

Speaker 1: Welcome to PayTalk, the podcast for payroll professionals, with your host Nina Talley. In the podcast, we explore the human side of payroll by speaking with global industry leaders who provide their unique insights to help listeners better understand the issues important to them and their careers.

Nina Talley: Hey, everyone. Thanks for joining us for PayTalk, the podcast that brings you payroll's human side. I'm your host, Nina Talley, and today we're joined by Sharon Tayfield, Director of Global Payroll Services and Global Outsourcing at BDO UK LLP. Today's episode is going to focus on a sort of divisive topic, outsourcing. Some of us bristle at the mere mention of it, but Sharon has seen huge successes with outsourcing. Before we dive in, Sharon, why don't you introduce yourself and give our listeners a little bit of background about your work in the payroll space?

Sharon Tayfield: Well, first of all, hello, Nina, and a very warm and special hello to all your listeners. First let me say how honored I am to be in the studio today talking to you about two things that I'm passionate about, global payroll and outsourcing. First of all, I'm a child of Africa with, like many others, deep roots into Europe and the United Kingdom. The UK is now my home. Like so many other payroll professionals that I speak to, I can relate to the statement, "Payroll found me."

As a child of Africa, I was inspired to teach by some amazing educators, but I also had a love and a passion for law and accounting. My parents could not afford to pay for my studies, so the only way I could get a university education was to apply for a bursary from the government in exchange for working for them for four years. So after graduating, I spent four years teaching high school students mathematics and accounting, with a brief stint at the government's tax offices doing some training before stepping into the world of commerce. I was very fortunate to land a role with a subsidiary of Anglo American, which was an outsourcing specialist, specializing in everything related to building management, finance, payroll, facility management, basically anything connected with running and maintaining commercial property.

I worked my way up the corporate ladder, reaching the position of financial director. In my role as financial director, one of the areas of responsibility was payroll. Fast forward in time, and our executive board accepted a proposal from my team and I to actually source the executive payroll, which in those days had many complex arrangements. So we outsourced to a specialist outsourcing payroll company. This decision meant that our internal payroll team could concentrate on the increasing growing part-time and hourly-paid payroll where headcount numbers had significantly increased months on months as we assumed a growing portfolio of properties. That was my first step into managing a payroll outsourcing specialist company.

Fast forward a few more years, and I joined that specialist outsource payroll company. I worked with an amazing talented leadership team, and we embarked on a journey to create an outsourcing organization delivering payroll

to many African countries. At that point in time, outsourcing in Africa was not a common concept, so it was a very exciting journey that we started on. We were all accountants and auditors, and I believe this gave us a firm foundation for understanding the complexities around delivering a globally compliant product. My path began to cross with large service providers, both in the US and the UK, and soon my team and I were providing payroll services to many of their clients.

On a personal front, my husband and I moved to the UK. And a few years later, I took on the UK operations for a global payroll service provider, before joining BDO, where I currently have responsibility for the global payroll service delivery team. So as you can hear from my journey over the years, it has given me the experience of being a client, a country-specific provider, and then a global supplier. I could honestly say that I feel incredibly blessed. I've had many inspirational leaders during my career who have provided me with incredible opportunities. And like Nelson Mandela, who many people would relate to and obviously is very linked to South Africa, he was passionate about education, and he said that education is one of the most powerful weapons that you can use to change the world. So from the beginning of my journey into payroll, I've spent many long personal hours researching articles on payroll strategy and the taxation legislation of different countries.

And that's it, Nina. In a nutshell, that is my journey to where I am today.

Nina Talley:

Well, that is quite the large nutshell. I'm so excited to have you with your specific experience at all sort of endpoints of outsourcing and payroll to come in and talk about this really complex topic because I truly believe that the key to a successful outsourcing engagement, in general, is the know-how to properly utilize the unique tool of outside manpower. And a lot of times, that's something that we only learn through a trial by fire. And so lucky for our listeners, we have a guest as experienced as Sharon in this space to come and provide a primer for us.

Sharon, let's dive right in. What would you suggest would be the first steps a listener should do or should take if they're approached by their management team to advise them on how to expand offshore?

Sharon Tayfield:

Well, I'd say, "Step one, don't panic." Having said that, hopefully, the message they have just received was an advanced notice that their firm are going to expand and not, "Hey, Mary, we've had a new hire in Italy, and you need to pay this new person in two weeks time." I'd say that if it's a letter that they have just received notification of, my advice would be, have a double espresso and get speed dialing and speed dating with a service provider. [inaudible].

