

Top 10 Success Factors for Payroll Implementations

The decision has been finalized and you are excited about your new payroll solution! Now your attention focuses on how to best approach the implementation. Taking the following measures can greatly increase your chances of success.



- 1. Schedule a kick-off meeting.**


Include your team, your vendor and key stakeholders in this meeting. The purpose of the project kick-off is to establish timelines and objectives for the distinct steps in the implementation project plan, review project team member responsibilities and any supportive material. Any reservations should be addressed in order to achieve full stakeholder participation and optimal enthusiasm.

- 2. Establish a detailed project plan.**

The project plan that you prepare should reflect the vendor's implementation methodology, and adapt to your resource availability. Work with your team to establish the first available start date, and resource commitments required to reach the milestones of the project, in keeping with your goals for going live on the payroll software. Ensure that you include the task, duration, start and finish target dates, and the people assigned to each task.

- 3. Conduct process re-engineering.**

Take the time to step back and review current business processes. It is possible that inefficient processes may have evolved in the past, and now is the perfect time to re-engineer them. Ask critical questions such as whether there is a specific reason for a manual calculation or maintenance of a duplicate set of data. Turn this into a positive outcome for the payroll department by determining if there will be an opportunity to eliminate time-consuming, redundant processes through implementation of the new software. For example, it may be possible to set up the software to automatically calculate earnings / deductions, produce previously manually compiled reports, or electronically interface with other software applications to replace manual duplicate keying of data.



4. Develop a training plan.

Determine the training needs of all stakeholders who will have access to the software, and plan to provide these individuals with the training they will require to get the most value from the payroll software. In addition to solid payroll processing training, you may also want to include system set-up training in order to provide an understanding of the configuration over which the users will have control and what to consider during the initial set-up. Reporting training should be considered as well, not only for report generation, but also as a tool for auditing the data.

5. Prepare for scenario testing.


Create a sample of test employees who will represent a cross-section of your organization's employee population. For example, a solid testing plan will include employees that are salaried, hourly, commissioned or union; with different benefit plans; and of different gender, age and marital status. Payrolls should be processed for these test employees, the results verified in detail, and any necessary adjustments made to the configuration. Thorough scenario testing prepares the payroll user for parallel testing, and a well-designed scenario testing plan will ensure that parallel testing does not become scenario testing.


6. Assess your existing data.

Consider how much historical data you will need to convert into the new payroll software. For example, if you have high turnover rates you may want to consider how much EI history you want to bring into your new software. Consult with the vendor's data conversion experts to determine the format in which your employee master and year-to date data needs to be provided. Ensure that you will still have access to any data not being converted into the new software, either in your old solution or in a viewable format, for history purposes. Now is the appropriate time to clean up all of your records so that the data being converted into the new software is accurate.

7. Invest in creating your data map.

Your configuration is like a shell that is ready to receive the data, and because it has been designed differently from the old solution, it will interpret some of the data differently, and so the sample set of data that you have deemed to be accurate (above) will need to be mapped from your previous solution to your new one. Investing time and effort on this mapping process will always pay off, as it is a very detailed process steeped in perfection! Plan to run the YTD conversion process twice – once prior to parallel testing, and again before go-live. If you have invested in the data mapping effort, there should be no need to do this more often. As a side





note, this is also an opportune time to run T4 balancing reports on the new software as a test of accuracy.

8. Document your new business processes.

Capture all of your new business processes in formal documentation, as a means of establishing backup material. This effort can also serve to reinforce your learning and familiarization with the new software, and act as a test script for future use. You may be able to use the outcome of your business process re-engineering (see above) as a starting point in this documentation step.

9. Celebrate the live date.

Once the first payroll has been completed on the new software, be sure to celebrate – you and your team have worked hard to make it a success!

10. Meet for a post live review.

Schedule a meeting with your team and your vendor to discuss any outstanding items, follow-up requirements and future phases, for example adding on an employee self service component. Highlight your successes, and review the challenges that were encountered. Document the learning points for application in any future implementation projects.

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