

Smart small business payroll

Payroll's so important, you should spend less time on it.



A more human resource.™

Sometimes less really is more

When you run a small business, you have to wear a hundred hats. As well as managing the day-to-day, you've got to get acquainted with a whole new world of paperwork and back-office administration. It's not everybody's strong suit, but traditionally it's seen as the price of running a business.

The problem is, while all this back-office admin helps ensure your business is doing everything by the book, it also keeps you from doing what you do best – the thing you actually started your business to do.

We think something's wrong with that picture.

Of all the administrative tasks swallowing business owners' time, payroll is arguably the worst offender.

It eats up way too much of your week and it can be really, really hard.

Get it wrong and it's not just a problem for your employees. As an employer, you face costly penalties and pitfalls if you miss a step.

But, when you get payroll and tax filing right, you don't just stay out of trouble – you have more time to make your business a success, knowing that payroll is taken care of.

Call us idealistic, but we think you deserve the time and freedom to do more of the things you do best.

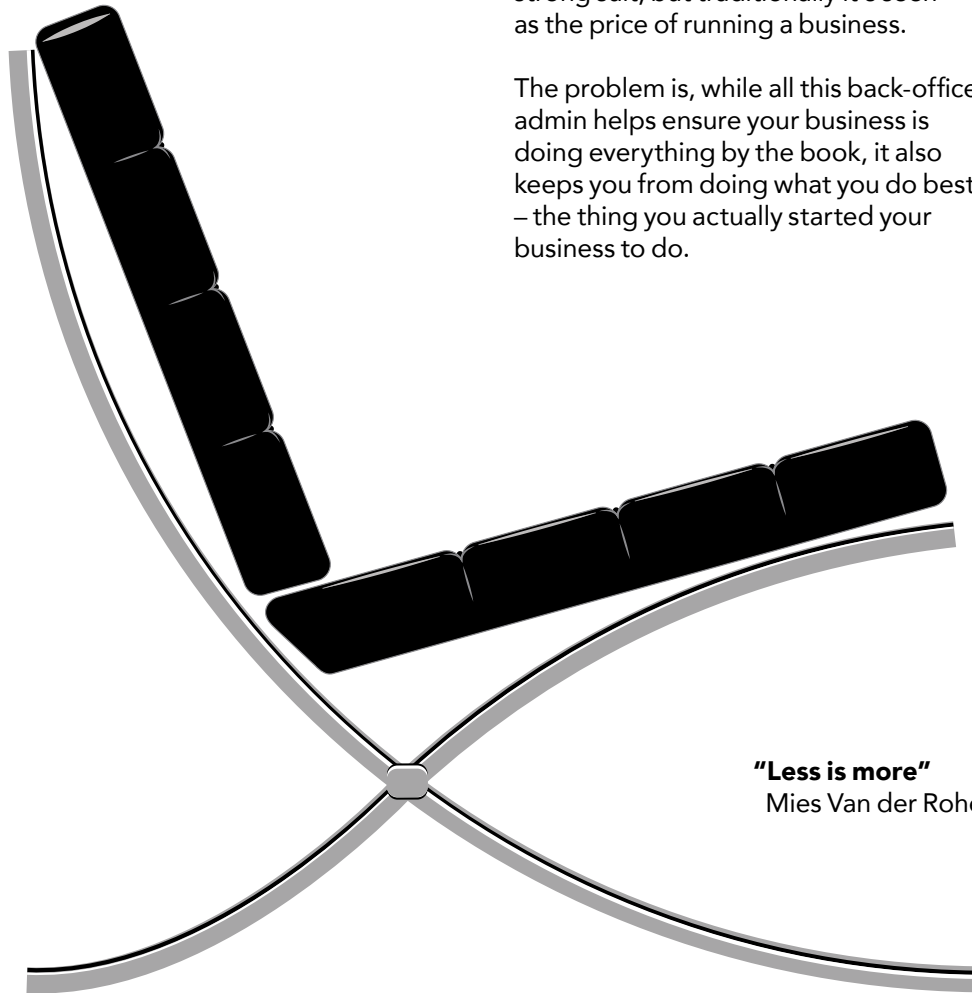
That's why we think you should spend less time on payroll – by entrusting it to people who are really great at it. People who know all about the ins-and-outs of payroll calculations, filing taxes, employee benefits, and everything else that goes with employing a great team. People who, unlike you, literally don't have anything better to do – because payroll is their thing.

