

# Perfecting payroll

Payroll is complex and companies need a variety of solutions. **Sarah O'Carroll** looks at how three different companies chose the systems that would meet their needs.

**T**here is one fundamental rule in the path to keeping staff happy. Pay them when you say you will pay them, and pay them the amount you said you would. Only when you get this right can you do anything else.

Leave management, disparate entitlements, superannuation and bonus schemes, are only a fraction of the challenges that payroll and HR professionals have to deal with and finding a system that will minimise the time spent on these complexities and issues is a challenge. And when there are myriad solutions available, it is difficult to know where to start looking

## Braving the change

Payroll administrator for Australian Helicopters Wayne Page has more than 24 years' experience in payroll and has used a range of payroll systems over the years. The company currently employs about 145 staff, including pilots, engineers, aircrew and administrative staff. However in 2007, due to a number of payroll issues, Page decided it was time to do an evaluation of the systems on the market.

"We conducted a three-month evaluation of all the systems available," says Page. "It's not something we entered into lightly, because, in my experience over the years, I was very much aware that we needed to dig deep to make sure we were getting a system that was going to do all the things we needed it to do."

Two of the essential components Page was looking for in a new system was cost efficiency and excellent support. In his experience he found that many companies purportedly offered support but didn't follow through.

There were also other specific challenges which Page and his team needed to address within the payroll system. Because of the complex pay strategy of employees such as pilots, they needed a system that could supply this easily.

"Pilots don't just get a base salary, they get multiple allowances on top of their base salary and we really needed a good tracking system," said Page.

After three months of evaluation, Page came across HR3, a provider of payroll and HR systems. He explored the website, which impressed him from the outset, and decided to do some further investigations. According to Page, he hasn't looked back since.

The payroll system HR3 provided ticked all the boxes for his needs for Australian Helicopters. After making the presentation to the board on why they should change to this system, the implementation was pretty painless.

"They (HR3) advised we would need about three days of external consulting to implement the new sys-

tem, but because it was so user-friendly I had most of it set up myself and we only needed a day and a half of the external consulting," said Page. "This also saved us money."

Since going live with HR3's system on 1 July 2007, the company has seen some huge benefits. One of the greatest benefits, according to Page, is in time management. "It has saved me about 40 to 50 per cent of my time, which has a knock-on effect throughout the company," says Page.

Because of the online services it offers employees, Page is no longer bombarded with payroll enquiries from staff who can now check it themselves online. While Page says he realizes they are not the only providers of such a system, he says HR3 have done it very well.

## Challenges within HSA

Another company which experienced payroll challenges was Health Services Australia. The diversity of employee roles, coupled with the dispersed geographical location of staff and the complexity of labour agreements within Health Services Australia, makes for complex payroll and HR requirements.

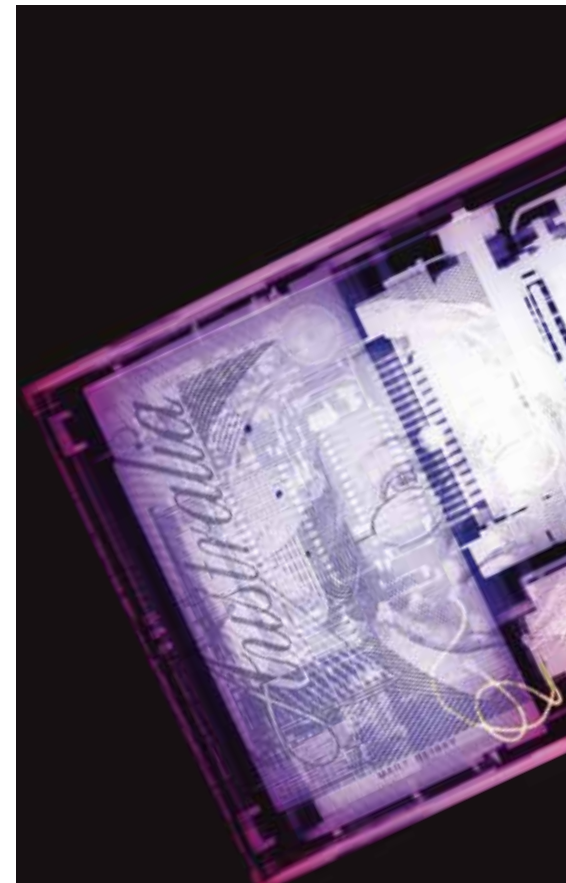
This scenario, along with requirements for meaningful information from a professional management team, demands effective human resource management through a flexible and responsive software system. In recognition of this need, HSA originally

"Pilots don't just get a base salary, they get multiple allowances on top of their base salary and we really needed a good tracking system"

contracted with a leading international developer of business solutions to implement a financial and HR software system. However the HR system soon had to be reworked.

Some 18 months later, HSA was faced with the requirement to upgrade and implement a new version of their payroll/HR system. In the interim, the chosen solution had failed to deliver to the expectations of the company.

