



Siemens case study

How Siemens is automating global shadow payroll using Certino

SIEMENS

“Certino is a small, agile organisation and we liked that the company was flexible, fast and could adapt to our evolving needs. Our Big Four partners have standard platforms without the same degree of adaptability. Certino enables us to get what we need at the end of the day.”

Michael Ziegler

Head of HR Global Mobility Tax, Siemens

Siemens is one of the world’s largest producers of energy-efficient, resource-saving technologies, a leading supplier of systems for power generation and transmission as well as medical diagnosis.

The company employs 377,000 employees in 200 countries; it has over 27,000 expatriates and generates 4.4 billion travel and expense claims and 330,000 paychecks per month.

Background to the shadow payroll review

Managing large fluctuations of employee numbers across multiple geographies and entities while ensuring a correct and timely payroll and tax processing, is a major challenge for the Siemens GMS Tax team.

In 2018, in order to tackle this challenge and to increase HR service delivery efficiency, Siemens, decided to globally transform its global mobility service structure.

To achieve its objectives, Siemens decided to adopt a new global HR information system, to harmonise their global HR processes, and to consolidate their payroll systems to two global payroll providers.

They were also searching for a new shadow payroll partner with intelligent and flexible IT capabilities to automate the shadow payroll process centrally and to establish effective interfaces to the new payroll providers and tax provider.

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Shadow payroll objectives

The Siemens GMS Tax team set the following objectives for the shadow payroll restructure:

- Automate the end-to-end shadow payroll process and digitalise HR processes with fast and efficient workflows
- Establish a single source for all international employee data, laying the groundwork for payroll and tax return processes.
- Integration with global tax and payroll providers
- Strong long-term partnership with a focus on collaboration and continuous improvement
- IT secured, cloud-based solution and shared service driven
- Avoid costly fines and reduce compliance risk

Certino's solution

- Certino operations assistance with data consolidation
- Pay element and process design consulting
- Coordination and establishment of local tax provider relationships
- Immediate support for countries with critical need for shadow payroll services
- Partnership with global payroll vendors throughout the transformation project lifecycle

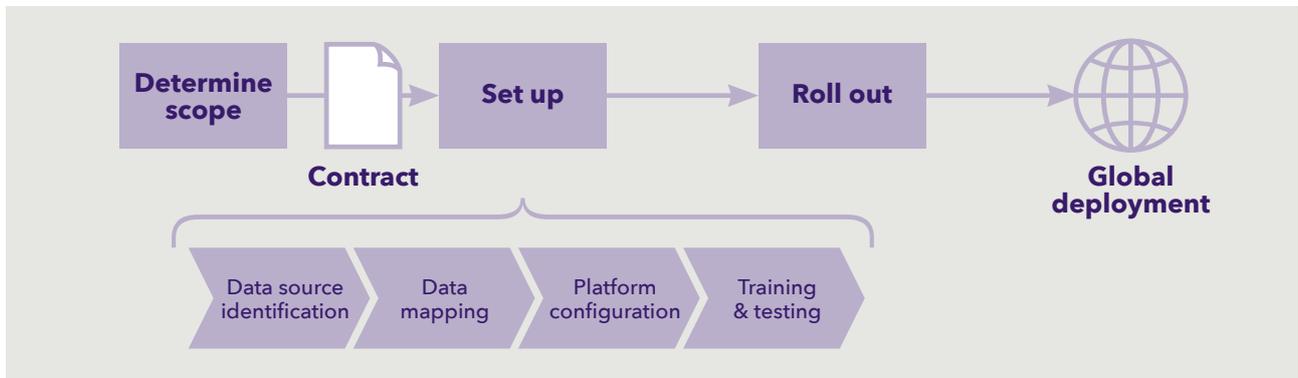
Outcomes and benefits

- Fast, flexible country implementations
- Global project team support
- High-quality, consistent shadow payroll calculations
- Continuous improvement
- Strong team relationships

