



Case Study:

Adopting a Fresh Approach to Global Payroll Management Featuring Allegion

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Presented by:

Workday and Allegion



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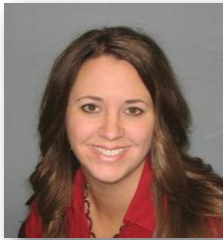
2

Join the Conversation



#WDAY @Workday | @GPMInstitute

Speakers



Gwen Kuhns
Director, HR Operations



Dave Kelly
Global Payroll Manager



Laurent Botella
Senior Director, Product Strategy

Agenda

- **Global Payroll Best Practices**
- **Global Payroll Management Case Study**

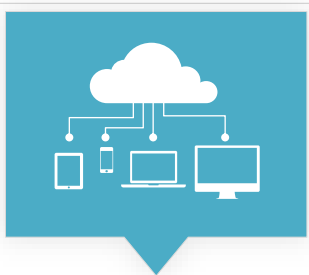


Global Payroll Best Practices



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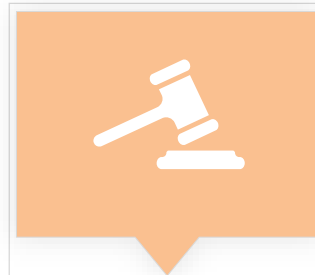
The Workplace is Changing



Technology changes
the way people work



Workers are on
the move



Growing compliance
regulations

But Payroll Remains Local, Complex, Detailed...



...and Leads to Payroll Paralysis

Companies struggle with:



Visibility

More than **60%** lack enterprise-wide reporting. They can't get global payroll actuals.



Automation

86% require some manual input to complete the payroll process.



Integration

Low levels of integration between payroll and other systems

 **48%** HRIS

 **42%** Accounting

 **38%** Time and Attendance

Source: Hackett Group

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Global Payroll - Landscape



Locally Processed Payroll

Characteristics

- Local providers specific to a country
- In-house or outsourced solutions
- Local reporting



Payroll Aggregator

Characteristics

- Network of providers managed under single contract (Gross-to-net performed at local level)
- Data aggregation
- Consolidated reporting



Global Payroll Processor

Characteristics

- One single in-house or outsourced solution under a single contract.
- Consolidated reporting

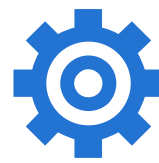
Global Payroll – Best Practices



**Reduce the number
of payroll providers**



**Deploy a single
user experience**



**Automate integration
with local/regional
payroll solutions**

Global Payroll – Best Practices



**Inbound integration to
import payroll results**



**Inbound integration to
import payslips**



**Leverage certified
pre-built integrations
to reduce costs**



Global Payroll Management at Allegion



15

Who Are We?

About Allegion™

Allegion (NYSE: ALLE) is a global pioneer in safety and security, with leading brands like CISA®, Interflex®, LCN®, Schlage®, SimonsVoss® and Von Duprin®. Focusing on security around the door and adjacent areas, Allegion produces a range of solutions for homes, businesses, schools and other institutions. Allegion is a \$2 billion company, with products sold in almost 130 countries.

Allegion by the numbers

\$2 Billion
2015 annual revenue

30
Countries where we work

9,000+
Employees

~130
Countries where our products are sold

25+
Global brands
550+
Global active patents

10,000+
Channel partners worldwide

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Background

- Divested from parent company with multiple, local payroll platforms
- Implemented new HR, US Payroll, Global Payroll and Time solutions in 7 months
- Very new company, many new employees
- Brand new technology to implement and support
- Centralized and decentralized environment
- 30 countries, 45 entities

***Initial global payroll solution did not work for us.
We had to reassess our needs and find a new solution.***

Global Payroll – Key Problems to Solve

- Reduce costs
- Increase compliance
- Reduce the number of payroll vendors
- Support company growth
- Looking for a system to handle true global operations



Needs Assessment



Global Payroll Strategy

- **Workday - One Global HCM Solution**

- Maximize our investment in Workday, one source of truth
- Workday HCM as part of strategic decision to align global HCM and payroll
- Create standardized global processes

- **ADP – One global payroll solution**

- Ensure innovation and automation - reduce manual interactions
- Enable local contact to payroll partner, in local language

- **Global Payroll Insights**

- Global contract, transparency to costs
- Global KPIs for payroll processing
- Ability to leverage global payroll self-service to view external payroll results and getting insights into global, regional, and in-country payroll (Note: Allegion has not yet implemented the self-service)

Manage Globally, Process Locally



**Standardized Business Processes
across all countries**

HR, Managers

- Hire, Promote, Transfer
- Maintain Salary, Cost Center
- Enter Bonus

Employees

- Maintain Personal Data
- View Payslips



Global HR Data
External Payroll Results &
Payslips



**Payroll Services for 100+
countries:**

- Payroll Administration
- Payroll Processing
- GL Integration
- Tax Filing to Local Government
- Compliance & Legal Reporting

Note: Allegion has not yet implemented the integration of payslips back into Workday!