HSA manager, support services, Bob West wanted to see whether an alternative software package might be sourced which could deliver the system requirements ahead of real dollar savings against the projected expenses of upgrading.



West recognised that his company had committed significant funds to the existing system but chose to look at the picture from a long-term perspective. Following a period of exhaustive examination, Australian-owned and based Frontier Software was chosen to supply their product, CHRIS (Complete Human Resource Information System) at one fifth of the cost to update and upgrade the existing system.

Given cost reductions of this magnitude, West's decision to change was vindicated, but the real justification for change came with the flexibility and functionality of the CHRIS system.

## Implementation

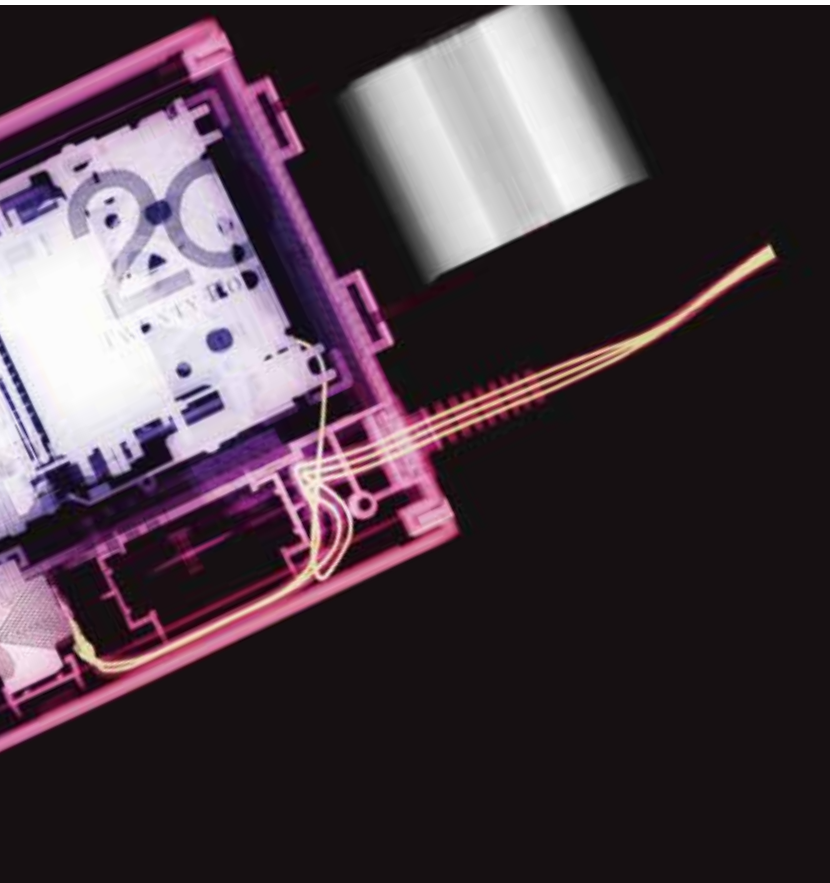
Roy Bailey, personnel manager at the time, and who has since left the firm, spoke positively of the implementation of CHRIS. "The whole Frontier implementation methodology is impressive – from the disciplines involved to the method of training by consultants preceding testing by staff. CHRIS was implemented within

four months, which included interfacing back to the financials of the original package."

"With the previous product, you don't buy the system, you build it – from the ground up," says personnel officer, Jeff Power. "All along an IT person is needed to configure the system."

Justin Corcoran, the Frontier project manager, explained that under CHRIS, most modifications required to fit with the special needs of HAS were completed without the need to involve either internal or external IT specialists.

Leave management under Australian awards and labour practices is an area which is complex and HAS had found that payroll and HR software which is devel-



oped overseas rarely manages this area well.

According to Bailey, prior to CHRIS, leave management was unstable, particularly in the area of long-service leave. As an example, two employees on identical rates of accrual were regularly allocated disparate entitlements.

Management reporting also plays a key role within the HAS and this was another area in which the HSA wanted to improve, using a new system. With CHRIS, the system is based on entering data once and allowing constant enquiries into its unlimited on-line history. User ad hoc queries, customisation tools and integration with Microsoft products provide flexibility and functionality.

HSA staff and management are now able to report on any aspect of payroll/HR history.

"Management requested certain information, which required us to run three reports out of CHRIS," says Bailey. "The identical information, if required under the previous product, would have required the production of 150 reports!"

The service level offered by Frontier Software was another one of the critical factors when assessing the overall use and implementation of the tool. According to Bailey, through both the implementation team and the Helpdesk, it was perhaps the aspect most appreciated by HSA staff.

### Workforce budgeting issue

A workforce budgeting issue borne out of large and complex databases used not only for the HR department, but also finance management accounting functions, prompted The University of Queensland (UQ) to look for an HR system that could solve this problem.

The size of UQ's database is such that while individual departments and business units have on-demand access to their own data, in-depth reports covering the entire organisation are only run monthly.

The requirement was for a system that would accurately predict the impact on the budget of any workforce-related changes.

