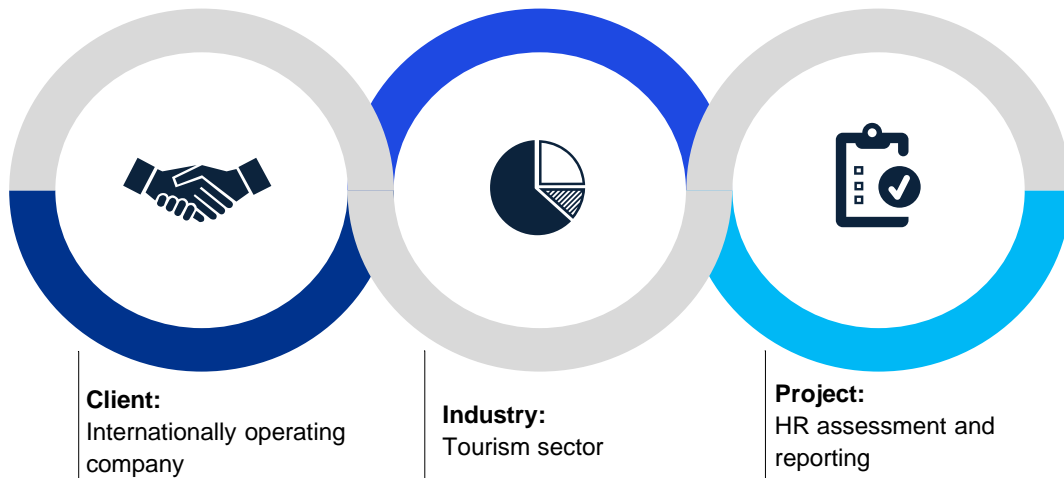


Case study: Payroll Processes, Controlling and Reporting



A sharp drop in sales during the COVID-19 pandemic and the introduction of short-time work globally led to major challenges for the client:

- Payroll processes have been outsourced to external service provider
- Low transparency of monthly personnel costs, especially in times of short-time work (COVID-19)
- Lack of coordination between HR, controlling and external service provider

The client approached KPMG with the following requests:

- Analyze internal processes between Controlling, HR and the external payroll provider
- Derive measures to optimize internal processes between Controlling and HR
- Optimize the external processes between HR and the payroll provider

in order to create transparency on personnel costs.

- Conduct interviews with selected HR and Controlling experts to deepen the understanding of the current processes and data flows
- Perform process workshops to identify shortfalls in the existing processes and IT landscape
- Review existing contracts with external service providers
- Define measures for improvement regarding processes, organization and capabilities of the service provider
- Create dynamic tool for calculating global personnel costs under consideration of short-time work
- Set up a monthly report on global personnel costs in alignment with HR, Controlling and external providers (Excel and SAP)

- Evaluated the current situation as well as the performance of the external payroll provider
- Optimized processes in collaboration with the external service provider resulting in an improved quality of performance
- Recommended tangible courses of action to optimize internal processes and data flows between HR and Controlling
- Coordinated a robust monthly forecast of personnel costs taking into account short-time work