SD Worx
Next Generation
Payroll Services

Vendor Assessment
Report Abstract

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15 pages

Who Is This Vendor Assessment For?

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

SD Worx headquartered in Antwerp, Belgium, is a European HR services provider with physical presence in ten countries and ~65k clients worldwide. It was created by the Flemish Employers Association in 1945 as a non-profit company, to provide services for social administration to enable companies to focus on their core business. In 1990 it began offering HR consultancy and training services.

SD Worx offers its HR solutions through three primary divisions:

- Payroll Services

- Tax and legal (T&L) Services

- HR Services

  - HR software: including implementation and support SD Worx HR software, Dayforce HCM, SAP/SuccessFactors, PeopleSoft.

  - Multi-process HR services, including: payroll, expenses, compensation and benefits, recruitment and workforce management

  - The SD Worx Group also includes Sodeco, LWB, and SAK, legal subsidiaries offering software and services including solutions for workforce management and payroll calculation.

This profile focuses exclusively on SD Worx payroll services business. For a more comprehensive review of SD Worx broader HR services capability, please refer to SD Worx - Cloud & Multi-Process HR Services vendor profile, available to NelsonHall subscribers.

SD Worx offers payroll services in support of ~90 countries, delivering its services through three primary service levels:

- Comprehensive payroll: fully managed payroll processing + data administration + contact center

- Managed payroll: managed payroll processing

- SaaS only payroll: payroll platform only

SD Worx' scope of payroll services offered, includes:

- End to end payroll processing

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- Gross to net calculation

- Post payroll outputs

- Payroll reporting

- E-pay-slips and electronic documents, including tax documents, and annual pay statements available through self-service

- Expense claims processing

- Time management services

- Cash management services

  − Supported in Belgium where it is industry standard to receive social security funds and remit to the government directly (not common in other countries)

- Managing platform provisions

- Supplementary services (typically adopted as part of comprehensive payroll), including:

  − Data management including legislative interpretation, and data input

  − Employee contact center

  − Completion of social documentation

  − Vehicle fleet administration

  − Insurance management and administration

  − Industrial accident management

  − Time registration management

  − Sickness follow-up.

Other extended services include:

- Retail-specific solution, incorporating workforce management, planning, and a time tracking offering (based on SD Worx and Protime)

- Onsite payroll personnel, can be provided to clients in exceptional circumstances, e.g., pregnancy, illness, dismissal, implementation of new payroll systems, or during peak times as a temporary solution to bolster expertise in the team.

- Payroll scan service:

  − SD Worx provides a specialist to clients for mapping current payroll processes, systems, and payroll structure, providing recommendations for improvement, and highlighting bottlenecks. This also allows for continuity of service if, for any reason, an SD Worx payroll advisor is unexpectedly off work. The documentation of the payroll process allows other SD Worx employees to take over the running of the service with limited interruption. Payroll scan advisors provide the following services:

    o Preparation and execution of payroll

    o Processing HR administration

    o Optimization of the payroll process

- o Advice on the best possible use of payroll software

- o Implementation of new payroll software

- o Advice on employment law and sector-based agreements

- o Streamlined reporting

- o Optimization of workflows

- o Answering staff questions

- o File management.

- Tax and legal (T&L) including:

  - Consulting, training, and advisory services for:

    - o Social law

    - o Tax regulations

    - o Labor conditions and contracts

    - o International labor law and tax law

    - o Online tool for expats and executives

    - o Ella: online digital assistant for legal questions

Multi-country related services include:

- As part of its payroll services, SD Worx has a specific multi-country offering (launched in 2002), that provides customers with a single governance model, comprising one contract with one vendor, a single system of record, and unified management of strategic service delivery

- SD Worx offers multi-country integration between HR and payroll solutions via the SD Connect platform that links the system of record to the local payroll engines. SD Worx partners and integrates with the following HCM suite providers: GlobePayroll, Ceridian, Workday and SAP SuccessFactors

- Multi-country reporting: operational reporting based on 14 standard KPIs including labor costs, seniority, employee age, and gender, turnover, headcount, and absence

- Vendor management, where local payroll providers are utilized. Currently, SD Worx has a presence in ten countries and supports 90 countries; 80 countries are therefore supported through the Payroll Services Alliance and local payroll vendors, with SD Worx offering consolidated service reporting and vendor management across the local providers.

