

# Payroll Solutions and Services

This study assesses the providers' capabilities to deliver digitalized managed payroll services



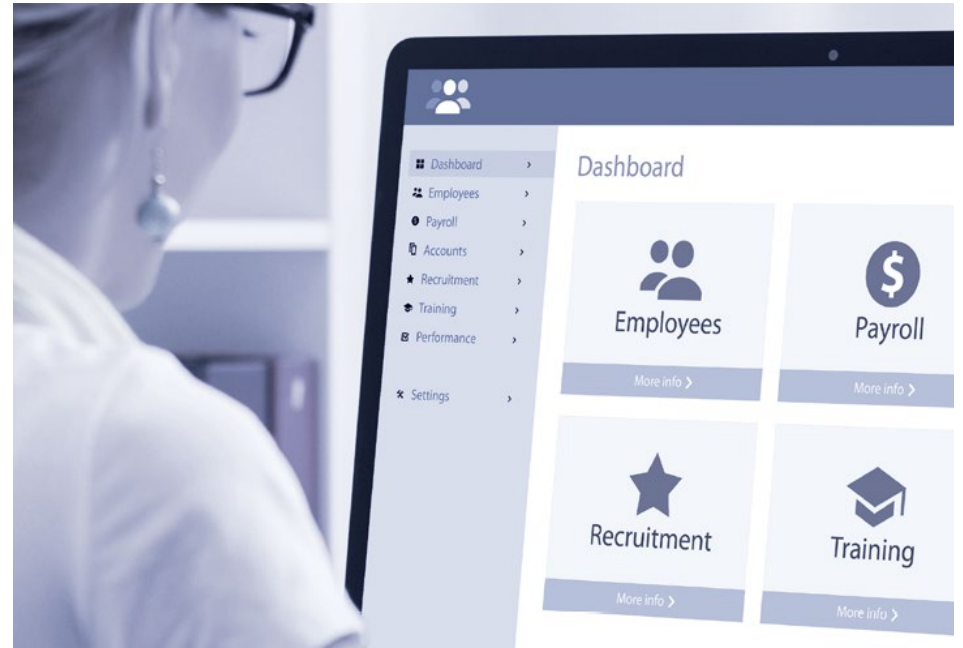
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The global war for talent and the shift in desire for flexible working arrangements have brought to the fore the need for scalable and effective payroll solutions that drive great employee experience. Companies of all sizes and sectors increasingly recognize that personalized, transparent and accurate payroll can be a key differentiator in talent retention.

An understanding of the local practices, policies and statutes is crucial to compliance and payroll accuracy and is increasingly difficult to source, particularly for smaller companies. Moreover, global economic uncertainty is driving companies to seek further cost efficiencies in previously optimized back-office processes. Agile and resilient payroll operations are fundamental facilitators of such organizational and operational changes. Companies are seeking digital capabilities and managed services to ensure a future-proof payroll department and to support such operational and employee experience changes.

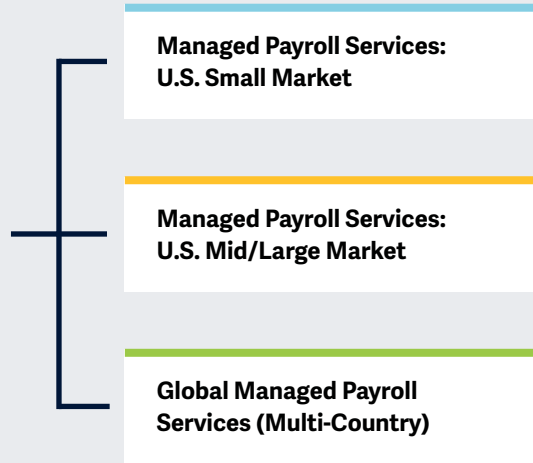
Organizations in all industries are looking for managed payroll service providers that can deliver standardized and locally compliant tools and services that delight employees.

The ISG Provider Lens™ Payroll - Solutions and Services 2023 study focuses on payroll managed service providers offering modern digital solutions for operational transformation.



This study focuses on managed payroll service providers with operations in the U.S. and globally (multi-country).

Simplified Illustration Source: ISG 2023



**ISG Provider Lens™ Payroll Solutions and Services - 2023 offers the following to business, HR and payroll decision-makers:**

- Transparency on the offerings, strengths and weaknesses of relevant providers
- A view of differentiators in the models offered
- A view of the target market(s) and planned evolution of payroll providers
- Focus on different markets and models, including the U.S. (small and mid/large markets) and global (multi-country) solutions.

