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# WHAT GLOBAL PAYROLL MANAGERS CAN LEARN FROM AN F1 PITSTOP

**NEEYAMO GLOBAL RESEARCH INSTITUTE (nGRAIN)**
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**THE RACING WORLD STOOD ASTOUNDED WHEN MARK WEBBER & THE REDBULL TEAM COMPLETED THEIR PITSTOP IN 1.92 SECONDS AT THE US GRAND PRIX IN 2013.**

**The pit crew of the same team broke their previous record to acclaim the title 'the fastest pitstop', achieving a time of 1.88 seconds at the German Grand Prix.**

**FUN FACT:** The average human blinks 20 times a minute – that's a blink every few seconds. The chances are that you could watch a racing car pull over to the pitstop, get serviced, and watch it car head back to the race track – without even having to blink.

These teams are agile enough to replace all four tires of a massively built car and still have over a second left! In fact, when several millions of dollars are spent on these races, gaining one-tenth of a second in the track and losing it in the pitstop wouldn't be an entertaining option for the racing teams.

Since the very beginning, pitstops have been a crucial part of motor racing. The confluence of choreography, precision, and technology makes the big difference between victory and disaster. Reliability, speed, and consistency play an undeniably dominant role here. It is not exaggerating if we say pitstops stand as a fantastic example of human ingenuity and teamwork.

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# TURNING BACK THE CLOCK

F1 pitstops haven't always been the 2-second synchronized feat that we see today. In the past, they were much more dangerous – from chaotic pitstop moments to no pitlane speed limits to ridiculously disastrous fuel fires. Moreover, the drivers were seen to be mavericks who seldom thought about safety. Electric starters set the engines into motion. Only 2 mechanics were servicing the car taking not anything less than a minute. Hammers were the only equipment they could use to remove the wheel nuts, and they were no match for today's superfast wheel guns.

Comparing with today's standards, it is hard to believe that this was once the cutting-edge of F1! The racing community still remembers the black day when one of the cars in the 1955 Lemond-24 race sped into the spectator enclosure ending the lives of several ardent fans. There was a moment when racers were taught to avoid pitstops as much as possible and rather stay on the track.

It was in the late 50s when Cooper car company came up with a design that places the engine and the gearbox in the rear to make the machine more efficient and nimbler. That's when the revolution began.
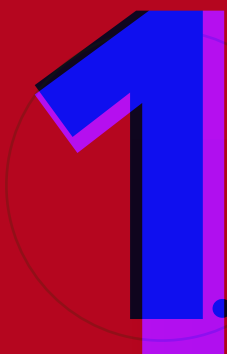
# FAST FORWARD TO TODAY

F1 has become one of the most technologically advanced sport, as it not only adopts emerging technologies from the business world but also pioneers sheer innovation. Insanely fast cars are being built with around 200 sensors with a purpose to measure everything possible from speed to performance. Each data point recorded gets fed in massive servers for further analysis.

Quoting a popular military saying: "Slow is smooth; smooth is fast" will make sense here. Up to 20 people wait motionless, always ready for action, and as the racecar flashes in, their adrenaline takes over as they change tires and service the car in under three seconds. Every single person's contribution is massive.

**"SLOW IS SMOOTH; SMOOTH IS FAST"**

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# NOW, WHAT CAN A GLOBAL PAYROLL PROFESSIONAL LEARN FROM F1 PITSTOPS? LET'S SEE.

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# GLOBAL PAYROLL LESSONS FROM *F1*

**1.**

## ACCURACY & SPEED
## -The *'complementing'* cornerstone

Pitstops demand absolute concentration and precision from each member of the team, no matter the constraint. When an error occurs, it can hit home - hard. Adreinaline-pumped racers cannot afford to waste even a fraction of a second and would want the pitstop team to be adequately equipped to service the car with the highest accuracy at the shortest interval possible. Even a minor misalignment will create a negative butterfly effect on the racer's position in the race. This emphasizes the tremendous importance of a pitstop team's precision.

On a similar note, accuracy holds the highest priority from a global payroll standpoint. Accurate payroll is one of the critical factors that influence a business's success. The impact of payroll inaccuracy on employee engagement is alarming.

Original source data quality plays a major role in achieving accuracy in payroll processing. Highly precise employee lifecycle data when fed into the payroll engine as input, will lead to accurate wage payments at the right time, eventually leading to superior employee experience. Automating input data feed and using a unified global payroll solution can help organizations accomplish this.

**Also read:** 5 ways to ensure source data quality for payroll accuracy

"**44% OF GLOBAL EMPLOYEES WILL THINK ABOUT SWITCHING JOBS IF THEY ARE SUBJECTED TO A FAULTY PAYROLL PROCESS. 48% OF THEM WHO WERE PAID LATE SAY THEY HAD BEEN PAID INCORRECTLY TOO.** "

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## 2.
### BE IN THE KNOW WITH ANALYTICS

Recent F1 cars are equipped with up to 200 sensors measuring everything from speed to performance, and all that data is fed into their servers. Tire grip, brake function, telemetry, fuel intake – absolutely everything can be gauged and enhanced for better performance. A comprehensive analysis of this level lays the foundation for F1 engineering teams to know what to alter and how to improve.

