

# Why businesses need a consolidated payroll for their global teams

*Talent shortages and an increasingly competitive labour market force businesses to source talent overseas. While hiring international talent can be a complex process, it's nothing compared to the challenges that come with managing payrolls in different countries. Payroll consolidation provides a solution for making it work.*

Temps de lecture : minute

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Processing payroll is always a challenge for organisations, but even more so when they start hiring overseas and suddenly have a globally distributed team to manage. With different rules and regulations for payroll in each jurisdiction and different payroll providers and systems that need to be coordinated and managed, it becomes increasingly difficult to bring everything together and remain in control of global payroll operations.

This is where payroll consolidation comes into play. Read here what payroll consolidation means and how businesses can benefit from a consolidated payroll for their globally distributed teams.

## What is payroll consolidation?

The reality of running a global payroll is that it usually involves a multitude of different payroll providers and systems that need to be managed. With every new payroll country, overseeing all payroll-related

processes and operations on a global scale becomes more complex.

Payroll consolidation describes an approach to running and managing a multi-country payroll that leverages technology to standardise, streamline, and automate payroll processes and data streams in order to enable centralised global payroll management.

A consolidated payroll can solve many of the payroll challenges businesses face when working with a globally distributed team—notably managing fragmented data sets and formats, coordinating different payroll vendors, and having to manually put together data for reports.

## Benefits of a consolidated payroll

Unifying global payroll infrastructures and bringing all payroll partners and systems to one central platform allows businesses to leverage several advantages. The benefits of having a consolidated global payroll include:

### Enhanced compliance

Payroll compliance can be a real burden for businesses with a globally distributed team. Rules and regulations for payroll vary from one country to the next and compliance errors can quickly become quite costly.

Payroll consolidation provides organisations with a solution for managing a high number of in-country payroll partners instead of having to work with payroll vendors that provide their services across a whole region but lack the necessary local knowledge to ensure compliance on all levels.

What's more, the higher level of automation leads to fewer errors in payroll and data processing. This further enhances compliance since clean statutory reporting is crucial.

## Streamlined processes for better operational oversight

One of the main problems that come with managing payroll for a distributed team is to keep track of what is happening in payroll across different geographies. Not only are there different payroll requirements, deadlines and more to keep in mind, but keeping an eye on global payroll expenses when systems and data sets are disconnected is a real challenge.

With a payroll consolidation platform where all their global payroll data and processes run together without any additional manual effort, businesses can gain better operational oversight and streamline payroll management across different locations and employee populations.

## Improved data visibility and insights

Running a multi-country payroll usually involves a variety of different payroll providers who are in charge of processing payroll for one or several of the business's overseas locations. Since different vendors use different systems and processes, the business contracting the different providers ends up receiving its payroll data in various different formats, showing different pay elements and a non-standardised breakdown of payroll taxes, expenses and more. This results in poor data visibility which makes it almost impossible for the business to gain reliable data insights.

Payroll consolidation solves this problem by leveraging technology and payroll analytics to automate data flows to and from different providers and provide clean payroll reports with both global and country-specific insights.

## Data-driven decision making

In order to make strategic business decisions, the management needs accurate data that provides a clear picture of the business's current

situation and offers insights into key workforce trends and developments.

Payroll consolidation can support the decision-making process by offering access to real-time payroll data from all geographies combined with rich payroll analytics features that make it possible to compare payroll costs and other important metrics across different payroll locations.

## Higher payroll and data security

Payroll security is of major importance because payroll handles large quantities of highly sensitive data. While it's relatively easy to keep a single payroll system secure, security concerns become a real issue when businesses have to rely on different systems to get their global team paid. When working with different ICPs, data transfers typically happen via unsecured channels such as spreadsheets or emails, which poses a major security risk—not to forget that all applicable data protection laws like GDPR must be respected.

By merging all their payroll systems and infrastructures into one consolidated global payroll, businesses can significantly reduce the risk of data breaches and payroll security issues since all data is transferred and stored in a secure cloud environment.

## Leveraging a Payroll Consolidation Platform to manage payroll for distributed teams

Payroll consolidation offers a solution to various global payroll pain points and can therefore be a real game changer for businesses with a globally distributed team. However, standardising and streamlining global payroll processes and creating a unified payroll infrastructure across geographies is a difficult endeavour which organisations cannot make alone.

A payroll consolidation platform like Lano offers businesses an all-in-one

solution for all their global payroll needs, from automating data flows to streamlining payroll processes to unifying payroll infrastructures across the globe. Additional platform capabilities such as a wide range of integrations as well as embedded payment and employment solutions ensure an all-round frictionless payroll experience from start to finish.

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