

A functional template

How to build a business case for employer of record

If you're asking how to build a business case for employer of record, here's a business case structure you can use to survive review from your finance team.

For more information, reference [Building the EOR Business Case for Your CFO](#).

1. Executive summary

Answer these in plain language:

- What decision is being requested:**
For example, approving EOR for a particular country for x roles.
- Why now:** Trigger event (for example, customer requirement, market entry, project delivery).
- Recommendation rationale:** Why you are recommending EOR over entity setup and using contractors (for example, less risk)
- Spend and timing:** First-year cost range, and when hiring starts.

2. Hiring scope and operating assumptions

This is where you earn credibility. Document assumptions so your finance team can stress-test them.

- **Headcount:** Initial hires + expected ramp over 12 and 36 months
- **Worker profile:** Employee vs contractor, seniority, and comp ranges
- **Hiring urgency:** Target start dates
- **Country scope:** One country vs multi-country rollout
- **Systems impact:** Integration with current payroll/HRIS functions, reporting needs, approvals

3. Options evaluated

Explain what options you considered in addition to EOR. For example, entity setup and using contractors. Detail not only the costs, but the compliance risks involved with each.

4. Financial model (12 and 36 months)

This is the core of **EOR financial justification for CFOs**. Use a simple model that can be audited quickly. You may want to create a summary table. At minimum, include:

- | | |
|---|--|
| <input type="checkbox"/> Validate tax tables and withholding rates regularly. | <input type="checkbox"/> Prepare year-end wage statements and statutory reports by country. |
| <input type="checkbox"/> Confirm social contribution calculations are accurate. | <input type="checkbox"/> Schedule periodic compliance reviews. |
| <input type="checkbox"/> Track monthly, quarterly, and annual filing deadlines. | <input type="checkbox"/> Use statutory payment reminders to avoid late filings or penalties. |
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5. Risk model (quantified exposure)

List possible risk scenarios and assign them range based on their possible impact. Remember: If you can't quantify it, you can't defend it.

Risk categories you may want to model:

- Possible worker misclassification
- Payroll and tax accuracy
- Permanent establishment and corporate tax nexus
- Employment disputes and local compliance events
- Data privacy and documentation gaps

For each risk category, provide:

- Risk event
- Likelihood
- Impact range
- Owner
- Possible mitigation plan

6. Operational plan and impact

This is where you answer the CFO's "who is going to run this?" question. Some areas you may need to cover include the below. For each, explain what department will be responsible, timeline (if known), what software platforms will be used, and any other process details you currently have.

- Process ownership: HR, finance, legal, and vendor responsibilities
- Employment approval flows: Offers, contracts, changes, terminations
- Reporting cadence: Monthly close inputs, audit trail, headcount reporting
- Data: Workforce cost visibility, forecasting inputs, and exception handling
- Process map: Payroll, audits, and employee changes
- Close impact: Timing of payroll data for accruals and reporting

7. Recommendation and implementation plan

End with a firm recommendation of EOR and a practical plan to implement it.

- Decision needed by date
- Implementation steps, including what your company must own and who will complete these tasks
- Timeline to first hire
- Governance checkpoints at 30, 90, and 180 days
- Exit criteria, i.e. what conditions might trigger moving from an EOR to an entity later

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Our Solutions



Employer of Record (EOR)

Hire, recruit, and pay internationally without an entity.



Contractor Management

Pay your international freelance workforce.



Finance, Tax & Accounting

Receive end-to-end global finance management.



Global Pay

One platform to pay your international employees.



Global Recruitment

Recruit and hire top talent across the world.



HR & Benefits

Support your global HR operations on a local level.



Entity Setup

Get expert entity setup and management worldwide.



Intelligent Workforce

Unlock data-rich workforce dashboards and analytics.