But let's get back to a more practical sense. Let's hope that our listeners, respective organizations have come to them with the message that they are going to embark on a journey to expand their offshore operations. I think what the first step I would do is to gather as much information as they can from the

person who's delivering the message to them or from anybody else in the organization about the timescales that this expansion is going to take place in, headcounts, so what are the likely headcounts at the outset and if there's any scalability that is foreseen in the short term, and also the countries, whether those countries will follow the current pay practices from a corporate standpoint. For example, if your organization provides a travel allowance or travel benefit to staff in the US of A, are they going to extend that to any new countries that they start operations in? How will payments be handled?

So what I'd say is think about everything that you do in your current payroll process and ask the question, "How are we going to handle that in the country, or who is going to do that in that country?" And then once you get to those locations, the options that you can consider is you can either manage the payroll in-house. It may be possible, bearing in mind that some jurisdictions you might need a local presence to interact with the revenue authorities. And you may even need certification in those countries to process payroll or to interact with the revenue authorities on a government portal. But there are still some countries where you could manage the payroll yourself from the US of A providing you have some sort of payroll platform or payroll system.

Second option that you could consider would be to outsource to a payroll specialist in that country. And then you would need to manage that relationship, so manage the service provider, but the service provider could then manage some of the relationships in-country with regards to revenue authorities and any statutory authorities. And then lastly, you could outsource to a global provider, and you could give them all the regions or countries that you're going to expand to and then manage that contract. So that's why I would say that the first step is getting all that information. Because wherever you go, people are going to ask you those questions. If you go and try and find a local service provider, they're going to ask you all those questions. If you go to a global provider, they too will ask you all those questions. So be prepared.

I say it's like having your tool in your tool bag. Make sure that you've got all the tools in the tool bag before you go and start asking the questions. And then when you're looking at a service provider, whether that is a regional, a global, or a local service provider, consider all the pros and cons of using the service provider. I would advocate trying to speak to one of their current customers. If they're reluctant to let you speak to one of their current customers, that in itself may be a message for you, but do try and speak to somebody that they are currently servicing.

Nina Talley:

I love that. That's such a beautiful and practical piece of advice that maybe when you're caught up in the stress, putting together an outsourcing plan that feels good and to get it done quickly and effectively, that maybe stopping for that, essentially, a client referral isn't the first thing that would come to your mind. But Sharon, it's so helpful. I love that. Thank you so much for that suggestion.

Sharon Tayfield: You're welcome. And it is, it is something that you might overlook, but definitely important. And then I think don't be fooled by IT solutions. Sometimes when looking at service providers, we can be overcome by what they're showing us and what looks to be a really state-of-the-art IT solution. I would say look at customer satisfaction, response times, and other services that the service provider could support you with.

When you started the conversation, Nina, you mentioned to me that these are new locations. Now, if you are expanding into new locations, you may need support to register as an employer in that country for payroll taxes and social securities. And whilst you might be able to support the payroll from where you sit sitting, doing that initial registration may be more difficult. So who are you going to use to do that initial registration in the country? Can the service providers that you are looking to onboard, can they fulfill that responsibility? And then you might need support with employment contracts. Again, ask the providers that you are interviewing as prospects whether they offer that service.

I think one of the things that we will definitely add to our list following on from the COVID situation is, is the service providers that you are looking to engage with able to withstand challenges, whether that be COVID, so a pandemic, or whether it is something very local, political unrest? What is their BCP plan? Do they have good legislation updates? Definitely in COVID, we saw the amount of legislation that was changing during the pandemic was unprecedented. In all the years I've been in payroll, I've never seen so many changes in legislation. So definitely having a service provider that can give you those legislation updates, can also translate it into a language that is easy to understand and easy for you to communicate back to your employees is critical.

Nina Talley: That's an incredible point, and I think it's a lesson that we all learned the hard way over the last year and a half, but it's certainly at the forefront of our minds now. It is something that if your outsourcing partner is not thinking about, why are you thinking about them? Because clearly, the unknowns are what is going to affect our lives the most.

Sharon Tayfield: Definitely. Definitely. I think many people were caught out during this pandemic, and I think it has been a very good learning experience.

Nina Talley: 100%.

Sharon Tayfield: And then I think one of the other things is to look at the service provider's implementation model, what they use and what they can offer to support you during the implementation period that you're going to go through. Do they have flow charts and documentations around the processes that they use? These might not seem absolutely critical, but in the long term, they are going to help you if you have all of these answers dealt with at the beginning.

