SD Worx Payroll Services

Vendor Assessment Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Payroll Outsourcing Vendor Assessment for SD Worx is a comprehensive assessment of SD Worx's Payroll Outsourcing offering and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of payroll outsourcing and identifying vendor suitability for payroll process outsourcing RFPs
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the support services sector
- HR decision makers.

Key Findings & Highlights

SD Worx is a European HR service provider with presence in five countries and ~51k clients including 45k in Belgium, where the company is based.

SD Worx performs ~1.4m payroll calculations monthly, 30% of which are for the SMB market. The business has three divisions (with approximate proportion revenue share):

- Payroll (85%), including SaaS payroll, managed payroll services, and comprehensive payroll services which includes employee data entry and contact center
- HR consulting (10%), including RPO services (launched in 2013), reward (including consulting, salary survey and reward tools), HR software (including technical skills to implement and support SD Worx HR software as well as Cornerstone OnDemand and People XS), and HR learning services (serving ~2.5k clients)
- Tax and legal (T&L) (5%), including consulting, training and advisory services for social law, tax regulations, labor conditions and contracts, international labor law and tax law, online tool for expats and executives.

Approximately 60% of its large payroll customers also purchase HR and/or T&L consultancy from SD Worx.

SD Worx founded the Payroll Services Alliance in 2010, which provides payroll services across 28 countries in Europe. It provides mutual exclusivity for vendors and clients, and brings harmonized service levels and multi-country reporting. Member organizations include:

- SD Worx (joint founder): servicing Western Europe with presence in Belgium, France, Germany, the Netherlands, and Luxembourg as well as local partners in Austria, Italy and Turkey
- Aditro (joint founder): servicing the Nordics with presence in Denmark, Estonia, Finland, Norway and Sweden
- Elanor (joined 2011): servicing Central and Eastern Europe including Bulgaria, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine
- Trianon (joined 2011): servicing Central Europe with presence in Switzerland

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- Seresco (joined 2011): servicing Southern Europe with presence in Spain and Portugal
- Cintra (joined 2012): servicing UK and Ireland.

The total Payroll Services Alliance group represents €490m in combined revenues, 4.2k employees, ~63k customers, and ~5.7m payslips each month. 10% of SD Worx's revenues are derived from clients which are also clients of one of the partners. There are 15 projects using the Payroll Services Alliance as a delivery mechanism to provide services across vendors and across countries.

To support multi-country needs, SD Worx also partners with local payroll providers; recently, SD Worx added Israel and South Africa to the list of countries supported.

SD Worx's HR software technology partners include Cornerstone OnDemand and PeopleXS as well as supporting interfaces to HR software vendors such as Workday.

Scope of the Report

The report provides a comprehensive and objective analysis of SD Worx's payroll outsourcing offering, capabilities, and market and financial strength, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, weaknesses, and outlook
- Revenue estimates
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization including the location, size and scale of delivery locations and their activities.

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Report Length

12 pages

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