




# London Stock Exchange Group — Focus on payroll challenges

## Charlotte O'Driscoll

Head of Global Payroll and Employment Tax

### Quick facts

 **Company:** London Stock Exchange

 **Headquarters:** London, U.K.

 **Industry:** Finance

 **Employees:** 25,000+

 **ADP products:** ADP® Global Payroll



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*The London Stock Exchange is a world-renowned institution offering customers access to capital markets and liquidity across multiple asset classes.*

*People think of the London Stock Exchange as very London focused and only about the stock exchange, but that represents just 13% of its revenue. A big part of the group's business is, in fact, in data and analytics.*

## The challenge

The group has 26,000 employees across 65 countries with headcounts ranging from one to 7,000.

Every country is very different, so the company needed a solution that was flexible, compliant and above all, accurate.

Charlotte O'Driscoll says, "I've been involved in transformation programs at various companies and there's always an aspect of colleague experience. Obviously, it's the biggest area that can dissatisfy a colleague or an employee in the quickest way."

In O'Driscoll's opinion, payroll is an area in which many organizations underinvest and she was keen to tackle pain points head on. She says, "I think it's going to become more and more important, particularly around compliance as it gets more complex in different geographies."

"You have to actively show that you're managing compliance and legislation around payroll and that you have to have the right solutions in place. There needs to be evidence that you have a controlled environment around payroll."

"Payroll is a mine of data and it's particularly important — because when there is dissatisfaction in the payroll service, then typically it's the payroll piece that gets blamed, or the vendor that gets blamed — and if you have data to show exactly where your challenges are, then it shows a very different story."

## The objectives

The global payroll organization, led by O'Driscoll, wanted to focus on data so that decisions could be based on information, rather perceived need. O'Driscoll believes that data in payroll is really valuable to the business as it indicates where spend is allocated across different countries.

Inflationary pressures in certain countries affect the compensation review process, so insights are necessary on individual countries.

And as payroll costs typically make up the biggest spend on financial statements, it's important to have visibility of where costs are being driven in which area.

The aim was to have insights that could be handed back to the business to drive decision-making.

## The approach

O'Driscoll says, "You can't start solving a problem until you know what your issues are. So, you need to have a look at your starting point — what's the baseline, where are the immediate issues? Typically you find out more after you start digging into the details.

"You need to make sure that the solution is designed for your needs. That's where the partnership with ADP comes in. You need to have conversations around what solutions to select. It should be a collaboration."

## Why ADP

According to O'Driscoll, many issues are typically compliance related.

Her aim is to have a solution in place that will allow the payroll team to provide the service, the systems and the support model to enable the payroll function to perform at its best.

The implementation process began with a technical and functional review, working in partnership with ADP. Collaboration was very much the basis of the relationship.

O'Driscoll says, "So when it's a multi-country rollout, it's best to group countries together where it makes sense, but also to prioritize countries that are in the most need for change."

"You can group big countries and small countries together so that you can move quickly through the implementation process. It can be quite lengthy depending on the number of countries that you have in your organization. By taking a couple of big countries and then grouping them with a number of smaller countries, you've got that kind of parallel approach where you can continually implement and deliver without the project being all-consuming."

She continues, "ADP was particularly useful in countries where we have high complexity in legislation and tax — like France or Germany. Those countries need more support, more knowledge and that's what ADP brings."

## The partnership

O'Driscoll asserts that multi-country rollout takes typically more than one year and could involve many changes through mergers and acquisitions, divestitures, business priorities as well as changes in the team in terms of expertise — which could all impact the service level they needed. She needed a provider that could modify partway through to adapt to business changes if needed.

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In her view the relationship with ADP and indeed with any vendor is crucial and should be nurtured, as she explains, "Nobody's going to get everything right 100% on both sides and we need to be able to partner together to work through to deliver the best result and I think that's where ADP is a really strong partner. I know that we can work through problems and it is a partnership where you feel like there's trust on both sides."

## Results

O'Driscoll says, "The implementation has allowed us to restore confidence in our colleagues and faith in the service."

She believes that once colleagues lose confidence in the payroll service, it takes a long time to restore, which you can only do by continually delivering a good service and providing visible enhancements.

In her view, "A basic minimum standard is that people get paid accurately on payday, but if you can introduce other enhancements, instead of payroll being a place where people come with their complaints —like an app that helps people look at their pay statements anywhere, then those are the things that enhance the colleague experience."

Success is measured once a concise business case around cost savings and benefits are documented.

She says, "It's also important that you get that feedback from the organization and how people really feel about what they're experiencing. Are they seeing more from the payroll service than they had before? Are we seeing less penalties? Have we got a reduced audit rating or an improved audit rating?"

"Those are all the things that were delivered through the implementation program, moving from a fragmented model using multiple solutions onto one harmonized payroll solution."

She sums up, "I knew that it was successful once all the benefits that had been described in the business case had been delivered, so we had improved accuracy rates, reduced cost, a more secure compliance environment, and our audit rating improved because of the new controls delivered by bringing in the right technology."

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I'm looking forward to working with ADP more in the future and seeing what else is on the road map in terms of technologies that can enhance our colleague experience.”

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