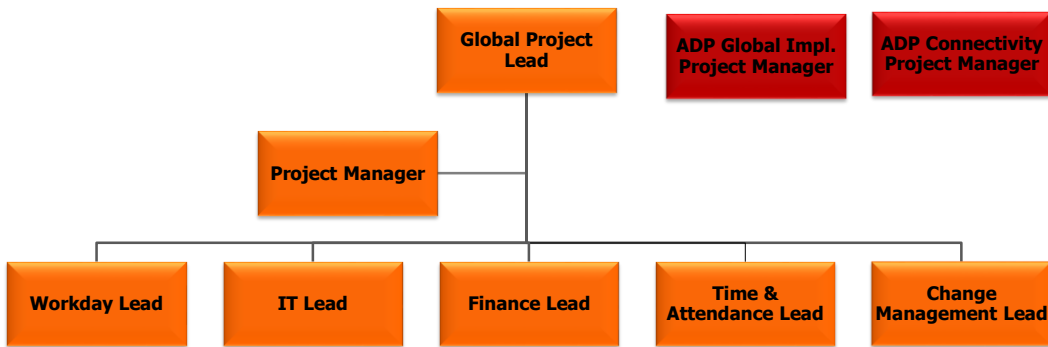
Global Payroll Planning

- **Big Bang or phased?**
 - Recommend phased approach to enable success
- **Prioritize the phases based on greatest likelihood of success; early success paves the way for all future implementations**
 - Largest country first
 - Smaller country first
 - Most mature country first
 - Most engaging country first
 - Most “challenging” country first
- **Think strategically and involve all stakeholders in the decision**
- **Significant time is required to plan and organize the project, clarify roles and expectations internally and with the new vendor**

22

Allegion Project Organization

Central PMO Team



Extended team included: Regional Allegion Leads, Allegion Local Payroll, Allegion Local HR, Allegion Local Finance

Note: Project from concept to implementation done without any consulting support



Change Management

Stakeholders:

- Need to build the "burning platform" or "reason for the change"
- Conducted upfront interviews to understand who are the supporters and resisters
- Engage resisters with additional information and ensured they were "at the table"
- Monthly Steering Committee meetings; monthly regional meetings with all countries and HR executives



Note: Critical to share information with executives prior to them hearing it, need to anticipate their questions and concerns!

Change Management



26

Communications/training:

- Supplemented vendor training to provide context specific to Allegion
 - Example: Send introductory emails summarizing exactly what to expect from corporate as well as the vendor
- Weekly or biweekly “check-in forums” with the local teams to share information and allow them to ask questions or escalate concerns
- Walk-thrus: Vendor supported and we “held hands” a bit the first two times they “pushed the buttons”

Lessons Learned

- Need a strong, central PMO team to maintain global consistency
- Global PMO can apply lessons learned to next implementation
- Global PMO needs to stay engaged in each local country implementation
- Languages can be a barrier in your ability to centrally support
- Requirements and data collection are different per country, per entity. This took longer than anticipated due to resource constraints and clarity in what was needed
- Allow time to collect historical data, must be planned out well with current provider
- Perform parallel testing where possible



Lessons Learned



- Ensure your Workday data is good, cleaned-up before-hand
- Locals need to understand what comes from Workday and that Workday is the source of truth
- Do not allow them to enter master data directly in payroll systems or Workday will never be accurate
- Face-to-face meetings are essential
- Stay on top of local vendor PMs
- Keep steering committee up to date—no surprises!
- This is a partnership with our vendor—a give and take; don't be afraid to push on key escalations
- Change management is key (we failed at this the first go-around and learned a lot—much stronger now)

Key Successes



- **Business Effectiveness**
 - Enhanced compliance in all countries
- **Process Efficiency**
 - Standardized payroll business processes globally
 - Increased automation: cleaner data; better financial controls
- **Reduced IT integrations/costs**
- **Local teams engaged and understand the processes**



