Everest Group®

Everest Group PEAK Matrix® for Multi-country Payroll (MCP) Solutions Provider 2022

Focus on EY

October 2022

Everest Group PEAK MATRIX®

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Background of the research

Enterprises with global operations have recognized the need to make the payroll function future-ready, resilient, and standardized. They are striving to do so with the help of next-generation technology elements to deal with the increasing complexity of compliance, workforce transformation, and macroeconomic shifts brought about by COVID-19 and the Great Resignation. One way forward to achieve this goal is to explore the consolidation of payroll operations regionally or globally to reduce risks and overheads. As a result, enterprises have turned to service providers with presence in multiple geographies for assistance.

In addition, due to global talent scarcity, enterprises have found it difficult to find the right talent to run payroll operations entirely in-house. They have also realized that payroll continues to be the single source of truth for employee data and can significantly help executives shape the enterprise's people strategies. Enterprises are now looking for service providers who can not only assist them in remaining compliant but also provide actionable data on their workforce.

In this research, we present and assess the strengths and limitations of MCP service providers featured on the Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2022. The assessment is based on Everest Group's annual RFI process for the calendar year 2022, interactions with leading MCP service providers, client reference checks, and ongoing analysis of the MCP market.

In this research, we focus on:

- Everest Group's Global Multi-country Payroll (MCP) PEAK Matrix® Assessment 2022, a comprehensive assessment of 24 service providers
- Everest Group's EMEA Multi-country Payroll (MCP) PEAK Matrix® Assessment 2022, a comprehensive assessment of 19 service providers
- Everest Group's APAC Multi-country Payroll (MCP) PEAK Matrix® Assessment 2022, a comprehensive assessment of 20 service providers

Providers assessed: activpayroll, ADP, Alight Solutions, Allsec, Ascent HR, BIPO, Ceridian, CloudPay, EY, iiPay, Immedis, Links International, Mercans, Neeyamo, OS HRS, Papaya Global, PayGroup, PaySpace, Ramco, Safeguard Global, SD Worx, Sopra HR, TMF Group, and Zalaris

Scope of this report

Geography
Global

Service providers
24

Services
Multi-country payroll

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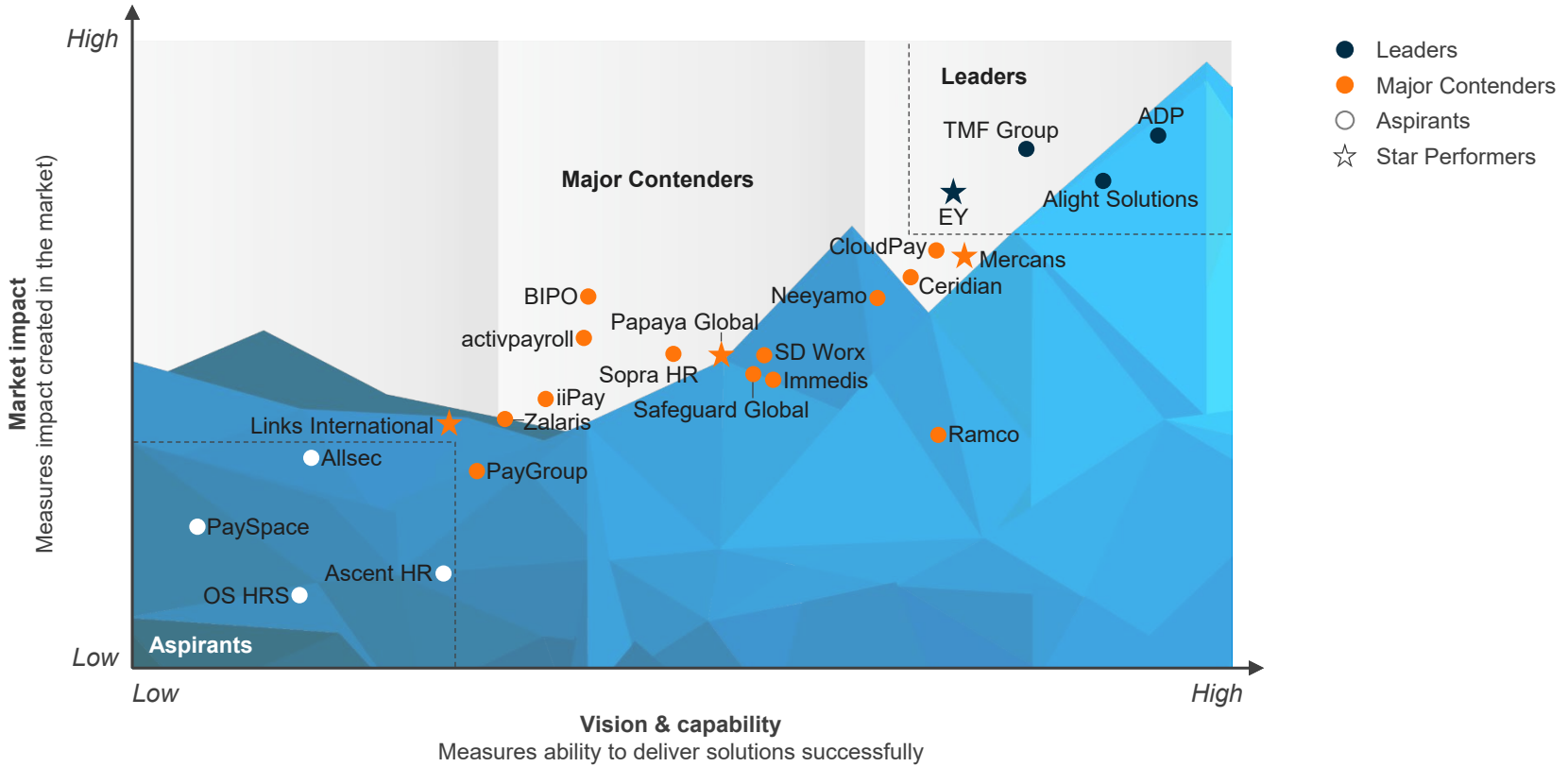
Everest Group PEAK Matrix®

Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2022 – Global | EY positioned as Leader and Star Performer

Everest Group Multi-country Payroll (MCP) Solutions PEAK Matrix® Assessment 2022 – Global[1,2]



1 Assessments for Ceridian, PaySpace, and Zalaris excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with buyers
2 Analysis for PayGroup excludes its acquisition by Deel and assessment for Ceridian includes its acquisition of Ascender, Excelity, and ADAM HCM
Source: Everest Group (2022)

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EY | MCP solutions profile (page 1 of 4)

Service capability and strategy

Company mission/vision statement

Ernst & Young (EY) is a global firm with over 150 years of experience providing services & solutions in assurance, tax, strategy, transaction, and consulting across leading industry verticals. Part of Ernst & Young's NextWave is growing its managed service offerings to over US$11 billion by FY24. The EY Payroll Operate provide fully managed payroll services in over 160 countries, currently serves 700+ global brands, and has a CAGR of 59% with FY-2022 sales at over 111%.

Headquarter: Global: London, England; US: New York City, New York
Website: www.ey.com
Leadership: Sheri Sullivan, Global Payroll Operate Leader

Recent developments

- **2021:** launched EY's Shoebox– unstructured data capture and control tool and Smart Agent to allow users greater leverage of their data by adding AI/ML to create instant reports/metrics/graphs and further data insights; launched alliances with IBM and TCS for payroll, which includes taking PEYtal, its proprietary gross-to-net engine to 25 more countries in FY-2023
- **2020:** DigiPay – EY's global payroll data model and global payroll SOS launched, partnership with ServiceNow started
- **2019:** partnership with Microsoft, Payroll Command Center (PCC), EY Interact Payroll Mobile App (EYIP), and EY's smart payroll chatbot, PEYton launched

Current MCP market segment focus

- **Buyer segment:** multinational companies with greater than US$250 million in revenue; sweet spot is companies with presence in more than 20 countries with populations greater than 5,000 employees. EY has the capability to service clients that have up to several hundred thousand employees worldwide
- **Geography:** North America, Latin America, Europe, the Middle East & Africa, Asia Pacific, Oceania, and the Caribbean
- **Current capabilities:** 100% EY teams in over 160 countries