More and more small businesses are questioning just how necessary the necessary evil of DIY payroll management really is.

Here's how they're making a change and embracing smart small business payroll.

Let's dive in.

"Less is more"
Mies Van der Rohe



The road to smart business payroll

There's no one route to smart small business payroll. Most businesses start with a lo-fi, DIY approach and build from there. A typical journey might look like this:

- Paper-only
- Spreadsheets
- Software
- Outsourcing partner

Some enlist the help of a bookkeeper or accountant along the way, but many small businesses haven't progressed beyond the first step or two. There are a few common reasons for that:

1. They think they're too small for payroll outsourcing.
2. They think it will be hard to change.
3. They think it's expensive (so they're willing to live with some pain).

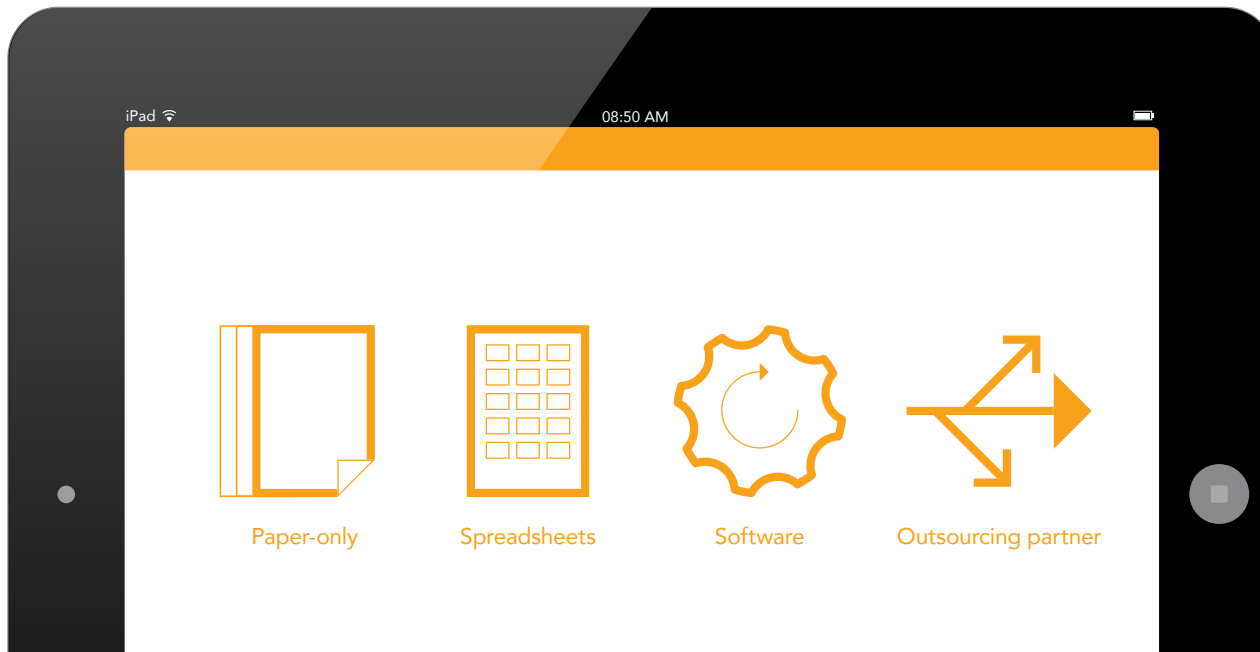
If this guide convinces you of anything, we hope it's that these three reasons just don't hold water. That even the smallest businesses can benefit massively from smart payroll. That making the switch can be easy, not disruptive. And that scrimping on payroll and employee management is a false economy.

Confronting risk head-on

We're not out to scare anybody, but we have to be realistic. A DIY approach to payroll carries real risk for small business owners.

And the drawbacks aren't just measured in the length of time you spend wrestling with the payroll process. With complexity comes the threat of errors – and payroll errors can have repercussions like cash flow chaos, costly penalties and embarrassing chats with employees about payroll snafus.

Wherever you are on the road to smart payroll, it pays to understand the challenges employers face. Let's take a look at what makes payroll so tricky.



