Easy & On-Time Payroll Processing with Outsourcing

ARDEM
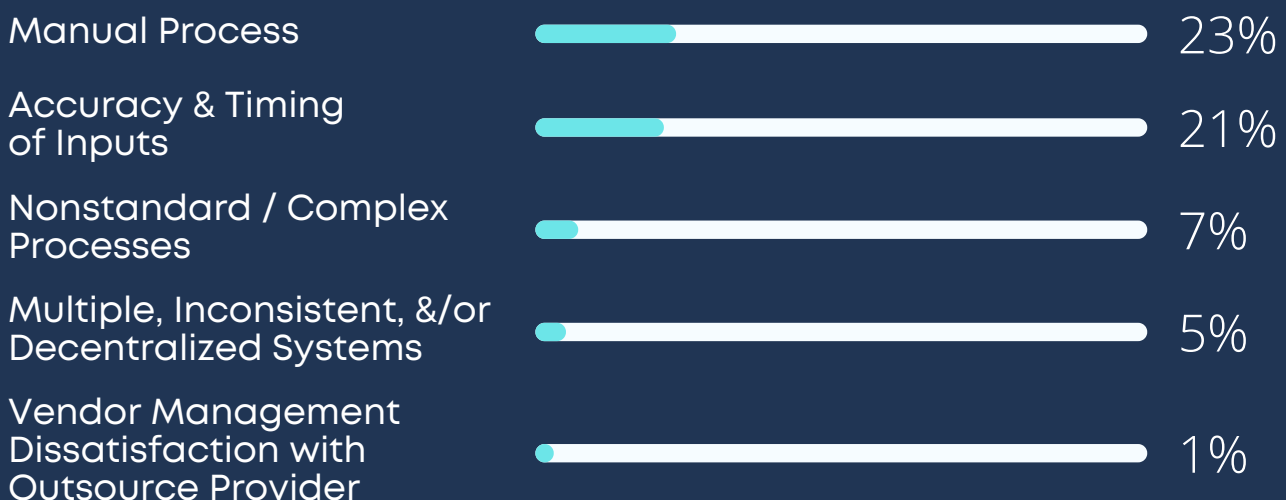Incorporated
Success Delivered

Background

One of the most critical aspects of handling businesses to achieve efficiency is the payroll structure and processes. Timely management of payroll disbursal ensures smooth back-end functioning.

The enormity of the payroll process encompasses many aspects of a company's obligations than just estimating if the financial dues are correct.

The payroll department has to ensure compliance with tax obligations and employment legislation. The company must ensure they are working within the most current laws.

Various payroll management processes lead to inefficiency in the entire structure. In a survey conducted by Deloitte, business managers were asked what their biggest payroll service delivery and processing challenge was. Their responses are shown below:

Manual Process		23%
Accuracy & Timing of Inputs		21%
Nonstandard / Complex Processes		7%
Multiple, Inconsistent, &/or Decentralized Systems		5%
Vendor Management Dissatisfaction with Outsource Provider		1%

According to another survey reported by "Expanding Payments Choice Playbook," 45% of independent contractors say they would like to be paid daily, or on-demand and another 45% would like to be paid at least weekly. This creates the tedious task of managing timely payrolls. Crediting vendors' and contractors' accounts on time strengthen relations and improves the company's reputation.

Challenges Faced By The Client

A large real-estate corporation was on the brink of a structural meltdown stemming from inefficiencies and inconsistencies in its payroll department. The client had hired independent contractors to accomplish daily tasks.

The client would gather receipts from vendors, independent contractors and logistics to record the outstanding dues. The receipts were made to be signed at various workstations to mark approvals.

The gross mismanagement of the structure led to data inconsistencies at the multiple workstations. There were cases of duplicate entries, invoices withheld at a workstation due to certain factors causing a delay in the payment processing, and lost receipts giving rise to non-payments that further resulted in claims and penalties.

The company did not use a centralized database recording system, so backtracking was almost impossible. The data, when cross-checked, would show numerous variations to the initial terms. Any updates in the payroll and contracts were to be updated by an individual employee.

The massive workload of revising and editing agreements to enable payroll would cause that employee to work overtime and create errors. As a result, the client faced difficulties accessing contracts, delayed payments and loss of suppliers, thereby compromising their reputation.

