Joel Smith
Chief Revenue Officer

Get ready for the future of payroll

Agenda

- Current state

- What does the future look like?

- Real-time and event-driven payroll

Current state

Employer expectations

- Payroll is viewed as a cost centre.
- Must have 100% accuracy and compliance.
- Needs more business analysis and output.
- Wants to reduce investment.

Payroll reality

- Increased complexity and annual compliance changes.
- Work pattern variations have increased.
- Uneven payroll workloads.
- No investment in payroll.

affinity
making work life easy
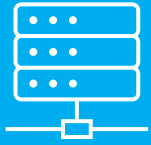
Large data sets

Compressed time

Checker not the owner

Human powered

Only obvious errors

![affinity - making work life easy]

Gen One – 7000 BC

LOW complexity
HIGH compliance

Payroll requirements:
- Simple pay conditions
- Regular work arrangements

Technology
- Manual/paper calculations
- Cash payments

Gen Two - 1980

MED complexity
MED compliance

Payroll requirements:
- Increasing industry complexity
- Introduction of allowances
- Weekend and holiday work

Technology
- Introduction of software
- Printed payslips
- More robust reporting
- Move from cash to direct credit

Gen Three - 2000

HIGH complexity
LOW compliance

Payroll requirements:
- Complex working arrangements
- More employment agreements
- Complex requirements
- More data, analysis and reporting
- Implementation of interfacing

Technology
- Online ESS for timesheets, leave, payslips, etc.
- Integration with HR systems

Gen Four – 2020+

HIGH complexity
HIGH compliance

Payroll requirements:
- Workforces growing along with payroll complexity
- Governments introducing new legislation
- Directors liable for underpayments
- Need to improve EX
- Pay periods need to align with financial reporting

Technology
- Superior user journeys/UX
- Real-time processing
- Accurate daily labour costs
- Pay on Demand
- Automation
- Insights and assistance
- Deep integration with all business systems required

affinity
making work life easy

What does the future look like?

![affinity - making work life easy]

Automation of all decisions and calculations.

100% self-service. Payroll designed for employees.

Effective integration with all other systems.

System & services can handle any interaction.

Transformative technology

- Clear explanations of actions and calculations.
- Transaction owners validating information.
- Assistant-oriented mobile apps.
- Real-time checking, calculating and alerting.
- Real-time auditing with 100% sample.

Payroll Manager

- Data entry and checking reports.

- Chasing and checking employee input.

- Calculating and entering adjustments.

- Running test pays, checking reports, "payroll processing", etc.

- Manual reworking and duplication.

Payroll Engineer

- Optimising automated error checks and insights.

- Analysing user behaviour and risk points.

- Supporting customer business needs.

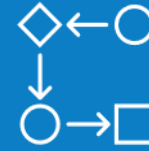- Mining data, analysis, costing, advice on calculations etc.

affinity
making work life easy

Real-time and event-driven payroll

affinity
making work life easy

Old systems

- Batch driven; pay based on when pay-run is "complete".

- Payroll Calculations triggered by "pay preview", "virtual reports" or payroll processing.

- Units and values are totals for the pay period.

- Pay information for each employee exists in report or temporarily on screen.

- Can be out of date within minutes.

Real-time

- Up-to-date; comparisons between scheduled vs actual vs budgeted.

- Payroll calculations triggered by any change to timesheets, leave, and masterfiles. (an "Event").

- Units and values are for each day and costing allocation.

- Pay information is in database for use by any application (screens, Query Manager, myPA, etc).

- Consistently accurate within seconds.

Scenario

Event-driven solution

Employee agrees to work extra shifts. Manager does not realise that this should be paid at extra overtime rate because of lack of minimum 4-hour break between shifts.

System warns manager before they approve the schedule change and correctly calculates the extra overtime if occurrence unavoidable. Escalates if practice becomes more regular.

Manager is approving so many timesheets that they miss one that should not be approved.

System identifies the small percentage of timesheets that require reviewing and enables auto approving of the balance. Management by exception.

Approvals of leave and other transactions have missed the payroll deadline resulting in extra work and increased risk of error.

System intelligently reminds and escalates based on payroll deadlines ensuring timely accurate completion.

affinity
making work life easy

Employer of choice in a tight labour market.

Complete financial flexibility for employees.

Avoiding pay day loans.

Access to the money they've earned when they need it.

affinity

making work life easy

🌐 www.affinitypayroll.com

✉ info@affinityteam.com

in Affinity Payroll