Why payroll is hard

01

Payroll management is a killer combination of complex processes, confusing jargon and high-stakes execution. And there are plenty of pitfalls awaiting unsuspecting business owners along the way:

- Inaccurate or late payroll
- Inaccurate or late tax payments (on both the employer tax and employee tax sides)
- Non-compliance with federal, state and local laws
- Failing to make timely status changes
- Seasonal irregularities like bonuses

02

But when you take a step back, you see that **payroll is only one part of the bigger employee management picture.** The dividing lines are blurry, and when a conversation starts with payroll, you could find it touching on any of the following HR areas:

- Hiring and employment
- Wage and hour rules
- Workers' compensation insurance
- Health and benefits plans
- Retirement services
- Time and attendance tracking

03

And there's lots to keep up with. The U.S. Department of Labor enforces (and updates) over 180 employment laws covering:¹

- Wages and hours, including overtime pay rules
- Workplace safety and health
- Workers' compensation
- Employee benefit security
- Unions and their members

- Employee protection
- Garnishment of wages
- Family and medical leave
- Workplace posters

Many states and local jurisdictions have their own workplace rules as well.

1. <https://www.dol.gov/general/aboutdol/majorlaws>

Record-breaking regulation

In 2015 alone, the Federal Register published nearly **82,000** pages² of rules, proposed rules and notices – relating to paid family and medical leave, overtime pay, joint employment and more. And that number doesn't include state and local rules and regulations.

Add on top the recent changes or anticipated changes in areas including:

- White-collar exemptions³
- Provisions and compensation for off-the-clock working
- Equal employment opportunity regulations
- Affirmative action
- Health and safety requirements
- Employee handbooks



81,611

2. Study: 2015 was a record year for federal regulation, The Hill, Dec 2015.

3. In November, a federal judge issued a preliminary injunction blocking changes to the minimum salary threshold for white collar exemptions. The Department of Labor filed an appeal on December 1, 2016.



The point is:

Payroll is never really just payroll, and it never stands still.

It's connected to a whole range of employee management requirements that business owners – even the smallest of employers – may have to address.

That's why a big part of smart payroll management is working with a partner with experience that's deep and broad enough to cover you across the spectrum of HR needs, and knowledgeable support services if you run into trouble.

What smart small business payroll looks like

Smart payroll management is about having the right combination of technology and people: An easy-to-use online payroll management system that's backed up by expert support services you can access anywhere, anytime.

When that's in place, you can streamline and automate payroll, tax filing, benefits and human resources, safe in the knowledge that if anything goes wrong – or if you just need some advice on any aspect of employing staff – help is at hand.

