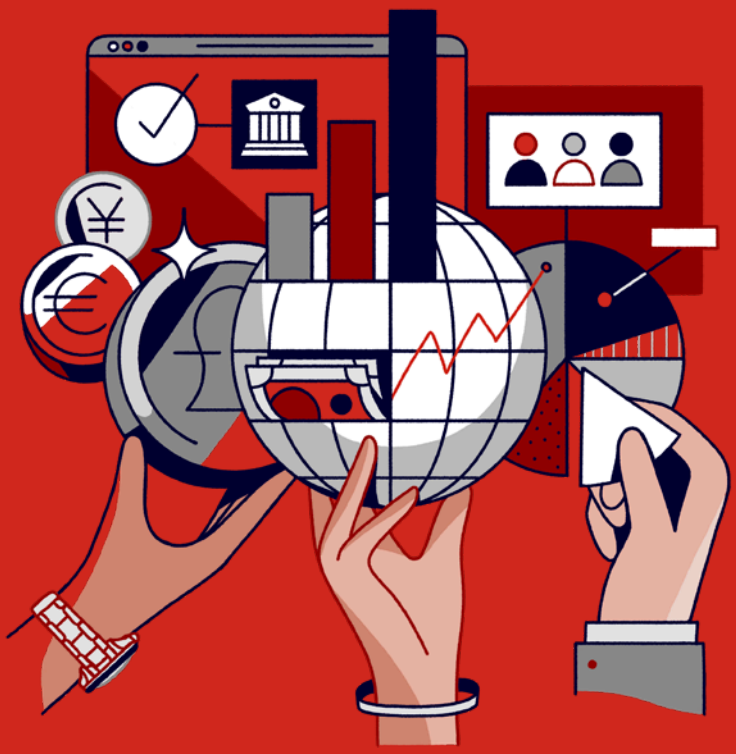
Always Designing for People®



YOUR ROADMAP OUT OF PAYROLL COMPLEXITY

Go from stuck to making steady progress towards unified HR, payroll and workforce management.



PAYROLL FIRST. BUT NOT PAYROLL ONLY.

Most organisations don't struggle with payroll because it's fundamentally broken. They struggle because the maturity of their payroll function is **uneven**.

Advanced in some countries. Exposed in others. Automated in places, fragile in the gaps.

Over time, that unevenness creates hidden risk, manual workarounds and a growing sense that payroll is something to work around rather than build on. Even when the ambition to unify HR, payroll and workforce management is clear, complexity like this keeps companies stuck.

There's no single starting point that works for everyone.

Every firm begins with a different mix of systems, providers, maturity levels and pressures. What matters is **starting deliberately**, and addressing payroll in a way that reduces risk now, without narrowing future options.

This roadmap is designed to help you do exactly that.



It's guided by a few simple principles:

- Start with payroll, but don't treat it in isolation
- Design processes, data and integrations so they're fit for modern HCM platforms
- Standardise before you automate (for example, don't automate overtime feeds until every country agrees what counts as overtime, who approves it and when it reaches payroll)
- Make sure every phase delivers real value, not just future readiness

You don't need to be ready for full HCM transformation to start. This roadmap helps you put the right steps in the right order, making payroll more predictable, less risky and easier to build on.

Phase

1

STABILISE YOUR PAYROLL AND REDUCE RISK

Start here if payroll stress is constant.

Your objective here is to make payroll accurate, compliant and predictable. You're aiming for audit-readiness without heroics.

Typical time taken:

3-4 months

Focus on:

Addressing known pain points:

- errors | rework | off-cycle payments | audit findings| inconsistent time tracking | manual payroll processing | repetitive tasks

Securing your payroll controls, accesss and approvals

Clarifying who owns payroll end-to-end, across HR, payroll, finance and IT:

- define RACI for all critical payroll activities (inputs, approvals, reconciliations, payments, reporting)
- set up a formal payroll governance forum for issue escalation and decision-making

Establishing governance and escalation paths:

- document critical payroll knowledge

Removing single points of failure, when it comes to both people and vendors



Resources you'll need:

- ✓ A clear payroll owner with authority to address risks and make decisions
- ✓ Time from payroll, HR, finance and IT teams to document current processes and controls
- ✓ A focused payroll risk and controls assessment
- ✓ Access to compliance and audit expertise (internal or external)
- ✓ Executive sponsorship to prioritise stability over transformation

Common risks in this phase — and how to avoid them

RISK

Trying to improve or digitise payroll before it's stable.

Under pressure, businesses often push for automation or system changes while payroll is still unpredictable. This tends to hardwire errors and increase risk, instead of reducing it.

Underestimating control and security weaknesses.

Access, approvals and payment controls are often fragile or undocumented, especially in decentralised environments.

HOW TO AVOID IT

Prioritise accuracy, controls and repeatability first.

