

Payroll software buyer's guide

Becoming a payroll
powerhouse

www.iris.co.uk

 **IRIS**



If it's not broken, don't fix it.

Ah yes, the classic saying that so many of us abide by in our lives; however, let's preface this guide by saying this should not be applied to payroll.

Sure, the approach may work for some scenarios – a wobbly shelf just hanging on or a dated iPhone which has slowed but still runs.

Your payroll, on the other hand, is not an area to cut corners.

Inadequate software could be costing your business massively, from excessive time-consuming admin to regular payroll errors.

If you've got doubts about your software and processes, read on.

What to expect from this guide

With the sheer amount of payroll software on the market, choosing the right system can understandably feel overwhelming.

We're here to help! No matter what stage in the procurement process you are, this guide has got something for you.

If you're just starting the search for new software, we cover all the considerations you need to make in addition to sharing tips on finding a new solution.

For those further along and ready to nail down their new system, we highlight the solution on offer at IRIS and showcase why you should consider it.



What is payroll software?

First things first, what exactly is payroll software?

Payroll software is a tool designed to simplify the process of paying staff.

It automates tasks like calculating wages, withholding taxes and generating payslips, making it easier to handle payroll accurately and efficiently.

Identifying the need for new payroll software

Payroll is tricky at the best of times, with legislation constantly changing and immense pressure on businesses to get payday right, without delay.

So, whether you have a desperate need for new payroll software or you're curious if there are better options out there, use the following as a checklist to help identify if it's time to switch.

Too many manual processes

Your time is valuable, and manual payroll processes can quickly eat away at it.

Outdated payroll systems often require repetitive data entry, manual calculations and constant cross-checking.

These inefficiencies not only waste hours but also increase the risk of human error, which can lead to costly mistakes.

Poor data management

Payroll data is complex.

Relying on outdated data management systems makes it incredibly difficult to maintain accuracy.

Errors in tax codes, benefit deductions or hours worked can lead to late payments, compliance issues and employee dissatisfaction.

Lack of cloud

Flexibility is a must in the modern workplace, and this can only be facilitated via cloud software which enables you to work from any device with an internet connection.

No integration

Does your payroll software integrate with other systems in the wider business, like HR?

Disconnected systems result in endless data entry and constant firefighting.

By integrating your payroll software with other crucial systems, like HR, you can create a seamless and secure data flow to achieve more than they do in isolation.

A great way to assess whether you could benefit from integration is to examine key workflows and determine how often manual intervention is required.

Inadequate reporting

Payroll systems that lack central reporting functionality hinder informed decision-making.

Without consolidated, customisable reports, businesses struggle to identify trends, ensure compliance or optimise workforce costs.



✗ Lack of self-service

Do employees rely on you to provide payslips and update details? If so, the administrative workload can quickly become overwhelming.

Offering self-service options empowers employees to manage routine tasks, reducing back-and-forth communication and enabling payroll professionals to focus on solving complex issues and delivering strategic value.

✗ Poor customer support

Are you facing limited customer support, leaving you stranded when issues arise?

Whether it's troubleshooting a technical problem or understanding compliance updates, inadequate support can delay resolutions and create frustration.

✗ Lack of flexibility

One thing that remains a constant with payroll is that it's always changing.

Whether that's updates to National Minimum Wage (NMW) or larger changes like holiday pay and auto enrolment.

Is your provider able to quickly update the software so you can rest easy, knowing your payroll is compliant?



Frequently asked questions (FAQs)

Q: How much time is too much time to spend on payroll?

A: If your team spends more than a day each month solely on payroll for a small to medium-sized business, it's a strong indicator that automation could significantly improve efficiency and free up valuable time for more strategic tasks.

Q: What if I don't want software with complex pricing and lots of modules?

A: Seek software which has a clear and simple per-payslip pricing model, with a fixed minimum monthly commitment, so you pay for what you use with a baseline inclusive charge.

Q: Aren't cloud payroll solutions normally suited to small businesses?

A: Cloud-based payroll software has come a long way and the best-of-breed solutions out there are now perfectly capable of dealing even with the most complex of payrolls, bringing efficiencies into the minefield of rules and regulations.

Q: What should we do if we need an integrated HR and payroll solution, not just payroll?