SD Worx prices its payroll services contract on a per employee per month basis (PEPM) with some clients leveraging a per pay-slip basis. Contracts typically range from three to five years in length, with multi-country deals often signed for five years. Implementation of these contracts can take anything between 12 and 15 months, with a phased rollout led by one of SD Worx's Global Implementation Managers.

SD Worx offers a range of proprietary cloud HR and payroll technologies across the countries it supports, as well as supporting SAP payrolls on-premise through its SAP consulting teams in Belgium and Germany.

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All of its payroll solutions have pre-built integrations to leading HCM platforms, including SAP, SuccessFactors, Cornerstone on Demand, Oracle, PeopleSoft, Workday (certified integrations), Talentsoft and Microsoft Dynamics. All technology solutions provided directly by SD Worx include ESS and MSS capability. ~98% of its contracts are delivered through cloud-based platforms.

SD Worx offers multi-country integration between HR and payroll solutions via the SD Connect platform that links the system of record to the local payroll engines. SD Worx partners and integrates with the following HCM suite providers: GlobePayroll, Ceridian (Dayforce), Workday and SAP SuccessFactors. Relevant payroll data is sent to the different local payroll engines to calculate payroll; data calculations are then available in the HCM suite for global reporting and analysis.

SD Worx's Cubes offers mostly descriptive level analytics across all SD Worx products for strategic and administrative reporting, as well as an ad-hoc reporting tool with flexible field selection, with an output to pivot tables in Excel.

Cubes is available for 17 countries: Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Luxembourg, Netherlands, Norway, Poland, Russia, Slovakia, Spain, Sweden, Switzerland and the U.K. In addition to Cubes, SD Worx uses Tableau in France and Germany to provide reporting and visual analytics capability to its clients in the region. It can also support deeper predictive capability through Cubes integration with Tableau but generally offers this on a client by client basis as client requirements dictate.

SD Worx is focused on the digitization of HR processes throughout its service delivery model, continuously investing in automation initiatives which leverage robotics and AI to drive operational effectiveness, boost productivity, reduce processing times, and enhance the UX by delivering reliable results more rapidly.

SD Worx has ~4.1k personnel across its business, with ~3.9k employees dedicated to payroll and HR services delivery.

SD Worx leverages a highly (~88% of FTE's) onshore presence for its resources in the delivery of its payroll services, with ~10% of FTE's located offshore (technical support primarily), and ~2% of FTE's on-site with clients.

SD Worx founded the Payroll Services Alliance (PSA) in 2010 with Aditro. The PSA provides payroll and HR services under one contract to clients across >90 countries worldwide (Americas, EMEA, and APAC), offering harmonized service levels and multi-country reporting. In regions where there is no PSA partner in place, SD Worx uses subcontracting partners.

SD Worx targets multi-national organizations of all sizes for its payroll and HR services, primarily focusing on organizations headquartered in the ten European countries where it has a presence, including Austria, Belgium, France, Germany, Ireland, Luxembourg, Mauritius, Netherlands, Switzerland, and the U.K.

SD Worx supports ~65k clients (~80% in Belgium) and produces ~4.4m pay-slips monthly. Across 10 countries, their client base is comprised of SMB, midmarket and enterprise market.

Scope of the Report

The report provides a comprehensive and objective analysis of SD Worx' 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

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Next Generation Payroll Services Vendor Assessments also Available for:

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activpayroll

Adam HCM

ADP

Alight

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AscentHR

BDO

Ceridian

CloudPay

Excelity Global

Immedis

Infosys

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