



How to Choose a Payroll Provider

With the range of products on the market, organisations can be forgiven for finding the selection of a payroll provider both time-consuming and confusing. Whether you are replacing an existing system, or starting from scratch, everyone could use some help to get them started. We have compiled the following top tips to help you on your way.

Features

Before you start the search, you need to know what you are looking for in a system – this will save you a lot of time in the long run.

Think about which features are useful in your existing system and which areas frustrate or concern you. For example, virtual payslip “previews” or payslip history may be unavailable, however both could significantly ease the payroll process. All payroll systems will do basic tasks e.g. turn gross pay into net pay and generate payslips, but the other “must have” features will vary from company to company, depending on the size of your payroll and nature of your business. For example, if you are a large manufacturing company you may well need integration with, or a link to, a time and attendance system, whereas a firm of solicitors may only require clear simple data entry.

Do consider how your organisation might grow and how this will affect your choice – scalability is key.

It is important not to restrict yourself; start with as many features as you can and be sure to ask colleagues if they have worked with other systems that had particularly helpful or efficient tools. Discuss the opinions of colleagues who are directly affected by the payroll system, especially members of the HR and finance teams, who rely on you for specific information, such as salary details. You will also need to consider the software they currently use, for integration purposes.

Think delivery

One area fundamental to your selection is the most appropriate delivery method for your organisation. If you have a poor IT infrastructure, a bureau system, whereby information is passed to the payroll provider, who actually hosts the software and processes payroll information, could be the best option. This can be of particular value to smaller teams. If you have a large payroll team and prefer to hold and process all data in-house, then an installed system will be most suitable.

If you are unsure about the options available be sure to ask providers about their delivery methods and how flexible they can be.

Think ‘big picture’

Remember, it won't just affect the payroll team, but the organisation as a whole. Many organisations now embrace the idea of a paperless office, which means you may want to produce payslips electronically in order to email them, or even allow employees to view their payslips ‘online’, thus reducing paper, printer and postage costs.

Think ‘wish list’

Write a list of requirements based on your observations and discussions that you can refer back to later on. This will be invaluable if you decide to enter into a formal tendering process.

Look and feel

Now you have a list of requirements, do some internet research to get a feel for the market. Most websites will allow you to request a brochure – it is easy to gauge a supplier's responsiveness by how soon you receive the information you need and if sales professionals are on hand to answer any queries.

Plan ahead for the year by identifying which conferences and exhibitions will be the most useful to attend - we recommend Softworld HR and Payroll. Make sure you set yourself a deadline for when you want to start short-listing suppliers – this will prevent prolonging the process unnecessarily.

When you attend exhibitions, try to see as many suppliers as possible. Be sure to take other members of your team and any other potential end users, so that they too can get a feel for different providers. Good suppliers should allow you to have a hands-on session, so you can get a better feel for the product. Make sure you judge suppliers not only by their product but also their conduct on the stand – again, this can be a strong indication of the service standards you would receive.

Sort the wheat from the chaff

Following the exhibitions, compile a list of all the suppliers you felt fitted your requirements and discuss it with your team. When you have agreed on a definitive list (we recommend no more than five), invite them to your office to show the system in more depth. Again, ensure that you involve your colleagues – preferably from other departments if possible – they will be able to ask questions you may not have thought of. It is important to ascertain at this point who is responsible for developing and supporting the software – companies that use payroll professionals for each stage of the process will be able to offer far superior functionality and services as they will have a greater understanding of your needs.

Most providers will be used to visiting you on several occasions so don't feel uncomfortable about requesting a second, third or even fourth meeting. Software systems can incur a large financial outlay, so you need to feel confident that all involved are happy with the decision.

You may feel that a visit to the supplier's office is in order, to gauge their working practices. Knowing how a company operates can tell you a lot about their ethos as an organisation and the type of people they employ. If you need more in-depth discussions with technical, payroll and account management staff, this should also be requested, as they will support you in the long run.

Get connected

It is vital you seek reference sites from your provider, to get an idea of how the system works as a 'tried and tested' solution. If a supplier cannot provide satisfied clients, willing to endorse the payroll system, then you could face serious problems. In addition, ask to see written case studies that support them – the more evidence the better, especially in making your case to the Board.

Whatever choice you make, be sure to get as many people involved from the outset as possible – this will need to be a supported and well-considered decision. Purchasing a system should be done with total confidence and nothing less, so ask as much from your future suppliers as you need – it will benefit all of you in the end.

About Sage HR & Payroll

Sage HR & Payroll is a leading provider of HR and Payroll software and outsourced services that support larger organisations across the UK. We are the unique combination of Snowdrop (HR) and KCS (Payroll), offering 'best-of-breed' solutions that address the entire spectrum of data management problems.

Our solutions suite, SnowdropKCS, encompasses everything from recruitment, personnel, payroll and training administration, through to performance management, employee self-service, employee benefits and time & attendance. All complemented by HR advisory services and full project management and consultancy.

We have worked with over 1,500 organisations across the UK to ease administration and promote better HR and Payroll management. Customers include Pret a Manger, Ceva Logistics, First Group, Balfour Beatty and RSPB.

Sage (UK) Limited

4 Witan Way
Witney
Oxon
OX28 6FF

Telephone	01993 862 181
Facsimile	01993 709 300
Website	www.snowdropkcs.co.uk
Email	snowdropkcs@sage.com

Registered in England No. 1045967 and with its registered office at North Park, Newcastle upon Tyne NE13 9AA