A: Seek software that has integration capabilities, utilising APIs to connect systems.

Q: How does software integration work?

A: An API, or Application Programming Interface, is a set of rules and protocols that allows different applications to communicate with each other.

Software integration uses APIs to connect your various systems so they can work together and share information.

Think of an API as a digital bridge that enables systems to exchange information and creates a single source of truth across your tech stack.

For example, APIs allow a payroll system to access employee attendance data from an HR platform, eliminating the need for manual input.

Q: What advantages does the cloud give us?

A: With the cloud, your processes have improved security, are better for collaboration and are more efficient with automation.

Cloud also gives you the ability to access and process information from anywhere at any time.

Q: What if we don't have the capacity to run payroll in-house?

A: For those who don't have the capacity to manage payroll in-house, consider using an outsourcing service, offloading the responsibility onto an external specialist.

Q: When am I best to change payroll software?

A: Ideally, you'd want to change payroll systems at the start of the tax year.

However, that isn't always possible.

If you are changing mid-year, you need to look into doing parallel pay runs, which help give peace of mind that all figures will be correct for Year End.

Q: Can I customise payslips?

A: Yes, some software provides a customisable CSS function to format your employees' PDF payslips with your company's branding.



Establishing system criteria: creating your payroll software wish list

Every payroll software will offer the ability to pay staff, but you shouldn't settle for the bare minimum.

Now, when it comes to features you need your payroll software to have, you can look at the above and simply try to resolve these challenges.

However, to make life simpler, here is a quick checklist of features which we recommend you include in your payroll software wish list.

☒ **Automation**

Software should make your life easier, not give you another piece of time-consuming admin.

Search for solutions which offer automation and workflows, helping reduce the amount of mundane admin by taking care of tasks such as:

- Calculating payments
- Creating payment summaries
- Distributing payslips
- Submitting your FPS to HMRC

☒ **Compliance**

Legislation is always changing – you need software to keep you ahead of the curve. Seek a system which is fully HMRC-recognised and RTI-compliant.

☒ **Integration**

System integration eliminates the need for duplication and manual intervention as the changes made in one system are reflected across your tech infrastructure!

Key system integrations to look out for include:

- **Accounting software** – automatically post journals to your accounts
- **Time and attendance** – effortlessly import worked hours to calculate pay
- **HR software** – transfer new employee data automatically into your payroll system.

✔ Security

You're handling extremely sensitive employee data, so systems need to be airtight! Seek software with a focus on security, offering features such as file encryption and password protection.

✔ Cloud

Flexible working is now the norm, so don't let yourself be shackled to an on-premises system. Instead, seek cloud software, which enables you to work from anywhere with an internet connection.

