outsourcing your payroll function at the moment and want to be certain you have made the right choice. Neil Lagden, Head of Bond Payroll Services, a Division of Bond International Software, runs through the most salient points.

1. **How will I be looked after?** Many outsourcing companies will sign up as many customers as possible, and then simply offshore the service delivery to reduce overheads, leaving customers having their payroll processed by teams with whom they will have little or no direct contact. It is therefore essential that before signing the contract, you ascertain exactly how the service delivery and account management is structured, who your primary points of contact would be, who is actually doing the work, and who your escalation points are if necessary. Having good communication channels to the right people is crucial to a successful delivery of service
2. **What if my business changes?** Recently, many businesses have reduced their workforce, and many more have been finding it tough in the current climate. Having said that, many other businesses are able to grow their headcount over the forthcoming months. This all has impact on the payroll services provided and will differ from what has been contracted for several months or years ago, but the crucial question is whether the contract is flexible enough to accommodate your current needs. And if they can change the services they are currently providing, will you be charged for it, especially if the functionality you need sits slightly beyond their standard packages. A good outsourcer will be able to flex with your business, and not necessarily charge you for it.
3. **What is 'Accuracy' to me, and how does it compare with the agency's view?** Outsourcing relationships can tarnish rapidly if the time theoretically saved by outsourcing is then wasted on checking and amending the companies work. Payroll in particular is not a business process that can frequently have mistakes or be delayed, and so it is essential that the company adheres to the same, or even higher, standards of accuracy as your own. For example, is the outsourcer aiming to just get the entire payroll through BACS on deadline, or are there further levels of accuracy that they aspire to, and that you need? Indeed, a good payroll agency will actually identify errors or misnomers in the data provided and take an active part in resolving any problems.
4. **How is my account team targeted internally?** One of the most frequent complaints of outsourcing is the lack of urgency in responding to queries. This is often a reflection of how the agency account teams are targeted – if the team is concerned simply with the volume of payroll being processed, which in itself encourages errors for the sake of speed, then client engagement is rarely focused on. However, a good outsourcing company will instead target its payroll managers on retention and satisfaction of clients, ensuring that all the stops are regularly pulled out.

5. **How is my team structured?** Ideally, over time you will build up a close working relationship with the payroll manager within your outsourced team, as the day to day management of the payroll naturally requires frequent two-way communication. However, because of this close relationship, frank discussions regarding performance or further necessary services need to be directed at a separate person, responsible for the business side of the relationship, not just the payroll operations. This account manager – a role that is being rapidly cut out by many outsourcers in order to reduce headcount – must be concerned with more than upselling, and instead make sure that the payroll outsourcing relationship addresses all the needs of the client business.
  
6. **What experience do you have with payrolls of similar complexity to my own?** References are a key part of choosing any supplier, whether outsourced or not and whatever the business process. Multiple offices, varying points of contact within the business and high proportions of remote workers can create a particularly complex payroll procedure – one which requires experience to manage. Seeking out payroll outsourcers who can manage payrolls of varying sizes misses the bigger picture – it is the complexity of the payrolls, and the company's ability to tackle them, that determines their suitability.