Stabilisation is about making payroll boring: consistent outcomes, clear ownership and no heroics at pay run time.

Run a focused payroll risk and controls assessment.

Address high-impact gaps immediately — even if that means temporary manual controls — before moving on.



When you'll know you're ready for the next phase

- ✓ Reduced rates of payroll errors and rework required.
- ✓ A set of documented payroll processes ('as-is' and risks).
- ✓ Clear accountability and service levels:
  - clear payroll owner
  - agreed decision rights
  - escalation paths defined.
- ✓ Organisational confidence in payroll is starting to improve, with stable service levels (SLAs, KPIs).

Phase

2

STANDARDISE YOUR PAYROLL PROCESSES AND DATA

Start here if you spend your days dealing with the fallout from inconsistent payroll data.

Your objective here is to get payroll, HR and workforce data to behave consistently.

Typical time taken:

4-6 months

Focus on:

Standardising payroll calendars, cut-offs rules and gross-to-net logic (where legally possible)

Aligning hire-to-pay, change-to-pay and leave-to-pay processes

Designing how you'll integrate your time and attendance system with your Human Resources Information System (HRIS):

- define attendance 'events' as business concepts (e.g., teleworking, training, overtime, absence)
- agree on event definitions, who owns them (HR or line manager or employee), and their impact on payroll, compliance and reporting

Cleaning your core employee data so it's error-free:

- employee master fields
- job/pay/time structures

Improving auditability and compliance readiness:

- document key payroll controls aligned to internal audit and SOX-type frameworks
- maintain evidence for calculations, approvals and reconciliations
- prepare your payroll to pass audits without the need for last-minute fixes



Resources you'll need:

- ✓ Cross-functional design workshops involving payroll practitioners, HR and operations
- ✓ Legal or compliance input to distinguish mandatory local variation from discretionary differences
- ✓ Data governance ownership for core employee, pay and time data
- ✓ Change management support to address any local resistance and build consensus
- ✓ A clear link between standardisation decisions and downstream payroll, audit and reporting impacts

Common risks in this phase — and how to avoid them

RISK

Local resistance to standardisation.

Countries often fear that standardising payroll will compromise compliance or remove the flexibility they need.

Over-designing future processes without operational input.

Well-intended designs can look elegant on paper but fail in real-world payroll scenarios.

HOW TO AVOID IT

Be explicit about the difference between legally required local variation and discretionary differences.

Use error, rework and exception data to show the cost and risk of unnecessary variation.

Involve payroll practitioners directly in design workshops.

Validate standards using real pay scenarios before you finalise them.



You won't have real-time integration between payroll and your workforce management system at this stage.

When you'll know you're ready for the next phase

- You have standard data definitions that match your HCM platforms.
- Your data quality improves.
- Local exceptions and manual workarounds decrease.
- You have a documented list of key payroll controls.
- You've built an attendance event catalogue with defined processes.

Phase

3

RATIONALISE YOUR OPERATING MODEL AND VENDOR APPROACH

Typical time taken:

3-4 months

Start here if you're ready to make choices about how payroll will run in the future (but not yet put them into practice).

Your objective here is to be ready for a single payroll, HR and workforce management vendor, even if you don't switch yet.

Focus on:

Defining your target operating model:

- global, regional, or hybrid
- in-house, outsourced or managed service

Evaluating vendor performance and coverage

Reducing vendor complexity:

- consolidate country providers where feasible
- simplify contract models and governance

Deciding where time and attendance should logically sit, long term:

- should it be HR-led or payroll-driven?

Establishing integration guardrails:

- event-based, API-first, minimal payroll coupling, HRIS as system of record (not payroll)

Confirming your vendor strategy:

- will you have a standalone time solution or future HCM-native?



Resources you'll need:

- ✓ A clear framework for evaluating operating models (global vs regional vs hybrid)
- ✓ Commercial and procurement input to assess vendor performance and contract complexity
- ✓ IT architecture guidance to define future-fit integration guardrails
- ✓ Time to objectively assess current vendors against future requirements — not legacy loyalties
- ✓ Senior alignment on what decisions are in scope now vs the ones deliberately deferred

You're not ready to implement in this phase, as vendor decisions may change, and you don't want to build real-time integrations you later throw away.

Common risks in this phase — and how to avoid them

RISK

Locking into vendor or operating model-decisions too early.

You want to avoid any potential rework resulting from decisions made before processes and requirements are mature.

Focusing purely on cost reduction.

A low-cost model that can't scale or support future transformation quickly becomes a constraint.

HOW TO AVOID IT

Set clear decision guardrails.

Separate the need for short-term stabilisation from long-term strategic commitments. Own your process and data model first — don't let vendor selection drive them.

Evaluate options based on alignment with future HCM platforms, service resilience and governance, rather than cost alone.