How Business Process Outsourcing Helps

By outsourcing the payroll process, a company gets the desired stability, which is vital for its brand and reputation. Outsourcing provides a wide range of benefits to businesses, some of which are discussed below:

1. Turnaround Time

Outsourcers can manage the entire task of recording and managing individual pay tasks in a timely manner. Companies can access the data on time and make provisions or payments accordingly. This enables timely payroll disbursals and strengthens relations with the vendors and contractors.

2. Cost Optimization

Companies can save on the hefty costs generated by managing an in-house payroll management team. A company would have to incur expenses on hiring resources and training them in line with the required skill set. The company has to pay the Business Process Outsourcing company, and the rest is taken care of. Meanwhile, the employees can work on providing scalability to the company's business operations while driving increased revenue and profitability.

3. Managing Compliance and Regulatory Risks

The company is required to stay compliant and up to date with the latest regulations. For example, four different regulatory authorities in Malaysia develop payroll processing rules. Companies must stay aware of any changes in laws and incorporate them while processing their payroll structure.

Business Process Outsourcing companies ensure their clients remain compliant with any change in policies or regulations, thereby saving the company's efforts to keep updating their research in accordance with the latest laws. A lot of resource and time utilization is involved in keeping the processes up to date. Business Process Outsourcing facilitates generating timely updates about any changes in policies or regulations.

4. Skilled Professionals

The company can gain access to a team of skilled individuals with years of experience managing payrolls. Such proficient professionals with technical expertise help efficiently manage the process. The company gets to save on researching talent and training the employees, as it directly gets highly trained and skilled professionals.

5. Data Security

Outsourcers provide a well-established database aimed at providing data security, such that there are no security leaks or breaches. With in-house payroll processing, there could be a chance of hacks or leaks for competitors to seek vendor or contract details. Business Process Outsourcing companies provide an extra cover for the company to keep their data well secured.

ARDEM To The Rescue

ARDEM, through its state-of-the-art platforms, supported the client in restructuring the entire process. In addition, a layered stage model was implemented to drive value for the client.

Stage 1: Sorting the Data

The first stage involved ARDEM sorting and streamlining the client's payroll scheduling task so that the data could be organized systematically. Next, the vendors, contractors and other payroll-eligible constituents were sorted, so the data relating to each entity could be updated systematically.

Stage 2: Creating a Centralized Database

The manual paper-based receipts were entered carefully into the system to establish a central database. Clients were asked to revisit the central database whenever they needed access to data or information. Maintaining a central database helped minimize redundancy and errors. It also created a repository for business managers to access the data anytime they need it on a real-time basis. In addition, moving to a digital structure solved the problem of non-payments arising from lost receipts.

Stage 3: Generating a Customizable Model

ARDEM generated a customizable model for the client to facilitate smooth data processing operations in accordance with its business cycle. The model was designed intricately to match the client's processes. An exclusively designed platform enabled the staff and business managers to work diligently towards optimizing the process structure while providing room for process enhancements.

Stage 4: Plugging In more technology and automation

After populating the database, ARDEM identified the critical process elements and their dependencies and automated the process. Automation helped minimize errors and add an extra layer of efficiency to the process.

The manual intervention was minimized, resulting in the creation of a more productive data set. In addition, tools such as Machine Learning and Artificial Intelligence were plugged into the datasets to make them more efficient and reduce process complexity.

Stage 5: Adding end-to-end Encryption

The process was made secure by adding end-to-end encryption to the database to free it from security threats and keep the data safe and secure for the client. As a result, the database was maintained highly secured, with no cases of the data being breached or compromised.

Stage 6: Allocation of Skilled Staff

A team of highly skilled best-in-industry individuals with strong payroll management expertise was allotted to increase the process efficiency.

Stage 7: Embedding Quality Checks

ARDEM scheduled timely quality checks into the client's database, such that any inaccuracy relating to duplicate entries or errors was caught in real-time. The system would flag such cases as alerts so that these instances could get flagged.

Any changes relating to contract agreements would be entered into the system and automatically taken the amended agreement for generating future payrolls. Business managers could access the well-organized data and backtrack any of the vendor's or supplier's agreements.

