



OneSource Virtual 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 OneSource Virtual is a comprehensive assessment of OneSource Virtual 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

OneSource Virtual (OSV), founded in 2008 and headquartered in Dallas, Texas, is an entirely cloud-based, automation services provider offering a combination of Business Process as a Service (BPaaS), including HR, Financials, IT Outsourcing, ERP deployment, and Robotic Process as a Service (RPaaS). It is one of Workday's largest professional services partners, has more than 650 clients and processes more than 2.5 million payroll transactions per month. It focuses both on mid-tier and high-end enterprises in the U.S. and Europe.

OSV provides a range of HR and payroll transactional support through its proprietary service wrapper, Atmosphere, and has expanded its BPaaS offering to include Application Management Services (AMS), and organizational change management consulting services. In 2015, it added FAO services to its BPaaS offering and in 2019 will launch what is regarded as the first RPaaS solution targeted to mid-market companies.

As the company has grown aggressively and scaled up both its own operations and client/user targets, it became a patent holder for the automation of business processes and has continued to deliver new automation capabilities based on patented IT innovations.

- Professional services:
 - Workday initial, add-on, and follow-on deployments
 - Strategic consulting for organizational change management and transformation
- Application Management Services:
 - Configuration and deployment
 - Consulting
 - Ongoing services
- Business Process as a Service:
 - HRO: including workforce administration, payroll services, and benefits administration

- FAO: including accounts payable services (managed AP, AP administration, fulfillment, AP imaging, 1099 distribution, and 1096 filing) globally.
- Robotics Process as a Service (2019):
- Compliance and audit trails
- Repeat business processes
- Testing of new business scenarios
- Overflow, unexpected task management (audits, M&A, compliance, etc.)

OSV offers a consult to operate model for Workday, meaning that it can support its clients from the onset with design, and deployment, through to maintenance and operation of the Workday product offering.

In 2018, OSV re-packaged its payroll services offering to provide its clients with more flexibility in designing solutions to fit their unique needs. This includes new service bundles as well as expanding its services offering to include additional add-on services for point payroll solutions and support (e.g., payroll settlements); currently, all service levels are available for U.S. and Canada Workday payroll clients.

OSV's offers its payroll services as follows:

- Manage payroll services (~20% of clients):
 - Fully managed, comprehensive payroll processing and administration support
 - Includes payroll contact center support, and Workday payroll administration
- Payroll administration services:
 - Partial payroll process and administration (primarily post payroll support)
 - Excludes build to gross support, payroll processing, and reconciliation support
- Net Payroll Services:
 - Basic payroll service generating employee payments and distributing checks

OSV's managed payroll services offering includes:

- Build to gross support, including:
 - Time imports (non-Workday time systems), and troubleshooting for Workday Time
- Payroll processing (on/off cycle), including:
 - Exception pay calculations
 - Create and balance payroll inputs
 - Payroll gross to net calculation
 - Data loads and audit
 - Payroll confirmation

- Audit support (standard and client specific)
- Payroll settlement
- Print and distribution of pay-slips
- Troubleshooting of earnings and deductions
- Treasury exception processing
- Payroll Administration, including:
 - Full cycle payroll process support
 - Earnings and deduction configuration
 - GL maintenance
 - Update Workday period schedules
 - Pre-note updates
 - Uncashed/unclaimed check support
 - Payroll tax reconciliation
 - Employee payroll contact center support
 - Payroll update testing and support

OSV's payroll administration services offering includes:

- Payroll processing (on/off cycle), including:
- Payroll settlement
- Print and distribution of pay-slips
- Troubleshooting of earnings and deductions
- Treasury exception processing
- Full cycle payroll process support
- Earnings and deduction configuration
- Uncashed/unclaimed check support

OSV's managed and administration payroll services are offered in two service levels and include the following high-level scope:

- Managed Payroll Premium: includes the entire scope of managed services (detailed above)
- Managed Payroll Standard: includes the entire scope of managed services (detailed above), excluding:
 - Time imports (non-Workday time systems), and troubleshooting for Workday Time
 - Exception pay calculations
 - Client-specific audit support
 - Payroll tax reconciliation
 - Employee payroll contact center support

- Payroll Administration Premium: includes the entire scope of administration services (detailed above)
 - Can be adopted by non-payroll services clients operating on Workday (currently OSV has 14 clients on this service)
- Payroll Administration Standard: includes the entire scope of administration services (detailed above), excluding:
 - Troubleshooting of earnings and deductions
 - Earnings and deduction configuration

In October of 2018, OSV announced the launch of a standalone RPA offering or RPaaS solution. OSV has developed a library of pre-built bots enabled to address common, high-volume tasks for HR and finance. OSV clients can license the bots through a SaaS model directly from OSV, immediately benefiting from the automation capability integrated within Workday, as well as OSV's patented service-enabling technology, Atmosphere.

In early 2019, OSV will launch its RPaaS library as generally available to its Workday client base for subscription. OSV will expand the offering to non-clients as a standalone offering in the next 18 months. While the solution is currently purpose-built for Workday, OSV sees the potential of expanding this to include integration with additional leading cloud HCM platforms (e.g., SAP SuccessFactors) in the longer term.

OSV segments the market in line with Workday and targets organizations with headquarters in the U.S. and Canada, from where ~97% of its revenues are derived. It is now also actively targeting the U.K. and European (~3% of revenues) market through its delivery center in Northern Ireland.

Approximately ~85% of OSV's clients fall within the mid-sized market (from 500 – 15,000 employees), with its typical client size being ~2,500 employees. Its largest payroll client has ~100k employees, and its smallest has ~30 employees. OSV maintains ~85% renewal rate for its services. Across all client demographics, the typical BPaaS scope includes payroll administration and garnishment processing.

OSV processes ~25m pay-slips annually, across ~391 clients, with more than 1.5m employees paid. Approximately 92% of these individuals are paid directly via direct deposit, with the remaining paid via checks (this is most prevalent in its large enterprise clients).

OSV has ~860 employees, ~151 of whom are dedicated to delivering payroll-related services in the U.S., Canada, and the U.K., based out of its centers in Texas, Arizona, and Northern Ireland.



Scope of the Report

The report provides a comprehensive and objective analysis of OneSource Virtual's 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

13 pages

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Next Generation Payroll Services Vendor Assessments also Available for:

Accountor
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Adam HCM
ADP
Alight
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AscentHR
BDO
Ceridian
CloudPay
Excelity Global
Immedis
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NGA HR
OneView HR
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