

# Software for payroll service providers



## *The separation of the payroll service from the software platform*

The outsourcing of payroll and HR administration is a corporate trend that will intensify in the coming years. The reasons for this are dynamic corporate structures and processes as well as increasing economic and legal requirements. Modern companies are increasingly focusing on their value creation and are therefore outsourcing payroll and personnel accounting.

Payroll service providers therefore need flexible payroll software that meets the diverse requirements of their customers. Many offer their services for several industries and therefore require ready-made industry solutions or the possibility to create their own industry solutions.

The decisive evaluation criteria here are adaptability and automation capability. [Surveys](#) on the greatest challenges in providing and processing payroll show fundamental deficits:

- Too many manual processes – 23%
- Quality and control of input – 21%
- Mapping of non-standard/complex processes – 17%
- Multiple inconsistent/decentralized systems – 15%
- Dissatisfaction with the outsourcing service provider - 11%.

Looking at the software market for payroll service providers, it consists almost exclusively of monolithic solutions, where business functions and software platform form an inseparable unit. Separating the monolith usually makes neither technical nor economic sense.

Separating the business functions from the software platform has advantages for both sides. The service provider can develop processes independently and automate its solutions in a customer-oriented manner. The software platform manufacturer is relieved of complex payroll know-how and can concentrate on the platform services.

With its novel solution approach, the Payroll Engine shows how domain-oriented software for payroll service providers is possible.