Agenda

- Choosing a new payroll system
- What’s new in payroll technology
- WorkChoices - System Implications
- Self service developments
- Rostering and T&A overview
- The best system on the market
The evaluation process steps

1. Requirements gathering – weeks 1-2
2. Process design – week 3
3. Project manage the process – weeks 4-10
4. Final decision – weeks 11-12
5. Business case – weeks 13-14
7. Implementation begins (6-16 weeks)
1. Requirements gathering
## 1. Requirements spreadsheet

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Rating</th>
<th>MAX</th>
<th>Vendor A Comments</th>
<th>#</th>
<th>Vendor B Comments</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>User friendliness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll user Interface – user friendliness</td>
<td>VIR</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help functionality</td>
<td>IR</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UD Help notes</td>
<td>NTH</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workflows/ wizards for payroll</td>
<td>Note</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Requirements headings

- Masterfile information
- Salary packaging
- Award management
- Leave management
- Position management (occupancy)
- Standard reporting
- Ad hoc reporting – report profiling
- Self service – employee and manager
- IT requirements
1. IT Jargon

- Crystal reports – report writer
- .NET – language for self service
- Active directory – single sign on
- ASP – software is hosted off-site
- VPN – secure tunnel through the internet
- Citrix – increases performance
ASP model
The evaluation process

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2. Process design – week 3
3. Project manage the process – weeks 4-10
4. Final decision – weeks 11-12
5. Business case – weeks 13-14
7. Implementation begins (6-16 weeks)
2. Evaluation tools - pre-selection

- Market research
- Initial briefing session
- Written responses to requirements
- Initial vendor presentations
2. Payroll systems typology

- **Tier 1**: integrated, position-based and date effective - mySAP ERP 2005, Oracle (Peoplesoft, JDE)
- **Group A**: position-based, date-effective - CHRIS 21, Empower HR, PS enterprise, Star Garden, Alesco, Aurion
- **Group B**: employee-based, period-based- Preceda, Payforce National, Meridian, Rockfast, Payroll plus, Wage Easy, Aussiepay, Comacc

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2. Other classifications

- Integrated award interpreter (AI) – Aurion, Payforce National, (Rockfast), Wage Easy
- Integrated AI and T&A – SAP, Payglobal, Alesco, Star Garden, Affinity, ClockOn, Preceda
- Separate self service portals – Employee Connect, myStaff
- Separate HR – IXp3, Absalom, Snowdrop

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2. Evaluation tools - pre-selection

- Market research
- Initial briefing session
- Written responses to requirements
- Initial vendor presentations
2. Typical evaluation process

- Market research
- Initial meeting with vendor
- Initial vendor presentations and pricing
- Short list down to three
- Hands-on session
- 2nd presentations
- Reference checks
- 2nd round of pricing
- Decision making session
The evaluation process

1. Requirements gathering – weeks 1-2
2. Process design – week 3
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7. Implementation begins (6-16 weeks)
3. Project Management

- Provide a copy of the complete process
- Allow adequate preparation time
- Run de-briefing sessions after each presentation
- Provide honest feedback to vendors
- Update the requirements as you go
- Update process plan as you go
The evaluation process

