

The hidden cost of payroll

Payroll is one of your largest and most complex operating expenses. The last thing you want it to be is unpredictable. We agree and we can help.

Let's start by breaking down the processing expenses:

Payroll processing expenses

(Conservative estimate, based on 7,500 employees)

Invoice

Known costs	Qty	Amount
Average annual salary ¹	5	\$412,720
Training & development ²	5	\$6,260
Benefits ³	5	\$108,630
Payroll software fees & maintenance ⁴	7,500	\$442,500
Wasted productivity ⁵	5	\$107,307

Variable costs	Qty	Amount
Recruiting costs (CPH) ⁶	?	\$4,372x
Penalties for non-compliance ⁷	?	\$845x
Missing form ⁸	?	\$50x
Payroll-tax miscalculation ⁸	?	\$845x
Error correction ⁹	?	\$850x
Incorrect payments (over or under)	?	\$850x
Misclassification of employees	?	\$850x

Known costs	\$1,077,417
Variable costs	
CPH	+ \$4,372x
Penalties	+ \$845x
Errors	+ \$50-\$850
Total costs	\$?

Workday has already reduced your IT spend and simplified your operations. Now, let's go the next step.



Reclaim resources



Cut compliance concerns



Decrease risk

Outsourcing can reduce your total operating cost (TOC) by at least 20%¹⁰



Let's make payroll more doable and more affordable. Contact us to learn how.

Contact us

¹ <https://www.comparably.com/salaries/salaries-for-payroll-manager>, ² <https://www.indeed.com/career-advice/career-development/cost-to-train-new-employee>, ³ <https://culvercareers.com/blog/average-cost-employee-benefits/#:~:text=In%20a%202018%20US%20Bureau,cost%20of%20%2471%2C726%20per%20employee>, ⁴ <https://www.thehrdirector.com/features/outsourcing/revealing-hidden-costs-house-payroll/>, ⁵ 26% of an employee's day will be wasted on avoidable administrative chores: <https://www.financialdirector.co.uk/2019/06/19/how-inefficient-processes-waste-nearly-a-third-of-employees-time/>, ⁶ SHRM Human Capital Database. [Unpublished data], ⁷ <https://www.irs.gov/payments/failure-to-deposit-penalty>, ⁸ <https://www.thepayrolledge.com/blog/the-real-cost-of-payroll-errors-in-the-us>, ⁹ <https://gusto.com/blog/payroll/most-common-payroll-mistakes>, ¹⁰ <https://www.thehrdirector.com/features/outsourcing/revealing-hidden-costs-house-payroll/>