Key partners

Technology & integration partnerships with Microsoft, TCS, IBM, ServiceNow, Replicon, Oracle, Symantec, Cortina, Guidewire, Blue Prism, and Google Cloud

Total MCP delivery FTEs = 2,169

Offshore[1] 607	**Nearshore**[1] 260	**Onshore** 1,302

Technology solution(s) offered

Technology model	Offered	Name/details
Single-platform model	✓	Payroll Command Center (PCC)
Aggregated model	×	EY services are provided 100% by EY team members
Integrated hybrid model	✓	EYInteract™ is EY's proprietary global payroll solution with integrations across all HCM/ERP and other HR, T&A, and finance systems and processes

Coverage – self | Through partners | Not offered | Both through self and partners

Functional capabilities within key MCP areas across regions

Regions	North America	EMEA	Asia Pacific	Latin America
Payroll preparation	■	■	■	■
Payroll calculation	■	■	■	■
Payroll distribution	■	■	■	■
Reconciliation	■	■	■	■
Third-party payments[2]	■	■	■	■
Payroll tax reporting	■	■	■	■
Vendor management	■	■	■	■
Contact center	■	■	■	■
Time and attendance	■	■	■	■
Expatriate payroll	■	■	■	■

1 FTEs in offshore (India, China, and Southeast Asia) or nearshore (Eastern Europe and Latin America) locations and delivering services to North America, Western Europe, Singapore, Australia, or New Zealand
Source: Everest Group (2022)

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EY | MCP solutions profile (page 2 of 4)

Client portfolio

MCP solutions experience

Total number of current MCP deals
(as of December 31, 2021):
6,996

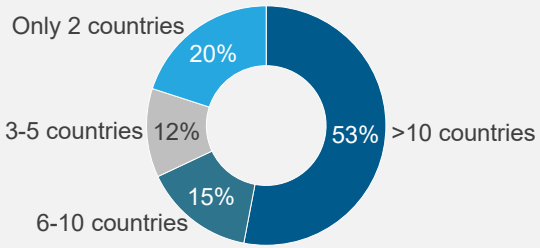
Number of payslips processed annually
(as of March 31, 2022):
25 million+

Major MCP solutions clients

Over 50% of clients are a part of the Global fortune 500 list.

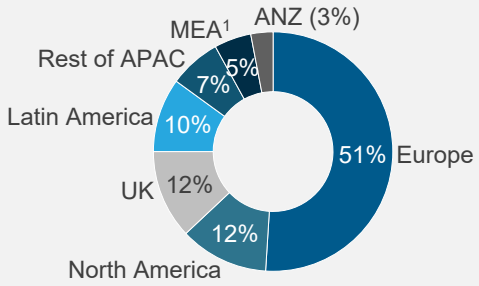
MCP solutions deal spread by number of countries in scope

100% = 6,996



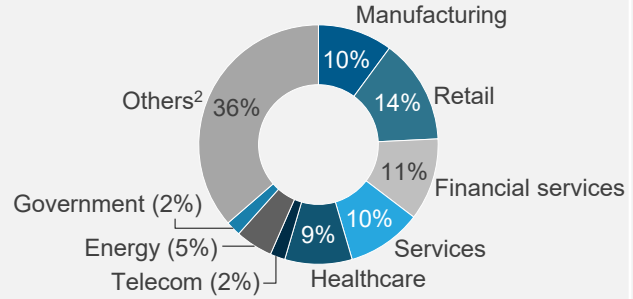
Split of payslips processed by geography

100% = 25 million+



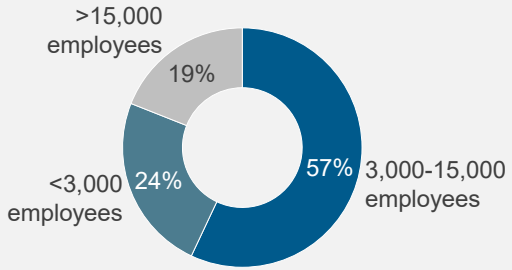
Split of MCP solutions deals by industry

100% = 6,996



MCP solutions deal spread by employees covered

100% = 6,996



1 MEA refers to Middle East and Africa
2 Others include media, technology, and consumer industry clients
Source: Based on contractual and operational information as of December 31, 2021