1. Requirements gathering – weeks 1-2
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## 4. Analysis Summary

<table>
<thead>
<tr>
<th>Summary</th>
<th>Max Score</th>
<th>%</th>
<th>Vendor A</th>
<th>Vendor B</th>
<th>Cat. Winner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Look and feel</td>
<td>10</td>
<td>7%</td>
<td>8</td>
<td>7</td>
<td>A</td>
</tr>
<tr>
<td>Finance</td>
<td>15</td>
<td>10%</td>
<td>12</td>
<td>10</td>
<td>A</td>
</tr>
<tr>
<td>Payroll processing</td>
<td>25</td>
<td>16%</td>
<td>22</td>
<td>20</td>
<td>A</td>
</tr>
<tr>
<td>Employee masterfile - payroll</td>
<td>12</td>
<td>8%</td>
<td>8</td>
<td>11</td>
<td>B</td>
</tr>
<tr>
<td>Payroll Award Management</td>
<td>15</td>
<td>10%</td>
<td>11</td>
<td>12</td>
<td>B</td>
</tr>
<tr>
<td>Self Service - manager</td>
<td>12</td>
<td>8%</td>
<td>12</td>
<td>6</td>
<td>A</td>
</tr>
<tr>
<td>Leave Management</td>
<td>10</td>
<td>7%</td>
<td>8</td>
<td>11</td>
<td>B</td>
</tr>
<tr>
<td>Position Management</td>
<td>9</td>
<td>6%</td>
<td>7</td>
<td>6</td>
<td>A</td>
</tr>
<tr>
<td>Training Administration</td>
<td>20</td>
<td>13%</td>
<td>12</td>
<td>17</td>
<td>B</td>
</tr>
<tr>
<td>Reporting</td>
<td>25</td>
<td>16%</td>
<td>22</td>
<td>20</td>
<td>A</td>
</tr>
<tr>
<td>Payroll total</td>
<td>153</td>
<td>100%</td>
<td>122</td>
<td>120</td>
<td>6/10</td>
</tr>
<tr>
<td><strong>Percentage fit</strong></td>
<td></td>
<td></td>
<td>80%</td>
<td>78%</td>
<td></td>
</tr>
</tbody>
</table>
## ABC Company Hats Analysis

<table>
<thead>
<tr>
<th>Payroll</th>
<th>Vendor A</th>
<th>Vendor B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red hat (emotional gut feel)</td>
<td>Client to complete - about gut feel, like didn't like (not looking for logical justified comments, those are below)</td>
<td></td>
</tr>
<tr>
<td>Black hat (weaknesses)</td>
<td>Salary packaging is complicated, didn't seem easy for managers to use (hands on session), lot of screens</td>
<td>codes length limitations, Employee self service is limited (no indication of improvement), no active user group</td>
</tr>
<tr>
<td>Yellow hat (positive)</td>
<td>Good timesheet entry and report distribution to managers, active user group</td>
<td>Good simple salary packaging, very cost effective, Microsoft platform - consistent with IT strategy,</td>
</tr>
<tr>
<td>Green Hat (future/growth)</td>
<td>What is in due in the next release - new partnerships being brokered</td>
<td>What is in due in the next release - new partnerships being brokered</td>
</tr>
<tr>
<td>White hat (information/facts)</td>
<td>Cheaper than alternative, scored more on the analysis - less on payroll and more on rostering</td>
<td>Need to clarify issues regarding codes and interfacing</td>
</tr>
<tr>
<td>Blue hat (which hats are we using for the decision)</td>
<td>Might be black hatting this vendor more during the latter part of the process</td>
<td>Might be yellow hatting vendor in more recent times</td>
</tr>
</tbody>
</table>
4. Final Decision

• Use the analysis spreadsheet
• Create a summary page with section totals
• Include additional information – company profile, references, hands-on session feedback, de-briefing sessions
• Decision making sessions – de Bono’s hats
1. Requirements gathering – weeks 1-2
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What’s new in payroll

- ASP model increasing in popularity
- SMS notifications for ESS & sig. dates
- Automation - payroll processing and reporting
- Integration to portals
- Super choice
- Report distribution
- Self service advances
Self service innovations

• Range of self service offerings – OH&S incident reporting, training admin, remuneration, perf. appraisals, salary review, manager reports, eRecruitment
• Payment summaries on self service
• Customisable self service pages with user defined fields
• Self service forms for non-payroll activities
• Integration with Outlook – duet by SAP
WorkChoices - System Implications