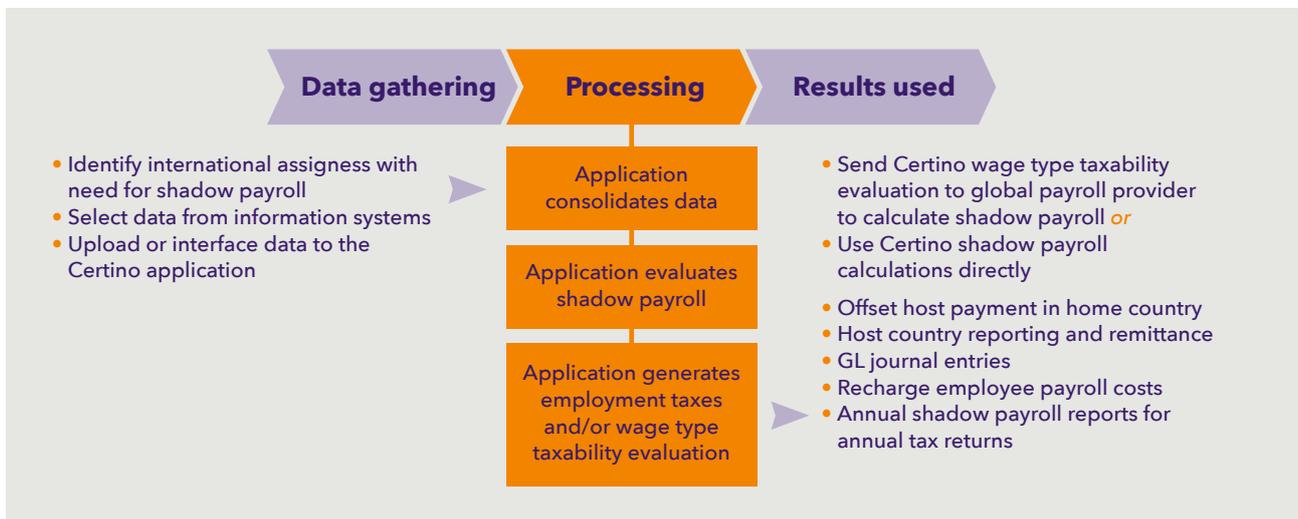
“Certino is extremely flexible, especially with a complex topic like shadow payroll. Certino’s reaction times are very fast, with just one or two days to resolve a question - not the two or three weeks we have experienced with other suppliers.”

Michael Ziegler

Head of HR Global Mobility Tax, Siemens



Certino implementation process



Certino process overview

Fast, flexible country implementations

In mid-2018, Siemens began transitioning their global mobility services operational model from decentralised, local country teams to a centralised, global team.

Existing shadow payroll services are continuously evaluated throughout the transition. As the need arose, Siemens asked Certino to rapidly take on shadow payroll services for specific countries. Certino responded by quickly performing tax position analyses and configuration timed to ensure Siemens would receive shadow payroll calculations in time for the next host country monthly filing. Having started with a pilot in Denmark, Certino is already supporting Siemens in France, South Africa, Nigeria, Namibia, Malaysia, Indonesia and the Philippines, and this will increase to 80 countries in time.

Global project team support

Siemens' multi-year transformation plan includes replacing their HR information and payroll systems. To ensure that the new systems

“With Certino, we now have a short and mid-term solution that allows our team to concentrate on more value-added work, rather than the manual screen work that was necessary to handle shadow payroll using pre-Certino processes.”

Benjamin Mueller
Senior Tax Specialist,
Siemens GMS Tax

and processes are optimised for efficient shadow payroll processes, Certino assists with the planning, process modelling, requirements design and testing of these systems alongside the global project teams.

High-quality, consistent shadow payroll calculations

Because Certino uses independently certified shadow payroll calculation engines instead of manual processes, shadow payroll results are produced quickly and accurately. High quality results mean that validation reviews are no longer time consuming, freeing team members for more value-added activities. Should an adjustment to a tax position be requested, Certino can update the calculation engine parameters and produce a new set of results well before the next host country filing deadline.

Continuous improvement

Transitioning from localised, manual shadow payroll processes to global, automated processes requires responsive change management. Employee and service provider roles, data sources, and data elements are being updated and redefined on a regular basis. Certino is right there to support Siemens as workloads and priorities shift, providing direct assistance to meet deadlines, and supplying expertise to raise quality and reduce effort.

Strong team relationships

Certino is a collaborative partner with Siemens, acting more as an extension of their departmental resources than a simple vendor. Transitioning from manual to automated shadow payroll services is a journey, one that we are proud to be taking with Siemens. ■

“Key factors in our choice of Certino were a very important short turnaround time and a very smart way to produce results. We work on a country-by-country basis, so delivering a single report in the Certino system and immediately providing shadow payroll results was very advantageous to us. This combination of benefits makes Certino unique as a shadow payroll provider.”

Benjamin Mueller
Senior Tax Specialist,
Siemens GMS Tax



“When Certino launched we had a list of 92 companies we wanted to work with. Siemens was top of that list. I am absolutely delighted that they became our first customer and I look forward to supporting them with their shadow payroll for many years to come.”

Richard McBride
Managing Director, Certino



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