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EY | MCP solutions profile (page 3 of 4)

Location coverage by the service provider on its own

North America

- Bermuda
- Canada
- US

Europe

- Albania
- Armenia
- Austria
- Azerbaijan
- Belgium
- Bosnia and Herzegovina
- Bulgaria
- Channel Islands
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Georgia
- Germany
- Gibraltar
- Greece
- Greenland
- Guernsey
- Hungary
- Iceland
- Ireland
- Isle of Man
- Italy
- Jersey
- Kosovo
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta
- Moldova
- Monaco
- Montenegro
- Netherlands
- North Macedonia
- Norway
- Poland
- Portugal
- Romania
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine
- UK

Latin America and the Caribbean

- Antigua and Barbuda
- Argentina
- Aruba
- Bahamas
- Barbados
- Belize
- Bolivia
- Brazil
- British Virgin Islands
- Cayman Islands
- Colombia
- Costa Rica
- Chile
- Curacao
- Dominican Republic
- Ecuador
- El Salvador
- Grenada
- Guatemala
- Guyana
- Honduras
- Jamaica
- Mexico
- Nicaragua
- Panama
- Paraguay
- Peru
- Puerto Rico
- St. Lucia
- St. Vincent & Grenadines
- Suriname
- Trinidad and Tobago
- Uruguay
- Venezuela

Middle East and Africa

- Algeria
- Angola
- Bahrain
- Botswana
- Cameroon
- Chad
- Congo B
- Cyprus
- DR Congo
- Egypt
- Equatorial Guinea
- Ethiopia
- Gabon
- Ghana
- Guinea
- Iran
- Iraq
- Israel
- Ivory Coast
- Jordan
- Kenya
- Kuwait
- Lebanon
- Lesotho
- Libya
- Madagascar
- Malawi
- Mauritius
- Morocco
- Mozambique
- Namibia
- Nigeria
- Oman
- Palestine
- Qatar
- Reunion
- Rwanda
- Saudi Arabia
- Senegal
- Seychelles
- South Africa
- Syria
- Tanzania
- Tunisia
- Uganda
- United Arab Emirates
- Yemen
- Zambia
- Zimbabwe

Asia Pacific

- Australia
- Bangladesh
- Cambodia
- China
- Fiji
- Guam
- Hong Kong
- India
- Indonesia
- Japan
- Kazakhstan
- Laos
- Macau
- Malaysia
- Maldives
- Micronesia
- Mongolia
- Myanmar
- New Caledonia
- New Zealand
- Pakistan
- Papua New Guinea
- Philippines
- Singapore
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Uzbekistan
- Vietnam

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EY | MCP solutions profile (page 4 of 4)

Everest Group Multi-country Payroll assessment – Global | Leader and Star Performer
Everest Group Multi-country Payroll assessment – EMEA | Major Contender
Everest Group Multi-country Payroll assessment – APAC | Major Contender

Measure of capability: Low High

	Market impact				Vision & capability					
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Technology capability	Services capability	Innovations and investments	Engagement and commercial model	Overall
Global										
EMEA										
APAC										

Strengths

- Ernst & Young (EY), a provider of solutions in assurance, tax, strategy, and managed payroll services under EY Payroll Operate, is a Leader on the Everest Group Global MCP PEAK Matrix® assessment 2022 and a Major Contender on the APAC MCP PEAK Matrix® assessment 2022 and the EMEA MCP PEAK Matrix® assessment 2022
- It can provide managed payroll services in 159 countries through its own delivery centers and resources. It also has the capability to provide interface, pay slips, reporting, and contact center support in over 49 languages
- EY follows a one data entry point approach to provide additional services such as wage tax compliance, mobility, compensation, payroll data analytics, and labor law as a service to create an end-to-end payroll value chain
- Its payroll command center can provide administrators a summarized view of payroll runs and status for all the countries that they are responsible for in a single dashboard. It also provides payroll and HR analytics and supports DEI use cases that include providing insights and transparency around the gender-based pay gap
- EY's payroll command center's workflow module can be integrated with email applications. It generates automatic notifications on payroll progress and alerts the payroll task owner to complete the activities such as payroll data input
- Its self-service portal, EY Interact, available through mobile and web applications provides the clients' employees the ability to view their pay slips and tax documents and track pay change over a time period

