# Ramco
# Next Generation
# Payroll Services

**Vendor Assessment**
**Report Abstract**

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**By Pete A. Tiliakos**

**Principal Analyst**

**NelsonHall**

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**research.nelson-hall.com**

## Who Is This Vendor Assessment For?

NelsonHall's Payroll Services Vendor Assessment for Ramco is a comprehensive assessment of Ramco's 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

Ramco Systems (Ramco), part of the Ramco Group of companies, which collectively represent ~$1bn in revenues, and headquartered in Chennai, India, is a provider of multi-tenant and mobile-based ERP software and services, including:

- HR and global payroll software and services

- Enterprise Resource Planning (ERP) systems

- Aviation software

- Logistics software

- Asset management software

Ramco Systems formed in 1992 as the R&D division of Ramco Industries Limited. Established as an independent company in 1997, Ramco began delivering payroll software and services using client-server architecture. In 2008, it began investing in cloud technologies as part of a company-wide strategy to move all proprietary software to a cloud architecture and launched the cloud version of Ramco HCM as part of its cloud ERP offering. Ramco added its first cloud HCM client in 2009, and in 2013 Ramco HCM on cloud, a standalone product (the current offering), was released.

Ramco has over 25 years' experience delivering payroll services, and today supports 486 clients, producing ~2m pay slips monthly through its proprietary cloud payroll platform which is currently configured to support 45 countries (extended to ~110 countries through partners). The company is working towards infusing intelligent technologies throughout its enterprise applications by leveraging artificial intelligence and machine learning by design.

This profile focuses specifically on Ramco's payroll outsourcing services capability. For a more comprehensive profile of Ramco's HR offering, please refer to Ramco - Next-Generation HCM Technology.

Ramco offers both partial, (software only) or fully managed payroll services, including the following:

- Partial services (SaaS): ~80% of clients

- Leverages Ramco Global Payroll, which can be deployed on private, public cloud, or on-premise, and supports:

- Self-service for leave, reimbursement, time, and pay-slip as well as offering mail-based and Chatbot driven transaction option

- Gross and net pay calculation and country-specific compliance on a single platform

- Pay-slips on mobile and self-service

- Standard connectors to other third-party systems including Workday, SuccessFactors, and Oracle

- Fully managed payroll services: (~20% of clients)

- Payroll administration and management: including reconciliations, submitting tax filings, GL file, statutory calculations and reports, processing payments and reporting, gross and net pay calculations, retroactive pay and increments, direct deposit automation, and country-specific compliance reporting and filing

- Managing bank files and HR and manager contact center: the client is responsible for data input and SPOC inputs

- Employee contact center: for queries and payroll data entry (voice support is in English), provided to ~10% of total client employees serviced.

- Salary-based reimbursement processing including remittance in line with statutory and organization defined policies

- Year-end activities comprising of social security and taxation, remittance and return-filing

- Payroll processing for on cycle (e.g., monthly, fortnightly, weekly); scheduled and unscheduled off-cycle processing

- Electronic payment enabled

- Expat shadow payroll processing

- Last mile statutory lodgment services

Pricing for Ramco's Payroll services is on a PEPM (per employee, per month) model Contract terms average three to five years.

Payroll services timelines for implementation depend on the size and scope of the contract. A single region payroll-only deal typically takes approximately four to six months to implement, while a multi-country, multi-region deal takes approximately eight to twelve months and are implemented on a staggered basis.

Ramco exclusively leverages its proprietary Global Payroll platform in the delivery of its managed payroll services. Its payroll module has been configured to support 45 countries across APAC, Europe, and the Middle East, with plans to expand this to 60 countries through its roadmap and investments, over the next 24 months.

Its cloud-based (SaaS) platform has been built organically on a single database and single code line, and modules are integrated across the platform. It offers its cloud solution as a multitenant offering and can provide both public and private cloud options. ~53% of clients have selected the on-premise version. However, this is gradually shrinking as

more clients are moving toward the cloud solution. Clients selecting the on-premise solution tend to be larger enterprise clients with >10k employees.

~40% of its payroll clients also leverage the wider capability of the Ramco HCM platform which includes modules and features to support the full employee lifecycle (hire to retire), including: core HR, recruiting, benefits, talent management (goals, competencies, performance, learning, succession, etc.), time and attendance, chatbot enabled mobile ESS/MSS and analytic reporting.

Ramco's time and attendance module comes fully integrated with its payroll module and supports multiple types of time entry mechanism including swipe cards, biodevices, NFC based online data input, and attendance tracking by facial recognition.

Ramco HCM is enabled with prebuilt connectors and integrations, to other enterprise applications like Workday, Oracle, and SuccessFactors. Ramco HCM can also integrate with a client's finance and time and attendance systems. Additional integrations can be developed based on client demand.

Ramco has established a dedicated Integration factory which builds integrations with global HCM products to Ramco's payroll platform. As a part of this initiative, Ramco Payroll is now capable of integrating with Workday, with certified integrations for >20 countries, and able to support all Workday formats (e.g. PECI, PECOF, API and core connectors).

Ramco aims to achieve ~95% automation within its managed services, using machines to detect errors and anomalies in data and to identify suspect transactions. It leverages bots in the delivery of its payroll services delivery model, with its current capability focused on automating the repeatable processes and activities of payroll management and has automated its end to end payroll processing with manual intervention only needed for error correction and final authorization.

Ramco has ~1.6k employees of which ~400 are dedicated to its HCM & payroll services business unit, with ~120 focused on delivering payroll services to Ramco's 486 clients and ~1.5m client employees, producing ~2m pay slips monthly.

Ramco leverages a mix of offshore (~70%) and nearshore/onshore (~20%) centers in the delivery of its payroll implementation services, with the remaining ~10% of its resources embedded with its clients on site.

While Ramco's HCM platform offers the capability to support 45 countries natively, it also partners with other payroll services providers to provide payroll capability in regions where it does not currently operate (currently ~110 countries). However, the build to gross calculation is performed on the Ramco platforms (Ramco leverages its partners only for gross-to-net calculations where necessary to supplement its global coverage). Ramco also has partners to manage last-mile filing activities for the countries where Ramco does not have a physical presence (absence of an office).

Ramco's payroll services clients are derived across a diverse set of geographies, industries, and sizes.

While it primarily targets multinational organizations in the middle market (those with >500 to 15k employees), its offering is capable of scaling down market as well as to the upper middle and large markets;

its smallest HCM client has ~250 employees while its largest has ~37k employees.

## Scope of the Report

The report provides a comprehensive and objective analysis of Ramco'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

12 pages

## Report Author

Pete A. Tiliakos

Pete.Tiliakos@NelsonHall.com

## Next Generation Payroll Services Vendor Assessments also Available for:

Accountor

activpayroll

Adam HCM

ADP

Alight

Ascender

AscentHR

BDO

Ceridian

CloudPay

Excelity Global

Immedis

Infosys

Kronos

Neeyamo

NGA HR

OSV

OneView HR

Paychex

Safeguard Global

SD Worx

WNS

Zalaris