So I think, Nina, if I had to sum up everything that I've said, I would say ensure that you undertake a robust due diligence exercise of any service provider that you're going to engage with. Be that in payroll or any other matter around payroll, make sure that your due diligence is done very well and thoroughly.

Nina Talley: I love that. I mean, it very much so applies to payroll and careers, but it also applies to our lives.

Sharon Tayfield: Correct.

Nina Talley: Just do your due diligence. Life lessons with Sharon Tayfield. You've got it. So we're talking about one outsourcing team, that can be difficult to manage as it is, but for many organizations that are working in a global marketplace, it's not enough. So what are some of your top tips for managing multiple outsourcing locations?

Sharon Tayfield: I think the most important thing is obviously cultural awareness because when you are managing multiple locations, the communication styles and methods that you use need to be adapted. So teams on both your side and the outsource service provider's side may require training on how to communicate effectively with teams based elsewhere and vice versa. And then when you're looking at service providers, most global service providers rely on in-country teams in multiple jurisdictions. So again, some organizations have a better coverage or expertise or service delivery track record in one part of the world compared to another. If you're expanding in multiple areas of the world, you may find that you choose two different service providers because those two service providers are expertise in their area of the world. So you'll definitely land up with multiple locations. And then that cultural awareness is critical. So I think it's plan, plan, and then plan some more.

Nina Talley: As we've talked about, there are so many different ways to implement an offshore team into your existing operations, and that just the choices can be a little overwhelming. Can you talk a little bit about how a payroll professional would determine the model that is best for their organization to follow?

Sharon Tayfield: Definitely, I can. I think one of the overriding things is that before you even start making any choices, you need to know your process flow and understand your end-to-end process. So if you are going to a new region, as I said previously, understand how that is going to work from your current organization. Because if your processes internally are well-documented, that makes the task much easier. Then look for the model that best fits your requirements and will be able to meet your expansion requirements. Look at the tasks that can be sent to an offshore team and what you need to retain in-house. Because I think one of the things that people often overlook is that there are some tasks which you cannot outsource. You as the payroll owner in the US or in the UK need to hold onto and maintain responsibility and accountability for that task.

But then when you look at the different models, there are a range of different models available to use in terms of the way an offshore team can work. You can have a very decentralized model with a global hub, or you could have multiple centers assigned by country or by grouping, each with an independent process and independent systems. And that obviously takes a lot more to manage. And then you could have a global hub where, if you think about it, it'd almost be like a wheel where you've got a central organization that's giving out information and transactional processing happens on a regional basis, but then it all gets centralized again and reported on from a central point of view. Or you could have a hybrid model. So I think what you've got to do is look at all of these models and understand how your organization would be able to adapt to these models or which model best fits the way your organization interacts because there isn't a one-size-fits-all. I think that's important to bear in mind.

Nina Talley: I think it's really interesting that you brought up thinking about also the tasks that you can't outsource, the things that you have to keep in-house, and that can often be a new way of looking at an outsourcing opportunity, what do you have and what do you have to take care of, and then also what can supplement that? And oftentimes, something may offer too many services, and then you end up paying for things that you truly don't need. So I think that's a really interesting way to think about outsourcing as what do you have to keep in-house instead of what are you offloading to an outsourcing partner?

Sharon Tayfield: Correct. I think, again, when people look at outsourcing, they want to get rid of everything. That's the driver, is, "Let's get rid of everything." But you can't. There are some things which you just have to retain. I think it's important that you bear that in mind as you embark on this. Because you're right, Nina, if you go speed ahead with that mindset that you're going to get rid of everything, you may end up paying for a service that you didn't really need. It's almost like going shopping, [inaudible] on an empty stomach through the food hall, you sometimes buy more than you should.

Nina Talley: I love that, that's an absolutely apt metaphor for it.

Sharon Tayfield: Yeah.

Nina Talley: And so we have discussed what are the first steps when vetting a new service provider, but have you seen any common things that are overlooked or maybe missed when a payroll professional looks at engaging an outsourcing provider?

Sharon Tayfield: I think one of the things that often gets overlooked is your organization may need to redesign the way that they work, or they may need to modify the way that they work so that you can work better with a service provider that you've chosen. So that might translate to new operational workflows and new ways of working than in the past. It requires the project leaders to react sensitively and to provide constant reassurance that change is not always a bad thing. And I think that that's often overlooked. We often think that if we outsource our

payroll, all the problems will go away, and we won't have to do anything. That's a myth.

