

Outsourcing: the personalized approach favoured in Québec

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In Québec, the payroll outsourcing field is made up of several major players, including the multinational ADP, the Canadian company Ceridian and the CGI Group. The picture is completed by local suppliers Desjardins and the National Bank, who provide payroll services to businesses using systems developed by CGI, and by SMEs such as Algo Paie, who rely on a flexible offering to set themselves apart and attract a sought-after clientele.

"The market is made up of outsourcers and software providers. We, on the other hand, offer a hybrid solution. Our customers can choose to outsource their payroll service to a greater or lesser extent. Some hand over administrative support completely to us, others only the management of government remittances. Still others merely procure our software solution," explains Denis Lesieur, President at Algo Paie.

In Québec, there is a clientele for this more personalized approach. Doing business with an accessible Québec provider was a deciding factor for Fordia, when Human Resources Director Diane Denault went looking for bids for the outsourcing of part of her payroll department. "I wanted a report that would calculate my 1%, to comply with Québec's law on training. With other providers this seemed to be complicated," she explains.

Indeed, Québec's specific legislative provisions make local expertise essential. "When head offices move to Toronto or to the US, the payroll department often goes with them. But people then realize that when the company encounters payroll problems, the penalties cost it dearly, and the payroll department usually comes back to Québec," explains Marie Lyne Dion, Canadian Payroll Association Vice-Chairman.

According to the CPA, the complexity of payroll processing in Québec could partly explain why there is more outsourcing. Could this complexity also explain the greater diversity in the sector?

ADP acknowledges that the Québec payroll market is different. "In Québec, we do come up against players that are absent elsewhere," admits David McIninch, ADP Canada's Vice-President of Marketing. It makes the market more competitive."

"The fragmentation of the Québec market pushes prices down," says Denis Lesieur, whose company is seeking to break into the more lucrative markets of other provinces.

But sources at ADP decline to confirm that prices vary from one province to another, and assert that the company has all the competencies required to manage payroll in Québec, with all the particularities that this entails.

One thing is certain: with all these players, Québec businesses are spoiled for choice when it comes to choosing a provider.