How does this relate to payroll? Payroll analytics and reporting – the more you use it, the better is your ability to make informed business decisions. Progressive payroll solutions in the market today are capable of integrating with the HR cloud to generate a periodic payroll input report and analysis on the pay component factor or individual employee data too. Such analytics helps make smart decisions regarding employee spend, overtime, and benefits – all in real-time.

Never stop looking for furtherance. Continuous improvement is something F1 has always been keen about. Every year, engineering teams from Mercedes, Red Bull Racing, Ferrari, and others continue to evolve with newer innovations and enhancements to their machines. Likewise, payroll managers can glean meaningful insights from embedded payroll analytics to open doors to optimize their payroll process consistently.

**Also read:** Applications of emerging technologies in global payroll [Whitepaper]

## R(AI)SING THE BAR TO EXCELLENCE

As iterated earlier, during a race, enormous loads of data get fed into the pitstop team's system, in the process of analyzing the car's real-time performance. But the sheer volume of real-time racing statistics is too much to work with. Flooded with information, it can be a tough nut to crack for the engineers to know what to focus on first and to decide when/where the car should stop at the pitstop. That's where AI comes in.

With AI at the forefront, teams behind the scene can categorize the plethora of data into different sets and predict the best time for the driver to stop at the pit and change tires.

Payroll technology is taking giant leaps today. AI can help payroll analysts detect payroll anomalies through historical data analysis and machine learning.

For instance, AI-powered payroll solutions work on the payroll history data and calculate average earnings, deductions, and taxes for each employee. These parameters can be compared with the earnings, deductions, and taxes from currently running payroll for each employee; irregularities if any can be detected using machine learning algorithms. Appropriate business rules can be implemented to rectify these irregularities and prevent them from happening again. Most anomalies detected don't even require a payroll analyst's intervention.

## PARTING THOUGHTS

There can be numerous lessons to learn from F1 pitstops. The stellar reason why pitstops will never cease to be an excellent source of illumination is that they keep evolving; as and when new emerging technologies transpire, pitstop teams begin leveraging them to better the existing process. This could seemingly apply, not only to global payroll management but also across various other areas.

It takes the best, proactive pitstop team to perform ground-breaking achievements. Similarly, there are progressive companies like Neeyamo in the global market who excel in leveraging the best technologies to offer truly global payroll. Organizations while looking to choose their payroll vendor should prioritize immense experience and acumen in payroll processing and compliance across multiple countries. Companies can outsource their global payroll to multicountry solution providers and ensure standardized, integrated payroll and uniform employee experience (from a global payroll standpoint) across all countries of operation.

To know more about how outsourced global payroll solutions can simplify your payroll ecosystem, get in touch with us. Our subject matter experts will be happy to assist you.

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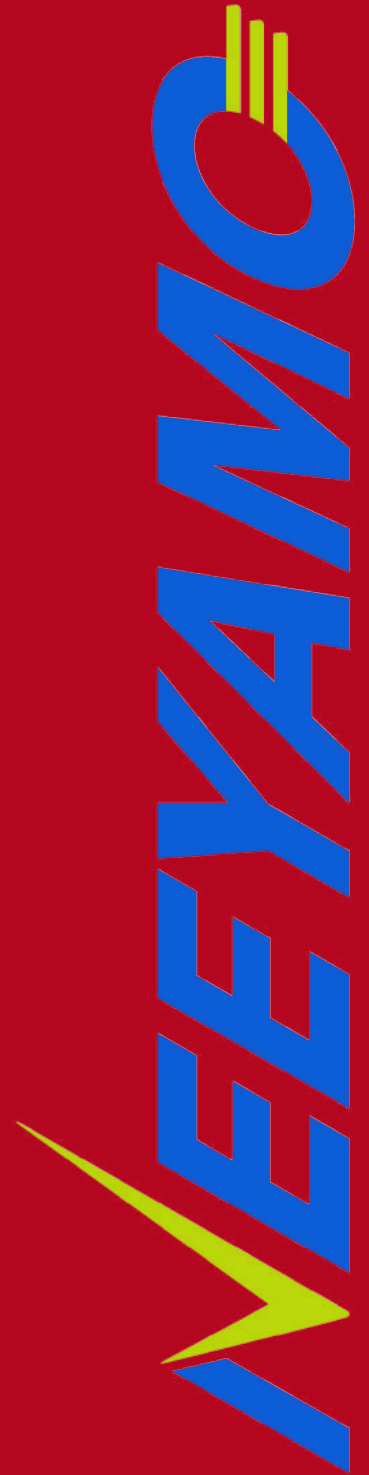
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