



CASE STUDY

Global Payroll Transformation Journey with Chazey: Overcoming Challenges to Achieve Success

Herbalife is a global health and wellness company, with presence in over 90 countries. As the company scaled up operations into new countries, local vendors were utilised for payroll services to maintain compliance to local legislation. While required at the time for growth, this presented challenges to the business, with no uniformed approach towards processes, reporting, nor overall controls. This did not support **Herbalife's** business transformation towards leading practice **Global Business Services (GBS)**. Furthermore, the local payroll systems had limited opportunity to develop integrations with other operating platforms, leading to data integrity risks.

Herbalife identified the requirement for a single global payroll partner, with **ADP** selected in 2019. The implementation project commenced in 2020, headed up with an internal project team. By the end of 2022, **ADP** had been successfully implemented across **North America, Asia Pacific, and the majority of Latin America (LATAM)**. The project switched focus to the **Europe/Middle East/Africa (EMEA)** region, which was deemed the most challenging payroll environment of all regions in which **Herbalife** operated.



In 2023, the project faced a significant setback with the internal project manager departing the business, leading to the project being put on hold. **ADP** had been implemented for some larger countries in EMEA, however limitations with the project governance and change management approach had contributed to a poor client/vendor relationship between **Herbalife** and **ADP**, with low stakeholder confidence in the region. **Herbalife** was presented with the real risk that the EMEA phase of the project would be cancelled, with substantial fees owed to **ADP** for implementations not completed.

Chazey had been working with **Herbalife** since 2018, with a concurrent engagement for business transformation of the **Herbalife** back and middle office, including Finance, Human Resources, Member Services, Legal, and Operations. While not originally in-scope, it was recognised that the global payroll project played an key part for the overall transformation.

In May 2023, **Chazey** brought forward a project management team with extensive experience in global payroll implementations. An assessment was conducted on the core project areas, including governance, documentation, change management, and stakeholder engagement. During this assessment, it was identified that the project had faced significant challenges due to limitations in all required areas. The assessment found improvements were required to develop a clear and concise program management approach, define roles and responsibilities, and introduce **Herbalife** controls to measure implementation success and readiness to move to production. The limitations in these core project areas had resulted in a reduction in



Herbalife's engagement in the formal decision process for each implementation, effectively providing **ADP** with the reigns to make the final calls. This in turn led to project-based issues transitioning to operations, at which point the responsibility for resolution transferred from project team to the business.

Prior to consulting with **ADP** to align on project timelines, **Chazey** engaged with **Herbalife** to ensure existing stakeholders were extended to include representatives from all business functions involved in the full end-to-end payroll process. This provided all business functions with opportunity to engage with the project and ensure their requirements were being addressed. Representatives from GBS HR and Payroll were included at this stage to support the business transformation efforts, with scope to transition processes from EMEA countries to the GBS center in Krakow, to align with the approach for all other global regions.



Chazey conducted workshop sessions with **Herbalife** to capture and address concerns and issues faced for **EMEA** countries that were already live with **ADP** and those with future implementation dates. This supported a revised approach, including developing plans to mitigate repeat challenges. Furthermore, a new stage was introduced to the project to conduct a comparison between **ADP** services in the future state versus current services with incumbent providers, to identify potential gaps, with a view to develop processes to limit the impact on operational requirements.

Great opportunities were also achieved through the review, including the introduction of core project documents, which were not all available from the earlier project management team. These included a **RAID (risks, actions, issues, and decisions)** log, weekly progress reporting, and a ratification document with new defined pass criteria for each project stage, to minimise the issues faced with previous deployments.

The overall project governance saw an overhaul, with a meeting cadence introduced to better engage with stakeholders as part of the improved change management approach. Further, we

established a strong **steering committee** consisting of project sponsors and key stakeholders, supported by a defined escalation matrix.

Working in collaboration with **ADP, Chazey** devised project timelines in a wave delivery approach for the remaining 20 countries in scope. This approach was designed to minimise the impact on stakeholder capacity, while improving the overall visibility of progress for the project team. The first wave under **Chazey's** program management approach commenced in July 2023, covering remaining countries in **LATAM**. The revised governance and approach minimised delays to project delivery, while the newly introduced success criteria enabled issues to be resolved during the project cycle and improved the ability for **Herbalife** to thoroughly review and ratify successful implementations.

The final implementation was completed in **December 2024**, resulting in the successful delivery of the remaining 20 countries in-scope. The landscape for payroll is still evolving, with integrations to other internal systems being developed and overall transition of payroll operations from local HR to GBS. The delivery of the project has enabled **Herbalife** to progress with the current vision of GBS centres fully supporting operational activities, including payroll.

