

UNCHARTED WATERS



SUCCESSFULLY NAVIGATING THE UNKNOWN, MICROSOFT TEAMS WITH ACCENTURE TO REINVENT ITS APPROACH TO GLOBAL PAYROLL

The unprecedented initiative has reduced complexity and risk while improving the payroll experience for more than 43,000 employees.

CLIENT PROFILE:

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services, devices and solutions that help people and businesses realize their full potential.

CLIENT CHALLENGES

COMPLEXITY, FRAGMENTED PROCESSES AND COMPLIANCE RISKS TOPPED THE LIST OF ISSUES FACING MICROSOFT'S GLOBAL PAYROLL TEAMS. THE ONLY ANSWER WAS A GLOBAL SOLUTION.

Microsoft believed it could successfully address those challenges while also improving the employee experience, but nobody believed it would be easy. In fact, it wasn't clear a true global solution was even possible: Early on, Microsoft was unable to identify a similar payroll unification and transformation project that addressed so many employees across so many countries.

Further complicating the initiative was the need to deal with multiple stakeholders, challenging controls and operations complexities while simultaneously addressing potential privacy risks and data accuracy concerns.

HOW ACCENTURE AND MICROSOFT COLLABORATED TO REINVENT PAYROLL

In tackling a project some considered impossible, Accenture had no choice but to reinvent its approaches.

Based on a long and successful history of prior engagements, Microsoft contracted with Accenture to serve as the single global supplier of payroll governance and data administration, to help implement the groundbreaking global project named OnePayroll.

More than 50 external suppliers providing payroll services in 85 countries were then consolidated to three. Accenture and Microsoft worked together with them to standardize their payroll processes, handoffs reporting and other workflow.

Accenture and Microsoft also jointly established a “managed governance of payroll” model that includes end-to-end payroll data administration, standardized processes with embedded controls, rigorous governance of payroll providers and a single employee touchpoint for all payroll inquiries – thus aiming to make the employee experience simpler and easier.

Accenture supported Microsoft in creating a “one-stop-shopping” Global Payroll Services Portal enabling employees to easily submit and escalate inquiries. To facilitate the early and ongoing success of OnePayroll, Microsoft and Accenture worked together to:

- Create a framework to help global stakeholders obtain greater visibility into major operational issues in specific countries, with details on how those issues are being addressed.
- Improve quality of service by restructuring service delivery teams to expedite inquiry response rates.
- Establish a formal communication framework to track performance and provide Microsoft with regular visibility.

MANAGING TRANSITIONS TO REDUCE RISK AND DISRUPTION

An important aspect of the transition was a comprehensive planning exercise Accenture conducted with Microsoft to define the global process for payroll in each country that would best achieve a successful transition. The Accenture team,

which understood that global transformations carry inherent change management risks, recommended a phased approach. Thus, the transition was broken into waves over 2.5 years, with a typical wave including more than 20 countries.

Another key was the development of two key roles: Prior to OnePayroll, Microsoft payroll managers had always been on the front lines, helping to resolve employee issues and working with providers in each country. Under OnePayroll, Accenture’s Assistant Payroll Consultants (APCs) pick up these responsibilities on a day-to-day basis, while Microsoft’s Payroll Service Delivery Managers (PSDMs) oversee payroll over several countries at a time. The relationship between APCs and PSDMs remains a critical factor in the successful management of each country’s payroll in OnePayroll.

In addition, Microsoft and Accenture developed a mutual global process owner role which is responsible for confirming agreement on process changes and any deviations from global process, thus facilitating consistency and rigor.

ONGOING IMPROVEMENTS IN REAL-TIME

With the knowledge gained during the first wave of 21 countries, the OnePayroll team began implementing additional measures aimed at increased visibility into payroll operations and performance. For example, a Quality Assurance and Training team focuses on improving standardized processes across all service regions. In addition, the traditional monthly business review was restructured to stimulate engagement with a broader range of stakeholders. Now, rather than covering only the prior month’s performance, the reviews explore the current month’s payroll findings directly after the actual run. This enables smooth management of overall processes among all stakeholders, from client through to payroll provider.

Accenture and Microsoft also developed and implemented a Power BI tool, which provides a consolidated dashboard of service metrics and is used as a monthly “scorecard.”

RESULTS THAT HELPED MICROSOFT UNIFY AND STREAMLINE

OnePayroll, which offers a single, standard way for employees to interact with payroll operations, is now:

- Serving more than 43,000 employees in 88 countries
- Operating in 15 languages from four Accenture Delivery Centers
- Managing, on average, nearly 2,900 employee inquiries per month
- Mitigating risk and providing better accountability to payroll operations globally
- Preventing overpayments and underpayments, including more than US\$10 million to date
- Enabling every payroll administrator to work in same way regardless of location, language and payroll provider

Accenture continues to support high performance in Microsoft's global payroll through commitments to efficiency, quality, consistency and continuous collaboration. Rigorous attention to service level agreements and a mindful focus on the employee experience enables the team to apply valuable learnings as each new country joins OnePayroll.

With stable operations seen across regions, Accenture and Microsoft are shifting focus to see how to automate processes to minimize manual entries and improve quality.

Plans are underway to bring the full scope of OnePayroll service to more than 100 countries – proving once again that when two leading companies collaborate, anything is possible.

REPLICABLE LESSONS LEARNED

The joint initiative between Microsoft and Accenture brought Microsoft's payroll operations to a higher level and, as a groundbreaking initiative, provides many lessons for companies considering similar initiatives.

One key principle is the need for global controls to provide consistent governance, efficiency and compliance. Microsoft and Accenture track seven key quality controls and 25 operational controls that include country-specific risks. This model is replicable globally in nearly all countries, regardless of size, with a quality employee experience at the center of OnePayroll's mission.

Additional lessons:

- Gain senior leadership buy-in
- Be clear on desired outcomes
- Conduct a rigorous knowledge transfer to support the adoption of new processes
- Communicate with stakeholders regularly
- Maintain good relationships with upstream partners and payroll providers
- Commit to disciplined integration to drive consistency and continuity
- Celebrate success to motivate the workforce

One Payroll enables the whole team to work together to improve payroll performance.

“With OnePayroll we can improve the process continuously. We look to make the process less complex, simple, and ensure everything happens on time as expected,” said Tharshini Perera, who started in her post as finance controller as transition began in Sri Lanka.

“It really helps that we understand each other on the team, to know what we each need. The commitment from the team is amazing!”

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 435,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives.

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