

Case Study

Global Expat Pay helps
FTSE 100 Financial Services
Global Mobility team
articulate business case
for transformation.

When a global FTSE 100 Financial Services organisation needed support addressing the challenges faced by its Global Mobility operations and building a case for investment in the transformation of the function, it approached Global Expat Pay for help.

Completing a diagnostic analysis of the organisation's current Global Mobility operating landscape, Global Expat Pay was able to ascertain the root causes of the issues faced. This analysis enabled the operation to articulate to stakeholders the commercial value and cost savings achievable by streamlining processes with the right infrastructure and technology.

The customer challenge

Prior to working with Global Expat Pay, the organisation's Global Mobility Lead spent 18-months tracking its internal processes and recognised that a disproportionate amount of the Global Mobility function's time was being spent on administrative operations, preventing it from adding strategic value to the wider business.

Routine tasks, such as compiling payroll instructions, reporting and handling assignee pay queries, were taking an exorbitant amount of time.

Challenges included, Global Mobility Consultants spending, on average, one week per month compiling payroll instructions and rectifying errors. In addition, payroll data was inputted an average of seven times, requiring six further checks and two phone calls per month. Other business functions including payroll, finance and tax in the headquarter and host locations were experiencing operational issues traced back to these challenges.

Fluctuating FX rates were also a problem. With assignees paid in the host nation's currency but paying UK tax rates, minimising FX rates and their associated costs was an ongoing challenge for the organisation.

Despite the best efforts of the Global Mobility team things were not improving; the number of assignee and business escalations were increasing and were in danger of undermining the impact of Global Mobility within the organisation.

The team knew it had to take a fresh look at the overall operational approach and address root causes rather than reacting to the symptoms to make a real difference. This included automating processes and eliminating duplication of effort to provide a more consultative role to the business, as opposed to just policy management. But they needed help identifying how and evidence to articulate the need for change to other stakeholders.

The organisation approached Global Expat Pay in August 2019 for support in this process, due to its ability to offer technology and services that help manage and simplify all elements of Global Mobility data and payments.

Global Expat Pay's diagnostic process

Global Expat Pay worked with its FTSE 100 Financial Services customer to establish where its main challenges lay and offer support and recommendations that would add commercial value to the business while reducing external costs.

It took a deep dive into the Global Mobility function's day-to-day running, meeting with not only the Global Mobility team but also other key business stakeholders from Finance, tax, payroll and HR to fully understand the process challenges from both sides. The Global Expat Pay team then spent time reviewing policies and payroll files, and analysing data sources and survey results to get to the crux of the issues. Most of the process was conducted digitally to minimise client effort in the diagnostic process.

Through this process, Global Expat Pay was able to identify core challenges faced by the Global Mobility function:

1. Data provision & integrity:

The customer was responsible for the collection and provision of data to its suppliers. This was time consuming and meant that there was a low value add from some of the support provided by its vendors. If the data was incomplete or inaccurate, the vendors incurred additional costs and this triggered significant corrective activity by the Global Mobility team. Monthly payroll processes and year-end data collection were manual. This included reformatting standardised data from third-party vendors into local formats for uploading

to payroll, manual pre-payroll validation, and gathering year-end data from multiple sources and payroll instructions. These complex, manual processes invariably resulted in errors, requiring additional resource and costs to correct.

2. Payment accuracy & delivery:

With third-party vendors summarising annual tax liabilities, resource was required internally to review the requests and initiate the payment process. Requests for payments were often urgent, requiring intensive review. The process was heavily manual, leading to resource constraints.

3. Assignee experience:

A disproportionate amount of time was spent clarifying assignment net pay delivery and pay out structure to assignees, as well as dealing with payment inaccuracies caused by FX rate fluctuations.

4. Reporting & actionable insights:

Business reporting for the Global Mobility function was limited. A large volume of invoices were collated into a report each month and reviewed by senior management for recharging. With no central mechanism or system to support this process, resource was required to compile and review the report, investigate discrepancies, reconcile amounts, and

validate allocations. For HMRC taxed award scheme reporting, collection and manipulation of data from ten sources was required, with expenses analysed under one process and compiled into a single report to highlight potential duplicates.

