



Infosys Next Generation Payroll Services

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Payroll Services Vendor Assessment for Infosys is a comprehensive assessment of Infosys' payroll services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of payroll outsourcing and identifying vendor suitability for payroll services RFPs
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the support services sector
- HR and payroll decision makers.

Key Findings & Highlights

Infosys Limited is an Indian multinational which provides business consulting, information technology and outsourcing services.

Infosys has ~5k consultants, technology, and process specialists delivering HR services to 53 countries. To date, Infosys has grown its cloud and multi-process HR services business organically.

Infosys' HR practice provides the following services:

- **HR Consulting:** Infosys provides advisory services to help clients maximize HR operating model efficiency, including HR strategy and roadmap, digital HR transformation, HRIT architectural services, HR process consulting, HR analytics and benchmarking, and maturity assessments
- **HR Technology:** including HRIT strategy formulation, package evaluation, implementation and upgrade, custom development, deployment and rollout, system integration, production support, and Robotic Process Automation (RPA) and, Artificial Intelligence (AI)/Machine Learning (ML) solutions.
- **HR outsourcing:** including payroll, learning services, RPO, and multi-process HR services.

Across all of these HR services, Infosys supports ~120 clients. Within its HR outsourcing business, it has ~20 external clients in total, (15 of which have payroll services) including ~6 single process HR outsourcing clients.

This profile focuses specifically on Infosys' payroll outsourcing services capability.

Infosys provides a fully managed payroll services offering, which can support end to end payroll administration, up to and including contact center services.

Infosys' payroll offering covers the following services and scope:

- Pre-processing, including:
 - New hire processing, personal data changes, and job data changes
 - Time and attendance processing
 - Absence and leave administration

- Payroll input and management (build to gross support)
- Consolidation and validation
- Pre-tax and post-tax deduction set up
- Allowances
- Follow-up on missing and incorrect pay information
- Payroll processing, including:
 - Payroll data loads and interface management
 - Payroll validations, adjustments, and corrections
 - Employer contributions and employee deductions processing (e.g., benefits, pensions)
 - Gross to net calculations and processing
- Post-payroll processing, including:
 - Salary and third-party payments
 - General ledger posting and reconciliation
 - Net pay remittances and bank reconciliations
 - Statutory payment and payroll reporting
 - Printing and mailing
 - Payment of unemployment taxes and filings
 - Payroll input management
 - Pre- and post-tax deductions
 - Year-end processes
- Multi-country payroll services, including:
 - Payroll data validation
 - Payroll processing for the countries in scope (100+ offered)
 - Legislative compliance
 - Statutory and regulatory report submission
 - Global consolidated payroll reports and GL data produced
- Additional payroll services include:
 - Managing payroll technology: including application support and maintenance to support legislative and policy/rule changes, as well as coordination with IT teams
 - Helpdesk: multi-language support to resolve simple and complex queries, and interaction with third parties and government institutions
 - Workflow tools (Infosys OEMS): to manage, track, and report on payroll cases

- Hawkeye: real-time analytics and payroll reporting, to provide a single view of global payroll.

Infosys' payroll services are available as a standalone offering; however, Infosys clients typically bundle payroll with other HR services, most commonly including HR admin, HR helpdesk, time and attendance, and recruiting. Infosys offers a comprehensive consult to operate model for its HR services, meaning it can provide consulting, implementation, and ongoing support for HR platforms and services. Payroll services can be delivered as a 'lift and shift' service, where client resources are transferred to Infosys as part of a service transition (using the client technology), or as part of a transformation project.

Pricing for its payroll services is based on a rate per service provider FTE, a rate per employee per month (PEPM) (80% of clients), or a rate per pay-slip (20% of clients). If payroll-only services are provided, per pay-slip is the predominant pricing method. When multiple HR services are provided, pricing tends to be PEPM. Pricing includes technology and licensing fees, and there is an initial setup cost for transition and implementation that is dependent on scope, complexity, and number of countries, however, this can be amortized over the life of the contract if requested by the client.

Infosys takes a platform-agnostic approach to its HR and payroll service delivery, operating on client owned platforms, or platforms of its payroll technology partners (e.g., TMF, Ramco, Zalaris, etc.). Platforms and utilization rates within its payroll services client base are as follows:

- SAP/SuccessFactors: 60%
- 3rd party platforms: 27%
- Oracle/PeopleSoft: 13%

Over the past four years, Infosys has invested in and built a strong portfolio of advanced digital enablers, capabilities, and technology, and it remains keenly focused on leveraging automation and cognitive capabilities to enhance its HR service delivery and enable transformational HR outcomes for its client base.

Infosys leverages RPA and AI across its portfolio of HR services, with the intent of addressing repetitive, manually intensive tasks, to improve efficiencies, reduce costs, increase scale, and enhance the quality of its delivery outcomes and overall client experience. Infosys has ~50k bots in place across all of its business process outsourcing practices; ~ 1% are dedicated to its HR services delivery. Infosys offers its RPA capability as a transformational component of its HR services offering, or as a standalone solution.

In early 2017, Infosys launched NIA, its "next generation" AI platform which incorporates analytics, machine learning, and cognitive automation capabilities to apply to its HR and payroll services. It includes chatbots, for automated knowledge/ inquiry management and resolution through AI, machine learning, and chatbots. Infosys offers platform agnostic, pre-built AI & automation HR solutions repository to enhance multiple HR process and functions beyond the traditional ERP system capabilities, e.g., resume filtering using ML, attrition prediction using ML, AI-powered deep insights, etc.

Additionally, Infosys has developed an AI-enabled tool called "Hawk-Eye," which leverages artificial intelligence to monitor key HR processes in real time, for proactive identification of potential issues. For example, with Payroll Hawkeye, Infosys is leveraging its NIA engine to identify

problems before payroll is processed. The dashboard provides users with a report of the potential errors that exist and allows for drill downs by country and by employee. Infosys is currently building a standard model of Payroll Hawk-Eye for multi-country payroll.

Infosys has ~3.8k employees dedicated to delivering consulting, HR technology, and managed HR services, including:

- ~1.2k dedicated to payroll consulting, and technology projects
- ~450 dedicated to managed payroll services delivery

Because Infosys leverages client and 3rd party platforms to deliver its payroll services, it maintains a network of partners across all regions, to support payroll for ~110 countries in total.

Infosys processes ~7.2m pay-slips annually, with ~95% managed by its resources, and the remaining ~5% through partners.

Infosys' target market sizes for its payroll services are mid-market organizations with 5k - 15k employees, and large/enterprise organizations with >15k employees. For single country and standalone payroll, Infosys targets organizations with >5k employees.

Most Infosys' HR services clients tend to be wider BPS and/or ITS clients and commonly start with HR technology implementation services. NelsonHall estimates that ~55% of its multi-process HR services clients include at least one other BPS or ITS component in their contracts.

Infosys goes to market for both standalone payroll services and payroll services as part of a multi-process HR services deal and can include single and multi-country requirements. (~20% of payroll clients are standalone deals with ~80% being multi-process HR services contracts that include payroll).



Scope of the Report

The report provides a comprehensive and objective analysis of Infosys' Next Generation Payroll services offering, capabilities, and market and financial strength, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, weaknesses, and outlook
- Revenue estimates
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization including the location of delivery locations.

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Report Length

9 pages

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Next Generation Payroll Services Vendor Assessments also Available for:

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ADP
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CloudPay
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