You may need to adapt the way that you operate. You may need to change some of the things that you have become accustomed to doing. And then the support during the implementation stage is critical. Often I have found, both as a client but also as a service provider, that there is an underestimation of the time it takes to implement and successfully bed down a project. That is crucial because if the implementation is managed well, and if the implementation is done correctly, then your continued operation should be in a better position. But if you rush through the implementation and it's not handled well, those problems will move forward with you through the life of your contract. And that's something we should try and avoid. So all levels of management need to embrace that change and embrace the different way of operating, so executive buy-in. I think that's the thing that often gets overlooked when an outsourcing exercise is undertaken.

Nina Talley:

If you are enjoying today's guest speaker and want to learn more about managing in-country partners or service providers, check out Sharon's virtual workshop session in the American Payroll Association's 2021 Virtual Congress & Expo, currently available on demand. Virtual Congress & Expo is an online experience that comes complete with educational workshops, a full-service expo, and plenty of engaging virtual interaction, industry experts, service providers. This year's event includes 12 educational workshops, including two thought leadership sessions, two keynote speakers, and two general sessions. The opportunity to earn up to 14 re-certification credit hours, an expo to visit with exclusive payroll vendors and learn about the latest products and service solutions available, a resource center to gather important event materials and news. This is an online experience you won't want to miss. But act today because this additional educational insight is only available through September 13th. Bolster your career with this industry conference by registering today at www.congressxstream.com/virtual-congress.

Looping back to what you said at the beginning of reviewing your own processes and seeing if maybe they need to be tweaked to optimize the outsourcing relationship, I think that gets really overlooked, as you said because you want the outsourcing solution to solve your problem. But really, as a payroll professional, you need to be taking an integrative approach to the problem. There is no one-size-solution-fits-all. The people that you're paying and the countries that you're servicing are all unique and will need a unique holistic solution. And that might be your own internal processes and outsourcing might not solve an issue with your internal processes. So make sure to examine that as you're moving forward into-

Sharon Tayfield: Definitely.

Nina Talley: ... a new potential partner program.

One thing that you had touched on was how important the understanding the culture of the global arm that you're trying to service with your outsourcing partners. I think that a part of that really is developing a long-term relationship with the service providers so that those employees in that area have a consistent face and name to turn to. So could you explore a little bit of how you develop those type of long-term partner relationships?

Sharon Tayfield: Yeah, I think there are three points that for me are important in developing that long-term relationship. The first is collaboration. You need to work together to resolve issues. So when issues arise, there needs to be collaboration on both sides, the service provider and the client, in order for it to be resolved. Because as you said a short while ago, Nina, the heart of payroll is making sure that employees get paid right first time.

Nina Talley: Mm-hmm (affirmative).

Sharon Tayfield: And so there has to be that collaboration, bearing in mind that the end product, the end goal is to make sure that the employees are paid. And then there needs to be honest and frequent feedback. I think if there's that honesty between the service provider and the client about the services, about any struggles that they're having, they can work on it. They can put in place plans to improve the processes, or they can enhance some of the processes that are in place to ensure that they're meeting everyone's expectations. And then compromise. Sometimes you need to lose the battle to win the war.

I think that's important to bear in mind. It is important in making sure that there's a long-term relationship with your service provider. And some of the clients that I have serviced at the start of my career are still friends. I think I can say it's because there was a collaboration, that honesty, and there was compromise. Sometimes you do have to.

Nina Talley: I think that's an incredible point. Again, another thing that applies to just life is fostering trust often comes from the openness to compromise.

Sharon Tayfield: Correct.

Nina Talley: It's the number one way to show somebody that you're willing to meet them halfway, is by meeting them halfway.

Sharon Tayfield: Definitely.

Nina Talley: So now is the time in our podcast for something that we like to call payroll nightmare. We ask our listeners to send us their payroll nightmares to podcasts@americanpayroll.org or leave us a comment on APA's Facebook page. For this month, Sharon has an outsourcing nightmare that is sure to make you sweat. Sharon, why don't you share that nightmare with us?

Sharon Tayfield: Right. So I want you to imagine the scene. Your client is one of the largest legal firms in Africa. You arrive at the office on payday. It's a Monday morning. You log into the banking platform, and the bank balance is way too high. The fear starts pumping through your veins. The client's staff has not been paid. Just to give you some contextual background, the banking platform that I'm referring to requires two releases for payments to be made. The releases have to be made a minimum of one banking day before payday. Now, Saturday is a banking day in this country. The releases were completed on Friday, the last working day for the payroll team. But there was a slight glitch in the banking system. And so, although the screen showed that the release had been successfully completed, it had not.