Our study serves as an important decision-making basis for service development strategies, positioning and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current provider relationships and potential engagements.



## Managed Payroll Services: U.S. Small Market

### Definition

This quadrant assesses service providers offering and supporting fully managed payroll services to companies in the U.S. with fewer than 1,000 employees on the payroll. It includes providers that process payrolls for companies operating in the U.S. either weekly, bi-weekly or monthly. Providers can either allow system access to input payroll changes and view outputs or accept inputs and provide outputs using other means, such as spreadsheets or original files. Some typical services include the following:

- Receipt and processing of master data updates, compensation changes, payments and deductions (via integration where appropriate)
- Receipt and processing of time and attendance data (via integration where appropriate)
- Gross pay calculations
- Gross to net calculations
- Payroll validation reports
- Payslip provision

- Helpdesk and query handling for employees and/or HR staff
- Payment/bank file, payment card or check provision
- Statutory filings
- Payroll journal/general ledger file
- Year-end processing
- Employee portal or app provision
- Federal and state compliance

The service providers covered in this segment may offer managed services only in the U.S. or could also offer services in other countries. Providers may respond to multiple segments or only one, i.e., a provider who offers services to both small and large companies may respond to both quadrants, or all three if they also offer global managed payroll services.

### Eligibility Criteria

1. Offers **compliant payroll calculations and statutory reporting** for weekly, bi-weekly and monthly U.S. payrolls for less than 1,000 employees
2. Offers **year-end processing** (e.g., W-2 preparation)
3. Pays **multiple groups of working individuals** - white collar, blue collar, sales team and contractors
4. Provides a system or process for payroll changes
5. Provides a **standard suite of outputs** (validation and management reports) and localized statutory reporting as required by state and federal authorities
6. Offers **digital tools** for payroll operatives and employees
7. Offers **reference cases** of payroll provision for companies with differing employee populations, including less than 1,000 employees
8. Either provides a payroll platform or uses the client's platform



## Managed Payroll Services: U.S. Mid/Large Market

### Definition

This quadrant assesses service providers offering and supporting fully managed payroll services to companies in the U.S. with more than 1,000 employees on the payroll. It includes providers that offer payroll processing for companies operating in the U.S. either weekly, bi-weekly or monthly. Providers may either offer system access to input payroll changes and view outputs or accept inputs and provide outputs using other means, such as spreadsheets or original files. Some typical services include the following:

- Receipt and processing of master data updates, compensation changes, payments and deductions (via integration where appropriate)
- Receipt and processing of time and attendance data (via integration where appropriate)
- Gross pay calculations
- Gross to net calculations
- Payroll validation reports
- Payslip provision

- Helpdesk and query handling for employees and/or HR staff
- Payment/bank file, payment card or check provision
- Statutory filings
- Payroll journal/general ledger file
- Year-end processing
- Employee portal or app provision
- Federal and state compliance

The service providers covered in this segment may offer managed services only in the U.S. or could also offer services in other countries. Providers may respond to multiple segments or only one, i.e., a provider who offers services to both small and large companies may respond to both quadrants, or all three if they also offer global managed payroll services.

### Eligibility Criteria

1. Offers **compliant payroll calculations and statutory reporting** for weekly, bi-weekly and monthly U.S. payrolls of more than 1,000 employees
2. Offers **year-end processing** (e.g., W-2 preparation)
3. Pays **multiple groups of working individuals** - white collar, blue collar, sales team and contractors
4. Provides a system or process for payroll changes
5. Offers **integrations** to the main systems of record, wherever relevant
6. Provides a **standard suite of outputs** (validation and management reports) and localized statutory reporting as required by state and federal authorities
7. Offers **digital tools** for payroll operatives and employees
8. Offers **reference cases** of payroll provision for companies with differing employee populations, including more than 1,000 employees
9. Either provides a payroll platform or uses the client's platform



## Global Managed Payroll Services (Multi-Country)

### Definition

This quadrant assesses service providers supporting fully managed global payroll services. It covers providers offering consolidated payroll services, including a standardized input method and output suite, locally compliant payroll calculations and statutory reporting, in multiple countries. Global payroll providers may either use their systems and people to process payrolls, contract the services of a local provider, or a blend of the two. Payroll inputs and outputs can be recorded directly on the provider's systems or via other means. Some of the typical services include the following:

- Receipt and processing of master data updates, compensation changes, payments and deductions (via integration where appropriate)
- Receipt and processing of time and attendance data (via integration where appropriate)
- Gross pay calculations
- Gross to net calculations
- Payroll validation reports

- Payslip provision
- Helpdesk and query handling for employees and/or HR staff
- Payment/bank file, payment card or check provision
- Statutory filings
- Payroll journal/general ledger file
- Year-end processing
- Employee portal or app provision
- Local country compliance

Global (multi-country) payroll providers offer services across various countries and regions through their operations or strategic partnerships (often known as in-country providers). Country-wide and regional coverage may vary from provider to provider. Services may be targeted at small, medium or large payrolls or a blend of all three.

### Eligibility Criteria

1. Offers **compliant payroll calculations** for a range of countries/regions
2. Offers year-end processing
3. Provides a **standard input** approach to the extent possible (often via integration) across all in-scope countries
4. Provides a **standard suite of outputs** (validation and management reports) and localized statutory reporting across all in-scope countries
5. Provides complete year-end payroll services
6. Offers **digital tools** for payroll operatives and employees
7. Demonstrates strong partnerships with a **network of local payroll providers**
8. Offers **reference cases** of global payroll provision for companies with differing employee populations
9. Provides a payroll platform or uses the client's platform



## Quadrants by Region

As a part of this ISG Provider Lens™ quadrant study, we are introducing the following three quadrants on Payroll Solutions and Services – 2023.

Quadrant	U.S.	Global
Managed Payroll Services: U.S. Small Market	✓	
Managed Payroll Services: U.S. Mid/Large Market	✓	
Global Managed Payroll Services (Multi-Country)		✓





The research phase falls in March 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in July 2023.

<b>Milestones</b>	<b>Beginning</b>	<b>End</b>
Survey Launch	6 March 2023	
Survey Phase	6 March 2023	31 March 2023
Sneak Preview	June 2023	July 2023
Press Release & Publication	July 2023	

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2023 research agenda.

#### **Access to Online Portal**

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

#### **Research Production Disclaimer:**

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG Future Source™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



### ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the Voice of the Customer concept. The Star of Excellence™ is a program, designed by ISG, to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement please use the Client nomination section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:  
[ISG.star@isg-one.com](mailto:ISG.star@isg-one.com)



Contacts For This Study



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Hiremath  
Research Analyst



Pragathi  
Thimmaiya  
Lead Project  
Manager



Anuj  
Sharma  
Data Analyst



### ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines, technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors that know the provider portfolios and offerings as well as the enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT). The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

## ISG Advisors to this study



Anoop  
Chawla

**Director,  
Human Capital  
Management**



Stacey  
Cadigan

**Partner,  
Business Operations**



## Invited Companies

**If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.**

Accenture	Heartland Payroll Services	Namely	Rippling
activpayroll	IBM	Neeyamo	Safeguard Global
ADP	iiPay	OneSource Virtual	SD Worx
Airswift	Immedis	Paybix	Square
Alight Solutions	Infosys	Paychex	TMF Group
Apex HCM	Inova	Paycom	UKG
AscentHR	Intercomp Global Services	Paycor	Visma RAET
BDO	Intuit	Paylocity	Wagepoint
Ceridian	Ippex	Payslip	WNS
CloudPay	IRIS FMP	Payzaar	Zalaris
Conduent	isolved	PeopleStrategy	Zelda
EY Payroll Services	Mauve Group	Primepay	
Gusto	Mercans	Ramco	



## iSG Provider Lens™

The iSG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of iSG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while iSG advisors use the reports to validate their own market knowledge and make recommendations to iSG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about iSG Provider Lens research, please visit this [webpage](#).

## iSG Research™

iSG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. iSG Research delivers guidance that helps businesses accelerate growth and create more value.

iSG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

For more information about iSG Research subscriptions, please email [contact@isg-one.com](mailto:contact@isg-one.com), call +1.203.454.3900, or visit [research.isg-one.com](http://research.isg-one.com).

## iSG

iSG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 800 clients, including more than 75 of the world's top 100 enterprises, iSG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., iSG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit [isg-one.com](http://isg-one.com).



**MARCH, 2023**

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**REPORT: PAYROLL SOLUTIONS AND SERVICES**