Stage 8: Monitoring Policies and Regulations

Expert individuals were assigned the task of monitoring any payroll-related policies and regulations changes. Any changes were made to reflect real-time in the database, with an alert generated for business managers.

Stage 9: Setting Alerts

The database was tailored to set alerts when payment was due so that the disbursement could occur promptly. This helped the client attain a smooth payroll disbursal.

Stage 10: Maintenance

The process was enabled with maintenance scheduling, such that any new updates on the technological front were installed and updated timely to keep the software up to date and make the process more efficient.

The Takeaways

Timely management of payroll helps the business achieve tangible benefits in the form of increased operational efficiency, cost optimization and profitability, and intangible benefits in terms of brand value, reputation and credibility.

ARDEM provides distinguished extensive volume data entry services for its clients. The data entry process is secure with 99.7% accuracy, enabling faster cycle time. ARDEM supports its clients in maintaining their profitability by providing an optimized cost structure for its services.

ARDEM's exquisite data processing services support its clients by reducing their in-house efforts and ensuring a smooth design for its processes, such as accurate data extraction and normalizing data files to be easily indigested into the system.

With its best-in-class automation services, ARDEM aims to improve the client's workflow and process efficiency. These are customizable and can be tailored to meet clients' needs. ARDEM possesses various technological tools to serve its clients, such as OCR and ICR Data Capture, Machine Learning and Artificial Intelligence based solutions, multi-sequence software bots creation and programmatic validation.
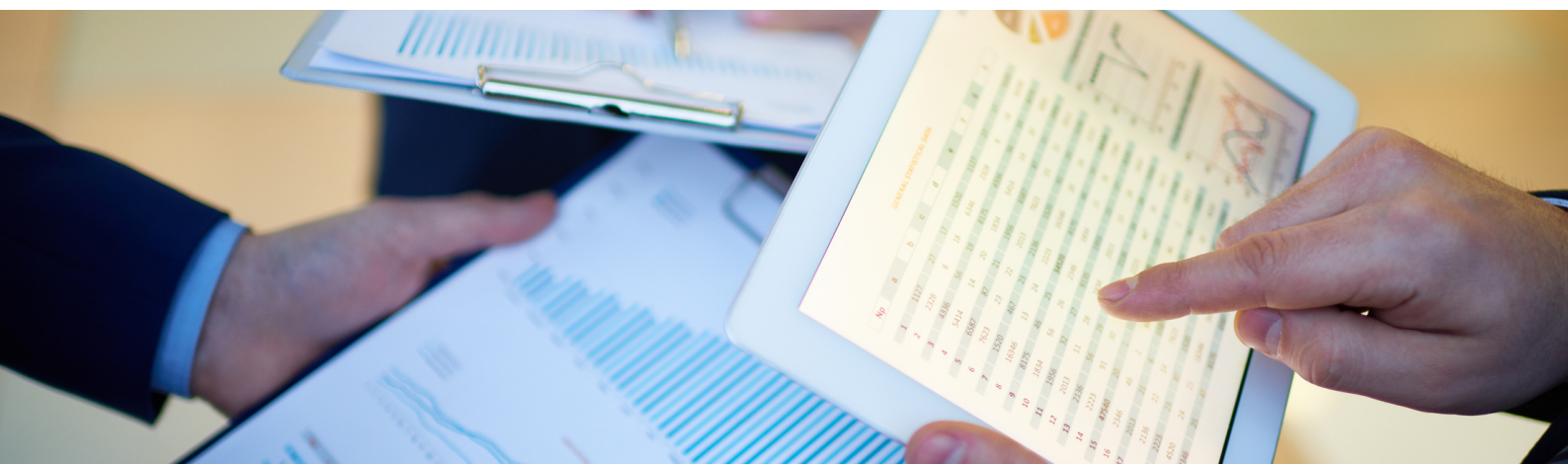
ARDEM Incorporated

ARDEM Incorporated delivers success for companies looking to efficiently streamline their processes and improve ROI. We implement the world's most sophisticated Technology platform combining human interaction with advance technologies to automate business processes and lower operational costs.

🌐 https://www.ardem.com

📞 888-359-2679 | 908-359-2600

🐦 @ARDEMInc

f /ARDEMIncorporated

in https://www.linkedin.com/company /ardem-incorporated

✉ pricing@ardem.com