5. Out-of-scope costs:

As a result of inefficiencies in the data provision and reporting process, out-of-scope service fees from multiple vendors were incurred due to supplemental local support requirements. The majority of these fees were approved locally but invoiced centrally, creating lack of visibility and challenges in centrally managing overall spend.

“Global Expat Pay demonstrated an in depth understanding of our Global Mobility function and the needs of the business. During the diagnostic process the team worked collaboratively with us, were flexible in their approach and did all they could to limit the workload and input required from our team. Even when we flagged we could only work with ISO27001 accredited suppliers, they went out and got the certification. Nothing was too much effort for them.”

Global Mobility Lead

Recommendations and outcomes

Based on the pain points identified within the diagnostic process, recommendations were made that would streamline the data and payments infrastructure, outlining potential cost savings and improved efficiencies (see recommendations table on page 7).

In total, Global Expat Pay was able to **identify potential savings equating to more than £400,000 per year across 150 assignments**, achievable by implementing a technology-enabled data management and payments

strategy. This would wrap FX, payroll, finance, tax, HR, assignment management, expenses, relocation, and immigration costs, all into one solution. The strategy would also help **reduce internal resource spent on data and payments by over 3,100 hours, allowing this time to be invested in more strategic, business critical activities.** The outcomes of this diagnostic process provided the Global Mobility team with the ability to clearly articulate the operational challenges to the wider business and build a case for the transformation investment the function required.

“The results fortified that our internal suspicions were right and provided us with the analytical evidence to reach out to the stakeholders and articulate where investment was needed. The analytics were precise and accurate, and resonated with us and the wider business. The output from the diagnostic process was presented in a format that we could easily communicate with other stakeholders. It provided us with a clear business case for investment in the Global Mobility function and highlighted how streamlining data and payments processes with new infrastructure and automation technology would create cost savings, free up hours to reinvest more strategically and improve the assignee experience.”

Global Mobility Lead

The recommendations and associated savings achievable, included:

	RECOMMENDATION	BENEFIT
Data provision & integrity	<ul style="list-style-type: none"> Automate real-time data collection and validation, enabling payroll teams to handle assignees' payroll as if 'domestic employees' Drive year-end reporting through centralised and consistent data reporting 	<ul style="list-style-type: none"> Unlock the existing payroll capabilities to drive compliance Accelerate tax return season by streamlining reporting availability to the tax teams
Payment accuracy & delivery:	<ul style="list-style-type: none"> Centralise disbursement of regular and urgent assignee, vendor and tax authority payments via Western Union Business Solutions' platform Secure FX rates upon payment instruction and enable mapping of payments made for central reporting and tracking 	<ul style="list-style-type: none"> Single payment source provides visibility of FX rates Activate the option of true split pay to assignees without the administrative and compliance risk
Assignee experience:	<ul style="list-style-type: none"> Enable correct payment of assignment compensation; get payroll right from month one Deliver guaranteed net pay via Western Union Business Solutions' platform to overcome FX and payment fluctuations 	<ul style="list-style-type: none"> Assignee trust in assignment process improved Clear governance and reduced assignee escalations Enhance mobility of key talent and streamline assignment costs
Reporting & actionable insights:	<ul style="list-style-type: none"> Implement centralised and consistent data collection and invoice storage to enable integrated reporting and provide greater business insight Integrate expense data management and assignment data, automating data collection and analysis 	<ul style="list-style-type: none"> Automating cross recharge process Unlock insightful analytics to drive informed decision making Re-direct internal effort spent on manual compliance processes to consulting with the business
Out-of-scope costs:	<ul style="list-style-type: none"> Provide transparency to business on programme total spend Integration of Global Expat Pay with relevant internal and vendor systems Analyse data and reporting remediation projects and review data management approach for cost impact 	<ul style="list-style-type: none"> Enable focused vendor service delivery on technical and added value activity Enhances Global Mobility data use and connects with multiple vendors to support compliance and operational processes



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