That was a nightmare that faced us that Monday morning. And because there were the largest legal firm, we knew that if their staff had not been paid, we would be getting the loveliest lawyers letters possible. And so we had to get our teams into action. What we did was we reverted to the old-fashioned checkbooks. Now, I know that in America they still do have some checks floating around, but elsewhere, they are long gone. So perhaps for some younger audience members, I'd have to explain that a checkbook is an old-fashioned way where you write out the document, you present this document to the bank, and the bank would pay you.

Anyway, what we did was we divided all of our workers into teams. We gave them checkbooks, and we got them starting to write out checks for every single one of the client's employees. Fortunately, there were only five different banks involved. We then dispersed our team to the five banks and they went to the bank and stood in the queue to deposit the checks at the bank. Because in this country, if you deposit a check at a bank, it gets immediately updated to the person's account. There's no waiting period. So that was a way that we could ensure that even though everything had gone terribly wrong, and it was a bit of a nightmare, the legal firm's staff would still be paid if the check was paid in. But it did mean that we lost a full day of production because our entire team spent the day at the various banks.

But we took a learning lesson from this. What we did was we added an extra step into our processes. And so, one of the management team would log into the banking platform early on a Saturday morning to ensure that all bank batches were still reflected as released. That way, we wouldn't have a recurring nightmare. So I would encourage you that even if you do have nightmares, make sure that you take the learning from it and refine your processes so that you don't have a recurring nightmare.

Nina Talley: That's an excellent lesson to have taken home from that. I love that you were able to show us how you solved it and that it took a lot of manpower and probably a few cramped fingers to make it work. But then you also implemented a process moving forward, just an extra layer of checks and

balances. It's wonderful. It's very rare that you get a nightmare that the client didn't find out about or at least didn't get upset over.

Sharon Tayfield: Indeed, indeed. I must say that there might've been one or two of the client's employees who would have logged into their electronic banking systems on Monday morning and noticed that the money wasn't in their account. However, there is a window of opportunity because sometimes banks would only make the deposit by midday. So you're right, we did manage to save the situation perhaps before it got raised.

Nina Talley: And to our listeners, if you would like to be included in our payroll nightmares in the future, make sure to send an email to podcasts@americanpayroll.org or leave us a comment on the APA's Facebook page. We don't really like to leave things on a negative note here at PayTalk, so I have one more question for you. What is the best piece of payroll advice you have ever been given, or what is the piece of advice that you wish that somebody had given you?

Sharon Tayfield: Well, Nina, I don't think it's going to come as a surprise when I tell you what the best piece of advice is, and it's not really directly related to payroll, but the advice is, never stop learning. Never stop learning. In accounting circles, we call this continuing professional development or CPD. That's why I love organizations like APA and GPPI because they provide that platform to facilitate continued learning, not only through the courses that they offer but through the support groups that meet to discuss and debate trends around global payroll. So I would urge anyone listening, never stop learning, join those groups, take those courses. Because if you constantly are learning, you ensure that you are equipping yourself for the future.

Nina Talley: I think that that applies to all areas of our life. As time moves forward, there's always going to be a new advancement in just about every field, whether it's payroll or pottery. There's always a new technique for you to learn, seek out, find, and it could make your life just so much better. It's just a matter of you having the willpower to go out and seek it, acquire it, and utilize it.

Sharon Tayfield: Definitely. [inaudible] better than that.

Nina Talley: What a wonderful way to wrap up this episode with that little light of just keep learning. Sharon, it has been such a pleasure to speak with you today. Thank you for sharing your insights and your expertise with our listeners.

Sharon Tayfield: Thank you, Nina. I wish you and the listeners a wonderful day. And remember, stay safe, people. We are still having COVID cases, so please do take care. Thank you, Nina.

Nina Talley: Thank you. I like to say stay soapy and safe.

Sharon Tayfield: Yes.

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Nina Talley: Stay soapy. I also want to take a moment to thank all of our loyal listeners. Without you, PayTalk would not be possible. Make sure you like and subscribe or leave us a rating and a review on your preferred podcast streaming service. That is the best way to support this podcast and ensure that we can continue to bring the human stories that make payrolls so personal. Until next time, folks, this has been your host, Nina Talley, with PayTalk.

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