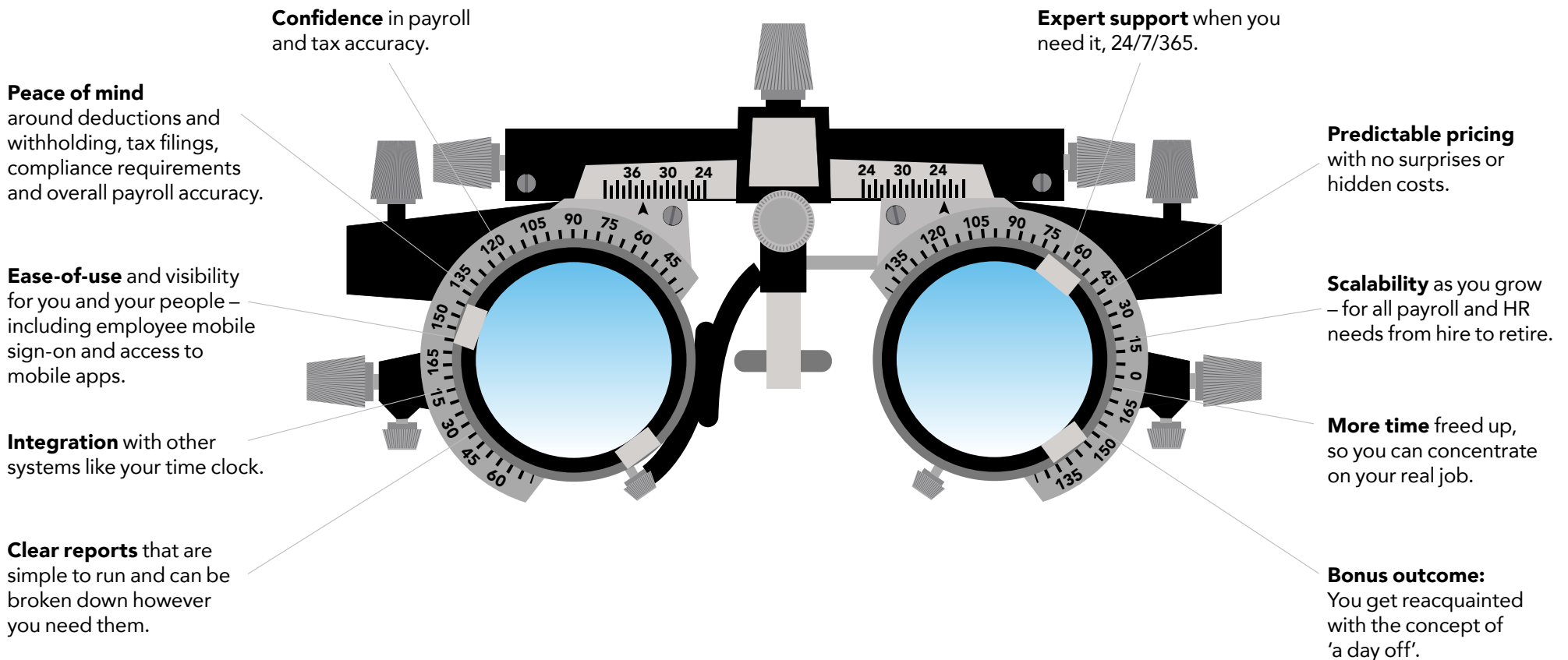
A personal service

Smart payroll is service-based, so it's actually a personal experience. You (and your accounting partner, if you have one) still have total control – while your people have easy self-service access to everything they need to know. And when you need payroll guidance, you've got knowledgeable people on the other end of a helpdesk line, 24/7/365.

All of these factors add up to the one defining benefit of smart payroll management: You spend a lot less time on administration and a lot more time doing what you do best.



The benefits of smart payroll add up fast:



Getting there from here

They say the most dangerous phrase in business is, “We’ve always done it this way.”

With a process as important as payroll, change can be a scary prospect, but hopefully, by laying out the benefits of a move to smart payroll management, we’ve made it clear it’s a change worth making.

And we know that the concerns don’t end once you make the decision to embrace a transition like this. Depending on where you are now on that payroll journey we outlined earlier, it could mean a real shake-up of the way you manage payroll.

Getting there from here means understanding where you are today, so you can make the best decision about your next move.

Let’s look at some of the common concerns that small business owners feel when they’re looking to embrace a smarter way to manage payroll.

Timing it right

When is the best time to change the way you run payroll? Or to switch from one provider to another? Does it have to be at year-end? Or quarter-end?

Actually any time is good. The sooner you upgrade, the sooner you get the benefits.

The right provider can help you prepare for a successful switch at any time of year. They’ll walk you through the process and help you pull the data and reports you need for a smooth transition.

Migrating your data

Whether it’s from paper records to digital, or from a software system (or a mixture of the two), you’ll need to move a load of data from one place to another. It’s really important that no vital information falls through the cracks, so make sure you follow the advice of professionals. And if data entry really isn’t your thing, you can always ask them for help with the heavy lifting.

Getting set up

Setting up a new payroll system can seem like a challenge. But with the new breed of smart payroll management solutions, onboarding and education often come as part of the service, for you and your people. So whether you’re registering, adding employees and contractors, or setting up access rights you’re never alone.

Managing the change

A system changeover may seem like a daunting prospect, but with guidance from experts who have helped thousands of businesses like yours make the same transition, you’ll be in a better position to guide your business and your people through the process.

What payroll is really about

Earlier we zoomed out from payroll and saw some of the other employee management and HR areas it's connected to. Whatever areas touch you today, you need to make sure you've got them under control. But the ultimate goal is something bigger.

Focus on individual areas and you streamline a process; add it all together – with smart payroll that integrates HR – and you start to unlock some big opportunities. Here's what we mean:

People and benefits management

Businesses run on people. If you don't take care of yours, someone else will. Running a smooth payroll won't make you an employee destination of choice, but getting all your HR processes nailed down is a must – and it helps you spend more time developing a company culture that attracts and keeps the best talent.