Limitations

- EY's current chatbot is deployed in an FAQ manner and is not configured to handle advanced use cases such as providing payroll metrics to managers or contextualizing the response based on different personas, however, it is on its roadmap to make its chatbot more advanced
- It takes a partner first strategy for the T&A module, and therefore enterprises looking for an integrated inbuilt global T&A module might not find EY's offering ideal
- EY's proprietary G2N engine, PEYtal is currently restricted to serving countries in the LATAM region and uses partner engines for the other countries that it supports across the globe. However, it has a strong roadmap to develop G2N engines for most countries

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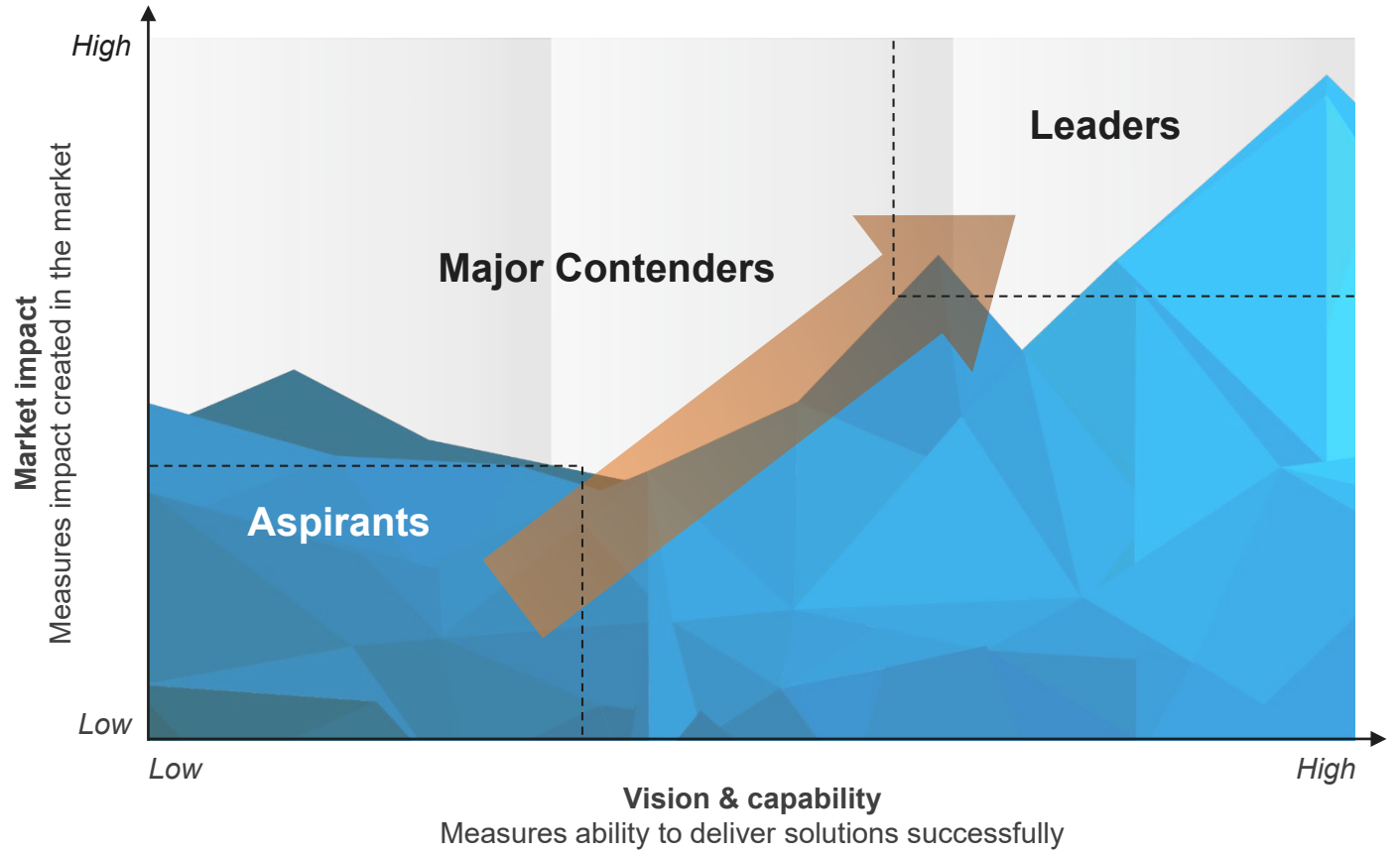
Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix



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Solutions PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

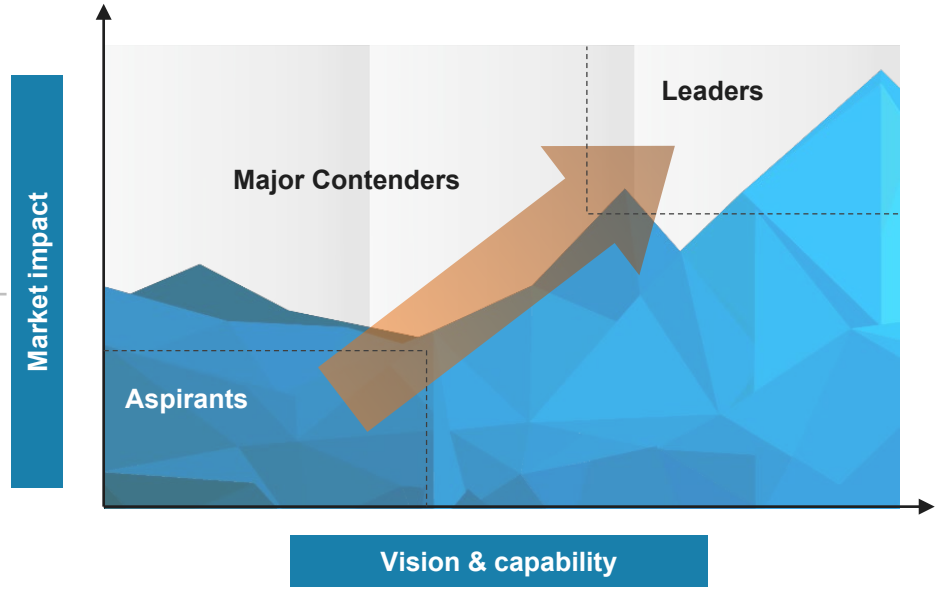
Size and growth of deployments across the solution portfolio

Portfolio mix

Solution footprint across geographies, industries, and buyer size segments

Value delivered

Value delivered to the client based on customer feedback and other measures



Measures ability to deliver solutions successfully. This is captured through five subdimensions

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Technology capability

Technical sophistication and breadth/depth across the technology suite

Services capability

Effectiveness and breadth/depth of services portfolios across the services suite

Innovation and investments

Innovation and investment in the solution suite

Engagement and commercial model

Progressiveness, effectiveness, and flexibility of engagement and commercial models

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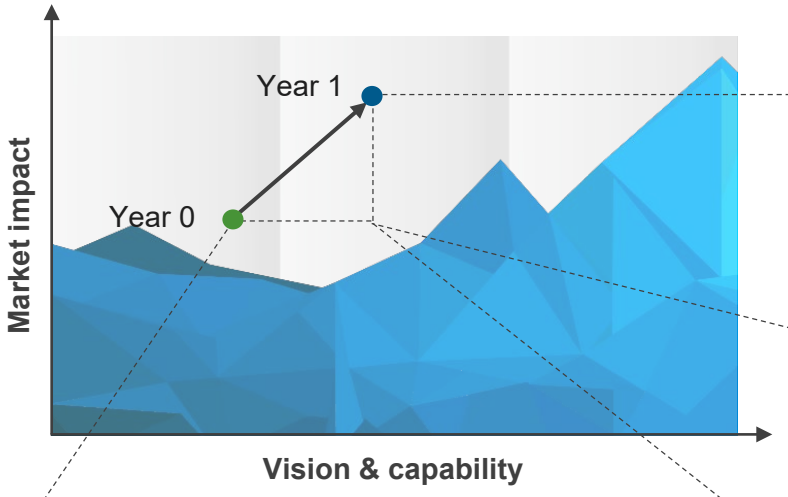
Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix



In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:

- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:

- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:

- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

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FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

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