When you'll know you're ready for the next phase

- ✓ You've defined a target payroll operating model that makes sense for your organisation.
- ✓ You've drawn up a shortlist of strategic vendors.
- ✓ Ownership between HR, payroll, IT and finance is clear.
- ✓ You've set clear rules on a future integration of your time and attendance system with your HRIS.

Phase

4

SIMPLIFY INTEGRATIONS AND PREPARE YOUR TECHNOLOGY

Typical time taken:

4-6 months

Start here if your processes and data are already standardised and vendor direction is clear as you prepare to move to a unified HCM platform.

Your objective here is to get your systems ready for a unified people operations platform, without over-engineering your integrations.

Focus on:

Simplifying integrations:

- point-to-point —> API-based where possible

Removing shadow systems and spreadsheets

Aligning security and access models to HCM standards

Preparing migration data sets and mapping logic

Implementing event-based (or near real-time) integration between your time and attendance system and your HRIS

Resources you'll need:

- ✓ Integration and security architecture expertise aligned to modern HCM platforms
- ✓ Agreed data ownership between HR, payroll and IT
- ✓ Support from HRIS and workforce management system owners to validate event models
- ✓ Test capacity to validate end-to-end data flow (HR —> time —> payroll —> finance)
- ✓ Discipline to remove shadow systems and workarounds, not carry them forward



Common risks in this phase — and how to avoid them

RISK

Building integrations on top of unstable or non-standard processes.

Automation amplifies whatever it touches — including inconsistency.

Creating point-to-point or payroll-centric integrations.

Short-term fixes can lock you into architectures that won't support a unified HCM platform.

HOW TO AVOID IT

Enforce clear entry criteria before integration work begins, including standard data definitions and clear process ownership.

Adopt event-based, HRIS-led integration principles.

Validate designs against your target HCM architecture, not just current constraints.



When you'll know you're ready for the next phase

- Your integration architecture is clean and resilient (changes don't break your downstream systems).
- You've tested how data flows HR —> time —> payroll —> finance, and it's working predictably.
- You depend much less on IT for payroll changes.
- You've removed batch files, manual uploads and payroll-specific extracts by moving to an event-based architecture, where changes are captured and shared as events in real time.

Phase

5

Typical time taken:

6-12 months

TRANSITION SAFELY TO A SINGLE-VENDOR, UNIFIED HCM PLATFORM

Start here if you've selected your target vendor, confirmed funding and executive sponsorship, and are ready to move from preparation to live deployment.

Your objective here is to make the move to a unified HCM platform, reusing standardised processes and data to protect payroll accuracy during the transition.

Focus on:

Running a structured vendor selection:

- payroll capability per country
- time and workforce management depth
- upgrade frequency and innovation

Carefully phasing deployment to protect payroll stability:

- payroll —> HR core —> workforce management

Reusing established data and event models

Decommissioning your legacy vendors and systems



This phase introduces the highest change risk. Its success depends less on technology readiness and more on governance, change discipline and payroll ownership.

Resources you'll need:

- ✓ Strong executive sponsorship across HR, finance and IT
- ✓ Dedicated programme and change management capability
- ✓ A phased deployment plan that protects payroll at every step
- ✓ Clear principles on configuration vs customisation
- ✓ Ongoing payroll expertise embedded in the programme, not sidelined after go-live

5 Common risks in this phase — and how to avoid them

RISK

Treating the HCM implementation as a tech project.

It's a business transformation, which needs clear ownership to ensure take-up and positive employee experience.

Over-customising the HCM platform to replicate legacy ways of working.

Customisation like this erodes scalability, increases cost and complicates upgrades.

HOW TO AVOID IT

Make this a business-led transformation with strong change management, accountability and phased deployment focused on end-to-end journeys — not modules.

Enforce 'configure before customise' principles.

Allow exceptions only where there's a clear, documented business value and risk justification.



When you'll know you're ready for the next phase

- ✓ You've decommissioned your legacy payroll solutions.
- ✓ The user experience of both employees and managers has improved.
- ✓ Your time and attendance function is fully embedded in the HCM platform (or tightly integrated).
- ✓ You've embedded event architecture for unified time, HR and payroll, with expanded use of events for:
  - workforce analytics
  - compliance
  - planning.
- ✓ Your unified HCM platform is now live.

FROM ROADMAP TO REAL PAYROLL PROGRESS



77%

of payroll leaders globally say it would be highly valuable to partner with a provider offering a single solution for HR, payroll, and workforce management.[1]

GOOD PAYROLL ISN'T THE FINISH LINE.

It's how you finally get moving in the ambition you share with thousands of companies around the world: to manage their people operations on one platform, with one flow and one trusted set of facts.

By starting with payroll, and progressing deliberately, organisations reduce risk, build confidence and create the conditions for a successful unified HCM system.

Talk to ADP about where you are today — and how good payroll can become the basis for work that works as one.

Learn more at uk.adp.com

1. ADP, The potential of payroll in 2026: global payroll survey

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