

Software for payroll service providers



The separation of the payroll service from the software platform

Outsourcing payroll and HR administration is a corporate trend that is likely to increase in the near future. The reasons for this are dynamic corporate structures and processes and the increasing economic and legal requirements. Modern companies are increasingly focusing on their value creation and thus outsourcing payroll and HR administration.

The payroll service provider therefore needs flexible payroll software that meets the versatile requirements of its clients. Many offer their services for several industries and therefore need ready-made industry solutions, or the possibility to create their own industry solutions.

Decisive evaluation criteria for this are adaptability and automatability. [Surveys](#) on the greatest challenges in the provision and processing of payroll show fundamental deficiencies:

- Too many manual processes - 23%
- Quality and control of inputs - 21%
- Nonstandard/complex processes - 17%
- Multiple inconsistent/decentralized systems - 15%
- Dissatisfaction with outsourcing provider - 11%

If you look at the software market for payroll service providers, it consists almost exclusively of monolithic solutions in which 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 offers benefits to both parties. The payroll service provider is able to develop processes autonomously and automate its solutions in a customer-oriented manner. The software platform manufacturer is freed from complex payroll expertise and can focus on the platform services.

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