- Annual leave accruals for extra week’s leave for shift workers based on the proportion of time spent working shifts
- Accrual of leave while on authorised LWOP
- Annual leave accrual becomes entitlement end of each month
- Can take an hour of annual leave (self service)
- Date of leave entitlements (audit/history)
WorkChoices - System Implications

- Personal leave adjustment from 8 days (NSW state awards) to 10 (Standard 3) from 27th March 2006 – accrual adjustment
- Personal and sick from the one balance
- Personal leave accrues at the end of each month
- Paid at amount the employee would reasonably be expected to be paid had the employee worked during that period (dif. to annual leave)
WorkChoices - System Implications

- Record the industrial instrument
- Gross rate of pay expressed as an hourly rate
- Details of any incentive based payments, penalty rates, separately identifiable entitlements
- Basis of becoming liable for SGC – OTE, Award, superannuation trust deed
- Payslips – the hourly rate, instrument, pay period, name and number of each deduction
Rostering and T&A

• Trends – SMS, integration, UD roster views, ASP
• Rostering – dynamic, Event, fixed and rotational
• Time and attendance
• Integration/interfacing to payroll
Rostering

• Creating the roster and populating the roster

• Dynamic – based on demand patterns

• Event – based on discrete events

• Fixed and rotational – based on a repeating pattern
# Rostering and T&A vendors - sample

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kronos</td>
<td>Workforce Central</td>
</tr>
<tr>
<td>Inzenius</td>
<td>Inzenius</td>
</tr>
<tr>
<td>HGC Group</td>
<td>RosterOn</td>
</tr>
<tr>
<td>Edge HR</td>
<td>Payglobal (I)</td>
</tr>
<tr>
<td>Positive IT solutions</td>
<td>eTivity</td>
</tr>
<tr>
<td>My Workplace Solutions</td>
<td>My workplace solutions</td>
</tr>
</tbody>
</table>

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Time and attendance

• Collecting the clocking data
• Checking for exceptions
• Making adjustments - retrospective edits
• Approving timesheets – exporting to payroll
# Additional T&A Vendors

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitrefinch</td>
<td>Mitrefinch</td>
</tr>
<tr>
<td>Riteq (CAPAS)</td>
<td>TimeTeq</td>
</tr>
<tr>
<td>Neller</td>
<td>Preceda (I)</td>
</tr>
<tr>
<td>Payz</td>
<td>Payz</td>
</tr>
<tr>
<td>Positive IT Solutions</td>
<td>Ezitime Tracker</td>
</tr>
<tr>
<td>ClockOn</td>
<td>ClockOn (I)</td>
</tr>
<tr>
<td>AMS</td>
<td>Time-minder</td>
</tr>
</tbody>
</table>

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WorkChoices - changes

• Collect start and end times for employees under $55,000 base (not incl super, bonus and other)

• Over $55,000 with provision for overtime

• 27th September 2006 deadline to comply

• Meal breaks-not more than 5 hours without one
Time collection options

- Manual sign in book
- Electronic roster - supervisor adjusts for actual
- PC clocks on each desktop/POS
- Telephony (land line and mobile), PDA
- Self service timesheets (possibility)
- Simple finger scan device attached to a PC
- Install clock which can use finger scan proxy reader or magnetic strip
- Iris scan
Interfacing / integration

- Integrated system – single database – drill through capabilities from rostering

- Interfacing - file transfer/table sharing:
  Payroll to T&A - rates, leave balances, new employees and terminations
  T&A to payroll - timesheet data
Rostering and T&A systems - differences

- Look and feel – screen layout
- Ability to customise the rostering screen
- Costing per event
- Ability to copy and paste historic rosters
- Retrospective edits – with/out payroll impact
- Fast timesheet entry capabilities
- Making AI adjustments
- Self service capabilities
Summary

- Rostering – different types
- Time attendance process and vendors
- WorkChoices
- Time collection options
- Integration and Interfacing to payroll
- Key differences between rostering providers
Questions

• Feel free to call me to discuss your project