

NGA HR 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 NGA HR is a comprehensive assessment of NGA HR's 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

NGA Human Resources (NGA HR), headquartered in Hemel Hempstead, U.K., is a provider of HR software and services. It has been in the HR and payroll services business since 1969 when it operated as a software business called CMC and has been through a number of rebrands and acquisitions since then, including:

- (2000) CMC rebranded to Northgate, which later acquired Arinso (2007)
- (2009) its Arinso acquisition resulted in its rebranding to NorthgateArinso
- (2010) Northgate Arinso acquired Convergys HRM (now Concentrix), to strengthen its multi-process HR services offering and expand its geographic footprint in the U.S
- (2013) the company formally shortened its name, adopting the NGA HR brand
- (2015) Goldman Sachs and Park Square Capital acquired ownership of NGA HR from private equity firm Kohlberg Kravis Roberts & Co. L.P. ("KKR")
- (2017) NGA HR divested its Australia and New Zealand book of business to Ascender including HCM platforms Preceda and PS Enterprise
- (2017) NGA HR sold its U.K. mid-market and SMB (Moorepay) divisions ("NGA UK"), to Bain Capital Private Equity.

NGA HR is organized into two core business segments:

- Digital HR services:
 - HR & Transformation consulting
 - Implementation services
 - AMS support
- HR and payroll outsourcing:



- Payroll processing: system support including infrastructure, application, software, and maintenance
- Managed payroll services: system support, payroll validation, and payroll management services (i.e., payroll execution, payments, payroll reports, legal reporting, remittance payments, and SME payroll including the option of payroll data handling/entry)
- Comprehensive outsourcing services: system support, HR administration, time management, and at least one HR service offering, including payroll or an adjacent administrative HR service such as benefits administration or talent administration.

Today, NGA HR offers payroll services in 188 countries and provides payroll services to ~200 clients, and ~3m employees.

This profile focuses exclusively on NGA HR's payroll services business. For a more comprehensive review of NGA HR's broader HR services and digital HR capability, please refer to the following vendor profiles available to NelsonHall subscribers: <u>NGA HR - Cloud & Multi-Process HR</u> <u>Services</u> and <u>NGA HR - RPA & AI in HR Outsourcing</u>.

NGA HR offers both fully-managed global payroll outsourcing services, as well as partial processing services. Its payroll offering is available as standalone or as part of a broader multi-process HR services contract.

NGA HR's payroll services are offered through the following service levels, including:

- Comprehensive HR and Payroll, including:
 - Voice support
 - Data management
 - Pre/post-processing
 - Payroll technology platform
 - Payroll processing
- Managed Payroll and Data, including:
 - Data management
 - Pre/post-processing
 - Payroll technology platform
 - Payroll processing
- Managed Payroll Services, including:
 - Pre/post-processing
 - Payroll technology platform
 - Payroll processing
- Payroll Processing Services, including:
 - Payroll technology platform
 - Payroll processing.

NGA HR offers a comprehensive payroll services solution delivered globally, covering 188 countries and including:



- Payroll data management
- Exception processing
- Build to gross support
- Payroll processing (gross to net calculation)
- Pre/post payroll validations and reconciliation
- Integration management
- Monthly/Quarter/Year-end activities
- Payroll compliance and reporting.

NGA HR prices its payroll services on per employee per month (PEPM) basis, with contract lengths generally ranging from five to seven years.

Payroll remains a major gateway service for NGA HR's multi-process HR services business. Its core multi-process HR services bundle, purchased by the majority of its clients, includes payroll and HR administration services. ~50% of its payroll services contracts are for managed payroll including voice and data only.

To deliver its payroll services, NGA HR leverages its proprietary technologies, with capability to address ~96 countries, including:

- hrX Exchange (formerly Payroll Exchange: PEX):
 - Middleware solution to complement global data in cloud HR solution with local data to run payroll: map data fields, ensure local compliance, provide single sign-on, enable analytics and reporting, and manage interfaces across geographies. hrX controls all payroll runs and provides the payroll manager's dashboards. It offers a single user interface to HR data, reports, and processing controls for 188 countries
- euHReka:
 - Proprietary payroll platform which is dedicated to its global payroll offering through a multi-tenant and preconfigured implementation of the SAP HCM Payroll, which is configured to support >50 countries
- SuccessFactors Employee Central Payroll:
 - Leverages the native payroll capability of the SAP SuccessFactors Employee Central Payroll platform currently configured to support ~46 countries.

All of NGA HR's platforms offer certified integrations with leading cloud HCM platforms such as Workday, SAP SuccessFactors, and Oracle Cloud HCM.

NGA HR's technology platforms are enabled on mobile and tablet, with an adaptive design for use on mobile devices, and offering employees the same capability as the desktop version, to access payroll-specific data, including the ability to view pay-slips and time records, and change/amend basic data.

NGA HR can implement multi-country payroll solutions in a phased or 'big bang' approach. Timeframes for implementation vary depending on client size, the scope of countries being implemented, and complexity.

NGA is focused on leveraging intelligent technologies across its breadth of HR services, to increase operational efficiency and scale, improve



quality and consistency, and enable an enhanced digital HR delivery experience for its clients.

Over the past two years, NGA has continually invested in, developed, and integrated RPA (Robotic Process Automation) and AI (Artificial Intelligence) into its HR service offerings. While its initial use cases focused on service delivery management and payroll (a key offering adopted by the majority of its client base), it aims to gradually extend this to all of its HR solutions and services in the longer term.

NGA's RPA and AI capability is focused on addressing the following:

- Chatbot enabled employee/manager self-service
- Automated inquiry/ticket management (including subsequent data entry/updates)
- Payroll and HR data entry
- Payroll validations (error detection during processing)
- Anomaly detection (allowing clients to detect rewards deviations before they are paid)
- Automation of payroll processing for achieving "touchless payroll" (full autonomy).

NGA has ~50 bots in place today addressing multiple use cases and outcomes. Although it will continue to invest in expanding its use of bots and developing their intelligence and capability through AI and ML, it expects to contract the volume as it moves forward, by merging bot capabilities, enabling the bots to take on more use cases and increased workloads.

NGA HR has ~5.3k employees globally servicing clients from its network of offices and nine strategic centers globally. ~3.1k employees are dedicated to HR outsourcing delivery including payroll services. It delivers payroll services to ~200 payroll services clients, supporting ~3m client employees, in 25 languages, and has payroll delivery capabilities for 188 countries.

NGA HR mainly leverages local expertise in-country supported by an offshore/nearshore delivery mix for its HR and payroll service. All of NGA HR's delivery centers have voice capability, and NGA HR provides language support for 25 languages.

NGA HR primarily targets large enterprise and upper middle market MNC's for its global payroll services.

NGA HR's payroll contracts average 17 countries in scope, with ~85% of its contracts including at least two or more countries in scope.

NGA HR does not target specific industries for its payroll services, and thus supports clients from a wide range of industry sectors.





Scope of the Report

The report provides a comprehensive and objective analysis of NGA HR's 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

12 pages

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Next Generation Payroll Services Vendor Assessments also Available for:

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