



Neeyamo 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 Neeyamo is a comprehensive assessment of Neeyamo 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

Neeyamo, founded in 2009 and headquartered in Chennai, India with its principal office in California, is a pure-play provider of HR services with an emphasis on serving long-tail countries.

Neeyamo signed its first multi-process HR services client, a telecommunications company, in 2010. Initially, Neeyamo was providing HR services exclusively to the mid-market but has since expanded its focus to include large market organizations, particularly targeting global multi-nationals by focusing on underserved geographies.

In 2012, Neeyamo began to provide cloud-based HR services, focusing initially on the deployment of SAP SuccessFactors. Today, Neeyamo's cloud-based HR services are offered within its cloud transformation services segment.

To date, Neeyamo has grown its cloud and multi-process HR services business organically.

Neeyamo's HR business is organized into the following service lines:

- Global payroll: serving 113 clients across ~153 countries and processing ~11m pay-slips annually
- Multi-process HR services: serving ~22 clients and ~150k employees across ~75 countries
- Pre-employment screening: ~200 clients served across ~185 countries, ~5m elements verified, and ~21 types of checks
- Cloud transformation services: ~60 projects completed to date; serving ~50 clients across ~70 countries.

Across all of these lines of business, Neeyamo supports ~300 clients in ~185 countries.

This profile focuses specifically on Neeyamo's payroll outsourcing services capability.

Neeyamo's payroll services offering is a foundational service within its broader HR BPaaS offering and includes both partial and fully managed payroll services.

Neeyamo's payroll services offering includes:

- Processing services (SaaS), including:
 - Data entry
 - Supplementary calculations and computations
 - Data validation
 - Payroll processing
 - Disbursements
 - Supplementary pay runs
 - Payroll assistance
- Fully managed services
 - Data input collation
 - Data consolidation
 - Data entry
 - Supplementary calculations and computations
 - Data validation
 - Payroll processing
 - Multi-country payroll/global payroll and compliance services
 - Disbursements
 - Supplementary pay runs
 - Payroll assistance
 - Payroll self-service management
 - Payroll/HR helpdesk
 - Ticketing and queue management system

Payroll is a foundational and gateway service for Neeyamo's broader HR services offering, with ~70% of its client base subscribing to payroll services. ~40% of its payroll services contracts are for standalone payroll (absent other HR services). Its multi-country contracts include ~28 countries in scope on average.

Neeyamo prices its payroll services on either a per pay-slip or per employee per month (PEPM) basis. It offers volume discount pricing based on the number of employees paid per cycle, and for longer-term deals. Typical contract lengths average three to five years, with some clients choosing longer seven-year contract terms.

Neeyamo can implement single country payroll solutions in approximately three months, while multi-country payroll is implemented in waves, with high problem/high priority regions addressed first. Each wave takes between two and three months to implement.

Neeyamo delivers payroll services through its proprietary payroll technology, PayNComp and maintains prebuilt integrations to leading HCM and finance platforms (e.g., SuccessFactors, Workday, etc.)

PayNComp is designed to deliver end to end automation of payroll processes across more than 40 countries and has functionalities built

into the system such as contextual assistance and payroll analytics. Its analytics capability includes defined reports, custom reports, and dynamic dashboards.

For broader HR services, Neeyamo is technology agnostic and will either leverage its client's system or will implement a new technology platform. With respect to third-party platforms, Neeyamo has had a longstanding (2012) partnership with SAP and has established strong capabilities around SAP SuccessFactors, including an SAP SuccessFactors center of excellence and an SAP SuccessFactors Employee Central service center. Neeyamo also has similar centers of excellence for the Oracle and Workday platforms.

As part of its cloud transformation services, Neeyamo's offering includes Unbox HR, a rapid deployment solution for SAP SuccessFactors. While the solution is focused on core HR and broader talent management capability, Neeyamo can integrate its PayNComp solution for multi-country payroll.

Neeyamo has ~1.6k employees across its HR services business, with ~635 dedicated to payroll and HR services delivery, with the remainder of its resources dedicated to employment screening services, Multi-process HRO, IT and cloud transformation services.

Neeyamo primarily leverages an offshore delivery approach for its payroll services, with its largest delivery centers located in Pune, India. In 2018 Neeyamo added a second center in Pune to support growth bringing its total global delivery centers to six in total (refer to Exhibit 2).

Neeyamo offers its payroll services and solutions globally, supporting employees in over 150 countries. In countries where Neeyamo does not have a physical presence, it leverages its partner network (currently ~50 vendors) to deliver last-mile connectivity requiring physical presence for its payroll services.

Through its development of PayNComp, Neeyamo is gradually increasing its multi-country coverage (currently 40+ countries) and is targeting bringing this coverage to 90+ countries by the end of 2019. With this expansion, Neeyamo expects to reduce its dependency on payroll partners.

Neeyamo positions itself as a long-tail country specialist, HR services provider, striving to address the white spaces commonly experienced by organizations today within their HR delivery models.

It targets large enterprise-sized organizations which tend to have ~70% of their employees based in home and secondary countries, with the remaining 30% distributed in small numbers across multiple locations constituting a "long-tail" of countries. While its primary focus is on targeting large Fortune Global companies, it is capable and does service smaller companies with fewer than 500 employees.

Neeyamo has ~113 payroll clients distributed globally, and delivers services across ~150 countries, supporting ~800k employees, producing ~11m pay-slips annually. Its largest payroll client is a global manufacturer for which Neeyamo is serving ~55k employees in over 40 countries.



Scope of the Report

The report provides a comprehensive and objective analysis of Neeyamo'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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