Cash flow control

You need to know exactly what you're paying your people – and what you owe the tax man – and you've got to have enough cash in the bank when pay day comes around. With smart payroll insights, you know you've got it covered. And you can help avoid any nasty surprises and penalties that could take a dent out of your cash.

Protecting your company from risk

No one likes to think about worst-case scenarios, but business owners need confidence they've met their employer obligations – for their people's sake as well as for the future of the business.



Time for a change?

Don't live with the pain of inefficient, risky, DIY payroll management. It's not just hard work – it's a waste of your most precious resource: Time.

Time we believe would be better spent doing whatever it is you do best. Fixing jewelery, making sushi, selling insurance – whatever gets you up in the morning (and brings your customers in the door).

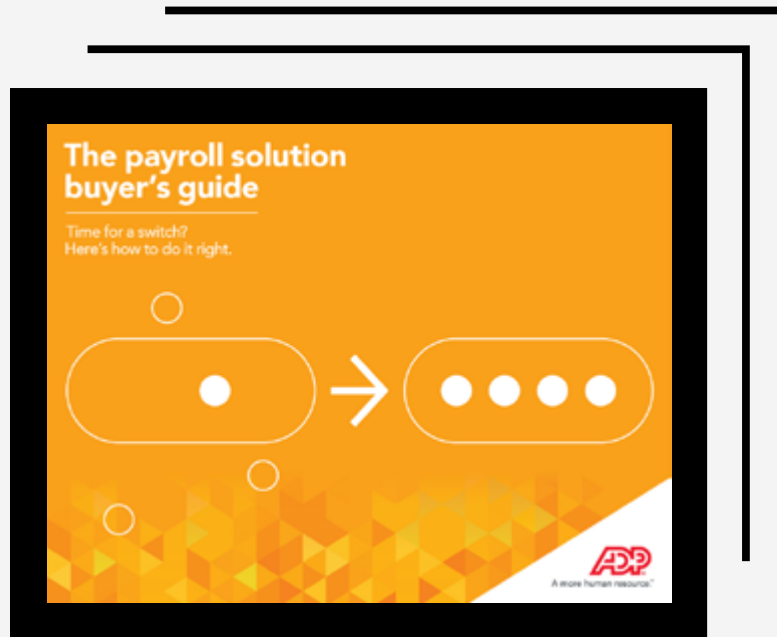
Getting smart with payroll means trusting the professionals.

We're ADP® and we do payroll.
What do you do?

Let's talk.



What's next?



Take a look at [How to change payroll systems and learn:](#)

- Why businesses should think about switching
- What to ask new providers, and what to expect
- How to get buy-in from your colleagues
- And how to pick the best solution for your business

ADP® takes care of you and your people

Our cloud tools and support services streamline and automate payroll, tax filing, employee benefits and HR management – backing you up with proven advice and compliance assistance to help you take care of your people.

If you run a growing business or a busy HR department, you've got better things to do than paperwork, administration and managing compliance-related tasks.

We don't. This is what we do best.

That's why hundreds of thousands of businesses rely on us every day. And why we'd love to do it for you.

Let's talk.

This information is provided as a courtesy to assist in your understanding of the impact of certain regulatory requirements and should not be construed as tax or legal advice. ADP encourages readers to consult with appropriate legal and/or tax advisors.

Investment options are available through the applicable entity(ies) for each retirement product. Only licensed representatives of ADP Broker-Dealer, Inc. (Member FINRA), an affiliate of ADP, LLC, One ADP Blvd, Roseland, NJ, or of a broker-dealer firm that has executed a marketing agreement with ADP, LLC may offer and sell ADP retirement services products and services or speak to retirement plan features and/or investment options available in any ADP retirement product. Nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or plan. Please consult with your own advisors for such advice.

All insurance products will be offered and sold only through Automatic Data Processing Insurance Agency, Inc., ("ADPIA") its licensed agents or its licensed insurance partners, 1 ADP Blvd., Roseland, NJ 07068. CA license # 0D04044. Licensed in 50 states. ADPIA is an affiliate of ADP, LLC. Certain services may not be available in all states.

The ADP Logo, is a registered trademark of ADP, LLC. ADP A more human resource. is a service mark of ADP, LLC. Copyright © 2017. ALL RIGHTS RESERVED.



A more human resource.™