Global Payroll Self-Service

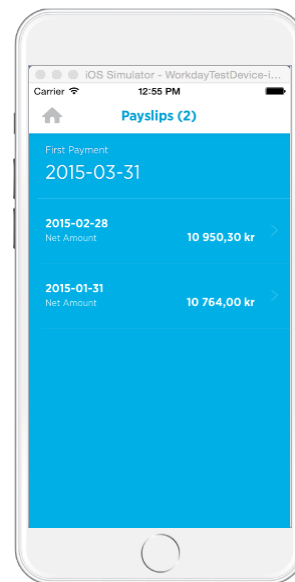
Övningsföretaget **Payslip**

06-999 999, payroll@cv.se
 Organisation no.: 121212-1212

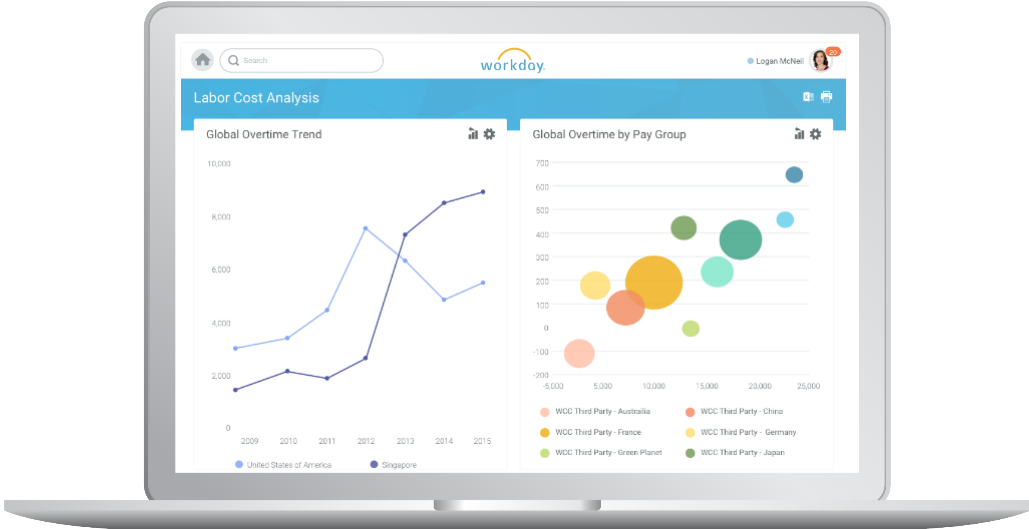
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Date of payment	20121123	
Empl. no.	101	Deltagatan 55
Bank account no.	1334-88888889	124 55 Stockholm
Tax table	34,0	

This Payslip was provided by SafeGuard World International and its local In Country Partners

Pay type	Date/Rem	Project	Units	Price	Amount
042 Monthly Salary/månadslön					24 900,00
514 Vacation Pay/sem.vilägg	0921-0921		1,00	199,20	199,20
871 Car Benefit/bilförmån			1,00	3 500,00	3 500,00*
916 Tax ded./preliminär skatt (-7)					-7 526,00
996 Round Off/öresavr.					-0,20
Gross pay		25 099,20	Net pay		17 573,00



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16 - 20 May, 2017
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Orlando, FL, USA



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**03
thru
06** | **Global Payroll Taxation and Compliance Course**
United Kingdom, Ireland, Belgium, Germany, and France
Type: Four-Day In-Person Class
Cost: \$1,980
Location: Philadelphia, PA

06 | **Global Payroll: Are You in Control?**
Type: 60-Minute Webinar
Cost: Free

**19
thru
21** | **Global Payroll Management Certificate Program**
Type: Three-Day In-Person Class
Cost: \$1,460
Location: San Francisco, CA

May

03 | **Managing International Payroll Data**
Type: 90-Minute Virtual Class
Cost: \$149
Sponsor: Fitzgerald and Law

**16
thru
20** | **Global Payroll Management Forum**
Type: 4½-Day Conference
Cost: \$2,050
Location: Orlando, FL

31 | **Current State of the Payroll Services Market**
Type: 60-Minute Webinar
Cost: Free
Sponsor: Nelson Hall

June

08 | **Should Global Payroll Operations = Global Employment Tax Compliance?**
Type: 90-Minute Virtual Class
Cost: \$149
Sponsor: Deloitte

**26
thru
28** | **Global Payroll Management Certificate Program**
Type: Three-Day In-Person Class
Cost: \$1,460
Location: San Antonio, TX

July

17 | **Payroll in France**
Type: 6-Hour Virtual Class - 2 Hours per Day
Cost: \$595

August

**16
thru
18** | **Global Payroll Management Certificate Program**
Type: Three-Day In-Person Class
Cost: \$1,460
Location: Philadelphia, PA

October

**11
thru
13** | **Global Payroll Management Certificate Program**
Type: Three-Day In-Person Class
Cost: \$1,460
Location: New York, NY

16 | **Payroll in Germany**
Type: 6-Hour Virtual Class - 2 Hours per Day
Cost: \$595

November

**14
and
16** | **Payroll in The Netherlands**
Type: 4-Hour Virtual Class - 2 Hours per Day
Cost: \$395

All Virtual Classes and Webinars are also available On Demand.

For more information on course objectives and how to register, please visit www.globalpayrolleducation.com