



IN THE BUSINESS OF YOUR SUCCESSSM

An interview with
Pepita Morales Saldana,
Global Payroll Manager,
TomTom



- Company: TomTom
- Founded: 1991
- Who we are: A Dutch manufacturer of automotive navigation systems
- Number of employees: 3,500

ADP: How many employees do you have, spread over which locations?

PMS: TomTom has more than 3,500 employees globally. Our headquarters are based in Amsterdam. In addition to the HQ, we have offices in 40 countries. The largest group of around 1,000 employees are working in The Netherlands. Besides The Netherlands, we have employees in the rest of Europe, APAC and the Americas.

ADP: Can you describe how the business has expanded in recent years?

PMS: The year 2006 was important for our payroll department as we decided to expand payroll into other countries. We started the year with 200 employees and by the end of 2006 we had 800 employees. In 2008 TomTom acquired Tele Atlas, a map making company.

ADP: What have been the main operational HR challenges related to that expansion?

PMS: Although our company was growing fast, our HR processes were not growing at a similar rate. It was not until 2010 that we finally implemented an HRM system. Before that we were still using a local Dutch payroll system - this was very challenging as the local system was not built to be used globally.

ADP: Have you moved to a more standardised approach to HR and integrated international payroll process, and has that improved organisational effectiveness?

PMS: We've been working with our payroll partner since 2006, and from the moment we went live it was streamlining our processes. Quite quickly we could manage our payroll for many countries by using just one system to submit the changes and to receive the output. It's definitely through our multinational contract that we are able to work more efficiently.

“The Multinational contract has made payroll more efficient.”

ADP: What has that meant in terms of cost control and cost predictability?

PMS: It's now very easy to add countries to our payroll contract – which is something we do when there's expansion into new countries. The fees we have are very clear. The amount of employees in each country is defining the costs; therefore we are able to have a very good understanding of the total payroll costs. The contract is giving us the ease to scale up and down in case of changing conditions. By using a managed services model we buy in knowledge from our payroll provider, who effectively becomes our local expert. We have two internal wage tax managers to supplement outside support, but most of the knowledge is with our payroll provider.

“We buy in knowledge from our payroll provider, who effectively becomes our local expert.”

ADP: Does standardisation and integrated payroll allow you to stay flexible and responsive?

PMS: When there is a change in legislation, our payroll provider applies timely changes to our payroll and ensures that we are informed about them so we can communicate them with our employees. In countries where we do not have a managed services contract this service is not included and we have to apply the changes ourselves by our tax managers.

ADP: What happens if you were to further extend your geographical coverage: how does your current system allow for that?

PMS: We have to look at how we run things currently and see if it's cost effective. Normally, when we have an in-house solution it's because we have a very

good payroll expert managing this. But we need to buy in knowledge for countries where the amount of employees is small and where it's not cost effective to have a local payroll specialist on site. By using one single system for multiple countries it is easy to add countries, also there's a good back-up situation in case one of the payroll specialists is not able to work or is leaving.

ADP: How do you ensure your key performance indicators (KPIs) remain the same across the international organisation?

PMS: This is our next big challenge. Getting KPIs consistent should be easy, but because we still use a network of payroll providers it means we don't yet have one consistent solution in each country, and so we get different outputs. But, when we do set up in a new country it will be easy to do. It's especially so if you have a centralised HQ team and decentralised teams for payroll.

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