UQ selected Aurion's Workforce Budgeting solution because of its ability to handle leave, on-costs, superannuation, workers' compensation and payroll tax in both predictable areas (such as teaching funds) and unpredictable (donations, research grants) ones.

According to Jennie Webb, UQ's manager, personnel policy and business analysis, the University's system must handle its thousands of accounts and be able to record, integrate and report on the impact of individual transactions.

"Unpredictable or soft funding, for example, requires granular detail to the grant organisation – ie, is the research assistant taking holidays during that period? Do they have on-costs that need to be considered? And so on. The difference between \$10,000 and \$8872 in grant funding is crucial," she said.

"Aurion had to be able to handle both predictable and unpredictable items for use by HR and finance. Local managers also use it, to give accurate forecasts for their business units. So far, no-one's found a system that's an improvement on Aurion."

UQ staff are given three half days training on the Aurion system, which has to be set up to reflect an accurate position costing for both HR and budgeting.

"Using Aurion for Workforce Budgeting was the best decision," says Webb. "It predicts all events with 100 per cent accuracy and incorporates them in the budget."

## vendor news

**EmployeeConnect.** With core solutions that include Self-Service, HRexpress, HRpro, and HRenterprise, EmployeeConnect transforms your traditional HR functions into an integrated, enterprise wide, human capital program delivering strategic, financial and competitive benefits. Since launching in 1998, EmployeeConnect has grown to become a leading international provider of Human Capital Workflow solutions. With a client base that includes such high-profile global companies as Optus, AGL, Amcor, and BHP Billiton, EmployeeConnect is known for flexible, scalable and powerful solutions that are easy to use and cost effective to implement. For further information please visit [www.employeeconnect.com](http://www.employeeconnect.com) or call (02) 8288 8000.

**Frontier Software.** Founded in Australia in 1983, Frontier Software is a specialist HRMIS vendor offering an integrated HR, Payroll and Employee Self Service solution. Frontier Software's main product is chris21. Frontier Software provides superior service and products to Australian organisations that have between 100 and 40,000 employees. Frontier Software is a complete solution provider, selling directly to the market and provides all associated services including helpdesk, project management, training, installation and programming. Organisations such as Moonee Valley Council choose chris21 because of our experience, flexibility and value for money. For more information, call (03) 9639 0777, fax (03) 9639 2025, email [sales@frontiersoftware.com.au](mailto:sales@frontiersoftware.com.au) or visit [www.frontiersoftware.com](http://www.frontiersoftware.com).

**HR3.** Since 1984, HR3 has implemented its employee management software and solutions in more than 4000 Australian organisations ranging in size from five to 5000 employees. HR3 is Australian-owned and develops all of its solutions in Australia specifically for Australia's ever changing employment legislation, HR and OH&S requirements. The HR3 product suite includes solutions for Payroll, Time & Attendance, HR, OH&S and web-based EMSS and HRIS. HR3 solutions help streamline processes and eliminate errors with inbuilt workflows and electronic alerts. HR3 uses technology to build powerful solutions for your workplace. HR3 solutions are functionality-rich, cost effective and available Australia-wide. For further details of how we can help you, contact [www.hr3.com.au](http://www.hr3.com.au).

**Neller's Preceda** software provides on-demand tools that give HR professionals more time for high-level strategic work, leading to better decisions for their organisation. Preceda streamlines processes, lowers costs, boosts productivity and empowers employees. Preceda is an integrated system that houses everything you need to optimise your workforce: HR, payroll, time and attendance and rostering. For more than 30 years, Australian-owned Neller has assisted companies by making payroll and HR functions faster, more efficient and more accurate. For information on how Neller can help make your job significantly more effective, visit [www.neller.com.au](http://www.neller.com.au) or phone 1300 766 400. Preceda. On Demand People Management.

**Sage Micropay's** range of Payroll and HR software encompasses Australia's most advanced solutions for businesses of all sizes. Our systems are fully featured, and easy to learn and use while providing flexible and accurate HR and payroll management. As well as being packed with productivity-enabling functionality, our software is designed to streamline the payroll process and ease the talent management burden. Our offerings include payroll, employee/manager self-service, learning and education, timesheet management, workforce planning, recruitment, performance management and executive reporting. For more information, email [marketing@micropay.com.au](mailto:marketing@micropay.com.au), phone 1300 729 229 or visit [www.sagemicropay.com.au](http://www.sagemicropay.com.au).

**Wage Easy** is a simple to use, intuitive Payroll and HR software solution that delivers all of the sophisticated functionality expected from high-end systems, for a fraction of the cost. The built-in award interpreter removes the need for manual calculations and eliminates the errors associated with manual processing. Extensive reporting facilities provide instant access to all employee and salary data. The soon to be released Easy Business Analyser will provide users with a set of multi-level, drill-down graphical reports on demand. To find out more, visit [www.wageeasy.com.au](http://www.wageeasy.com.au) email [marketing@wageeasy.com.au](mailto:marketing@wageeasy.com.au) or call 1300 924 332.