



Alight Solutions Next Generation Payroll Services

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Payroll Services Vendor Assessment for Alight Solutions is a comprehensive assessment of Alight Solutions payroll services offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of payroll outsourcing and identifying vendor suitability for payroll services 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 and payroll decision makers.

Key Findings & Highlights

Alight Solutions (Alight), formerly the outsourcing business of Aon Hewitt, headquartered in Lincolnshire, Illinois is a technology-enabled provider of health, wealth, HCM, and financial solutions.

Alight's business is organized into the following segments:

- Health and Wealth Solutions, including the following services:
 - Defined benefit, defined contribution, and health and welfare; as well as supporting HR services including advocacy, spending account administration, and compliance services
- HCM and Financial Solutions, including the following services:
 - Advisory: cloud system fit-gap analysis, deployment readiness assessments, target operating model design, stabilization, and testing services, change management programs, and optimization assessments
 - Cloud deployment: data conversion, process configuration, integration development, change management, testing, and enablement packages for post-go-live success
 - Application management services: new module deployments, tenant assessments, business initiative support, release management, configuration changes, integrations, and reporting changes
 - Ongoing support (HR BPaaS): including HR portal, customer service/contact management, application management services (AMS), HR data management, payroll, compensation, benefits administration, and talent management services.

Alight's payroll services experience dates back to 2004 when it entered the multi-process HR outsourcing space through its acquisition of Exult. Since then, Alight has developed deep expertise in delivering payroll administration services to large, complex organizations leveraging leading HCM platforms (e.g., Workday, SAP, PeopleSoft, etc.).

Today, Alight's payroll services offering produces:

- 24 million checks processed; 2.7 million on Workday
- \$69 billion in payroll across multiple platforms

- \$30.1 billion in payroll tax liabilities deposited/paid
- 375,000 payroll tax returns
- 1.3 million garnishments paid.

This profile focuses specifically on Alight's payroll services offering; for a more comprehensive profile of Alight's broader HR services capability, refer to the following vendor profiles available to NelsonHall subscribers, including:

- Alight Solutions - Cloud & Multi-Process HR Services
- Alight Solutions - Benefits Administration

Alight's offers both a partial and fully managed payroll service, which are available as a standalone or as part of its broader multi-process HR services offering. Alight offers its payroll services in two primary service levels, including:

- Comprehensive Payroll: a fully managed, end to end payroll processing support offering with optional add-on services available for: garnishments, tax processing, and check print and distribution
 - Pre-processing, including:
 - Time data/file load and calculation
 - Manage payroll inputs and special payments (e.g., stock options, relocation, retro pay, etc.)
 - Manage integration (inbound/outbound interfaces)
 - Validate and QA inputs for processing
 - Payroll processing, including:
 - Gross to net calculations
 - Validations and reconciliation
 - Off-cycle payment processing
 - Post payroll, including:
 - Monitor positive pay for voids/reissue
 - Request/process payroll funding
 - Post payroll integration management (outbound files)
 - Wage and tax validations
 - Stale dated check review/assistance
 - Validate and release GL files
- Optional services, including:
 - Employment Verifications
 - Unemployment claims management
 - Payroll bank reconciliation
- Co-Sourced Payroll: partial, point solution offering for garnishments, tax processing, and check print and distribution. Alight requires

clients adopt two of three services to leverage the co-sourced payroll model

– Garnishment services, including:

- Intake, setup, and interpretation of withholding orders
- Review of payroll results for withholding orders
- Processing of payments and disbursements
- Request funding for Garnishments

– Tax processing, including:

- Tax validation: balance, distribute, and confirm receipt of tax integrations
- Validate tax liabilities on all pay cycles
- Request funding for taxes
- Deposit taxes
- File tax returns
- Distribution of annual tax slips (online/print)
- Year-end plan management

– Check and advice print and distribution.

Alight's payroll services are available as a standalone offering; however, its clients typically bundle payroll with at least one other HR service, most commonly including contact center support, benefits administration, HR data administration, or time and attendance, as part of the scope. ~20% of Alight's payroll clients are standalone payroll clients and have only the one service in scope.

Alight prices its payroll services on a rate per employee per month (PEPM), with a one-time fee for implementation. Payroll contracts are generally three to five years in length. Implementation times are varied and depend on the solution being deployed, e.g., platform, scope, complexity, etc.

Alight offers a comprehensive consult to operate model for its cloud and multi-process HR services, with the capability to support clients with consulting, deployment, and ongoing support for HR platforms and services. For a more detailed overview of Alight's HR BPaaS services offering, please refer to [Alight Solutions - Cloud & Multi-process HR Services](#) vendor profile.

To deliver its payroll services, Alight takes a technology agnostic approach, support clients by leveraging their existing HCM and payroll platforms.

Alight offers support for platforms including, Workday, SuccessFactors, and Oracle Cloud HCM. NelsonHall estimates that ~70% of Alight's multi-process HR services clients are using a cloud-based HR system, with the remainder primarily leveraging an on-premise PeopleSoft system. NelsonHall estimates that ~25% of Alight's hosted multi-process HR services clients have migrated to a cloud platform and are leveraging managed services from Alight.

Alight leverages RPA across its entire breadth and portfolio of HR services, with the intent of increasing efficiency, speed of delivery, and quality, to deliver an enhanced client experience.

Alight offers a wide range of automation capabilities including robotic process automation (RPA), artificial intelligence (AI), and optical character recognition (OCR) in the delivery of its HR services. It currently has 170 back office processes leveraging automation and OCR for ~100k forms across tax and garnishment services, supported by over 50 bots.

Alight has ~3.9k employees across its HR, and financial solutions segment, with ~1.6k, dedicated to payroll services delivery across centers in North America, Europe, and India.

Its delivery mix is ~70% offshore, 20% onshore, with the remaining 10% embedded in client locations. Exhibit 2 provides a view of Alight's payroll delivery centers globally, including the languages and geographies supported from each.

Alight has ~50 payroll services clients and processes payroll for ~1m employees. Alight primarily targets its payroll services toward U.S. and U.K. based middle and large market clients.



Scope of the Report

The report provides a comprehensive and objective analysis of Alight Solutions' Next Generation Payroll services 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 of delivery locations.

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Report Length

8 pages

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Next Generation Payroll Services Vendor Assessments also Available for:

Accountor
activpayroll
Adam HCM
ADP
Ascender
AscentHR
BDO
Ceridian
CloudPay
Excelity Global
Immedis
Infosys
Kronos
Neeyamo
NGA HR
OSV
OneView HR
Paychex
Ramco
Safeguard Global
SD Worx
WNS
Zalaris