✔ Meet specialist requirements

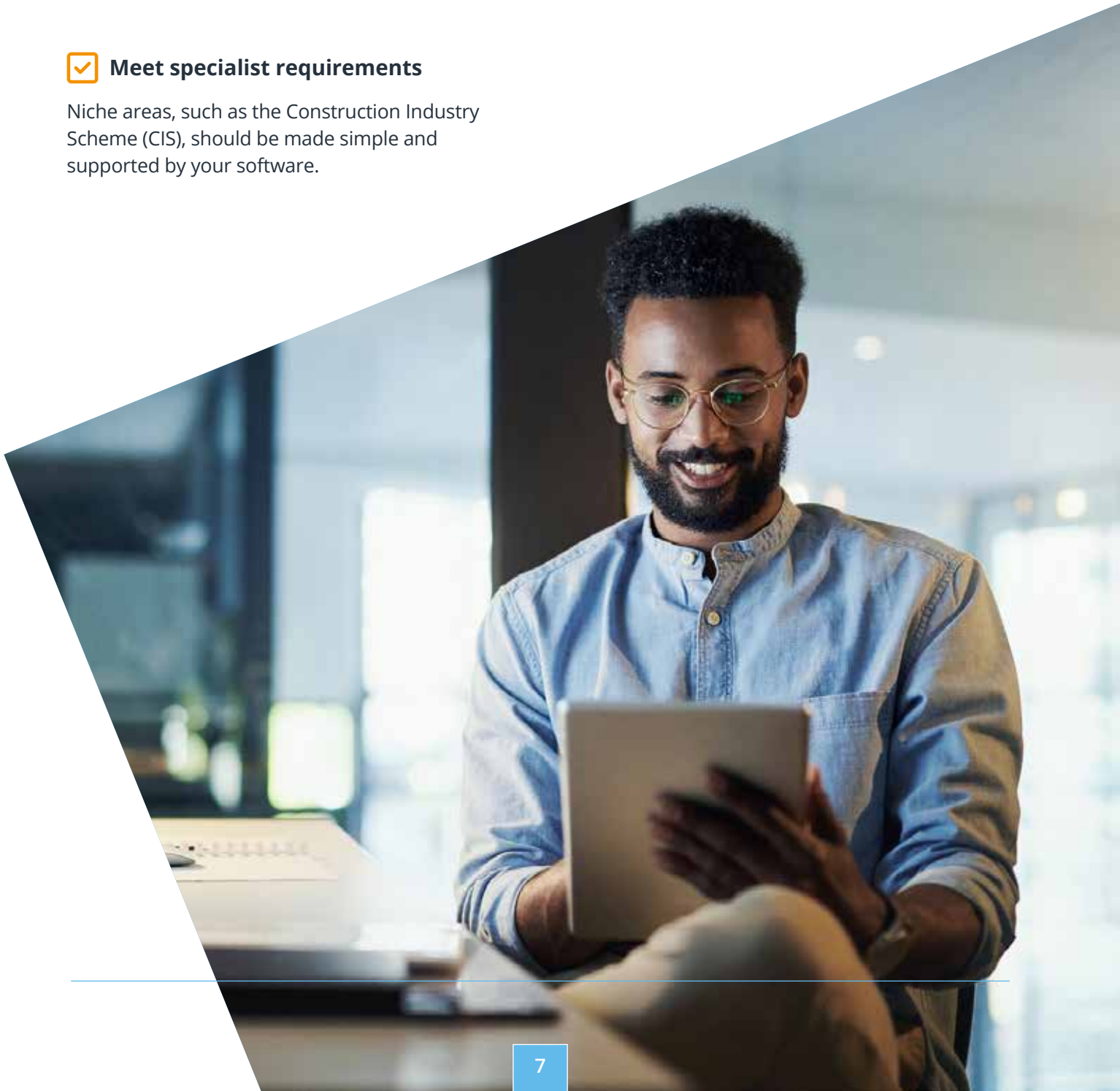
Niche areas, such as the Construction Industry Scheme (CIS), should be made simple and supported by your software.

✔ Centralised reporting capabilities

Access to meaningful information is a fundamental requirement for any business, enabling those managing payroll to make data-driven decisions.

✔ Customer support

Having a responsive supplier is a must! A 24/7 support line can make the difference between paying everyone correctly and on time or failing to meet employee expectations.



Tips for selecting a provider

With so many systems on the market, how do you nail down a provider? Consider the following:

✓ Create a scorecard

Firstly, consider your specific needs and desired features.

Then create a scorecard where desired functionality is scored out of five against actual functionality to ensure a robust and objective selection process.

Top tip: in addition to functionality, take into account factors such as the vendor's dedication to innovation, customer service and reliability.

✓ Speak with peers

On paper, most software appears impressive, brimming with features and ready to solve your problems.

However, software vendors frequently make grand promises but fail to deliver – avoid falling victim to software catfishing.

To sidestep software catfishing, consult with your friends, colleagues and peers to discuss the solutions they use and recommend, ensuring an unbiased perspective on functionality.

For those new to the industry without a network, consider two alternatives.

Firstly, explore providers' websites for case studies highlighting customer successes.

Secondly, attend industry events to network and engage in discussions with like-minded individuals.

✓ Google, Google, Google

If you're seeking particular software specifications – whether that involves features like cloud compatibility, HR integration or scalability, among others – Google can be a valuable resource.

Software providers frequently maintain dedicated web pages outlining their key features, or they incorporate keywords into their primary product pages.

Therefore, if you're in search of a specific tool, conducting a quick Google search is often an excellent starting point.

For example, if you require cloud functionality, Google: Cloud Payroll Software.

✓ Check reviews

Numerous review platforms dedicated to software are now available, including Trustpilot and G2, offering glimpses into customer experiences.

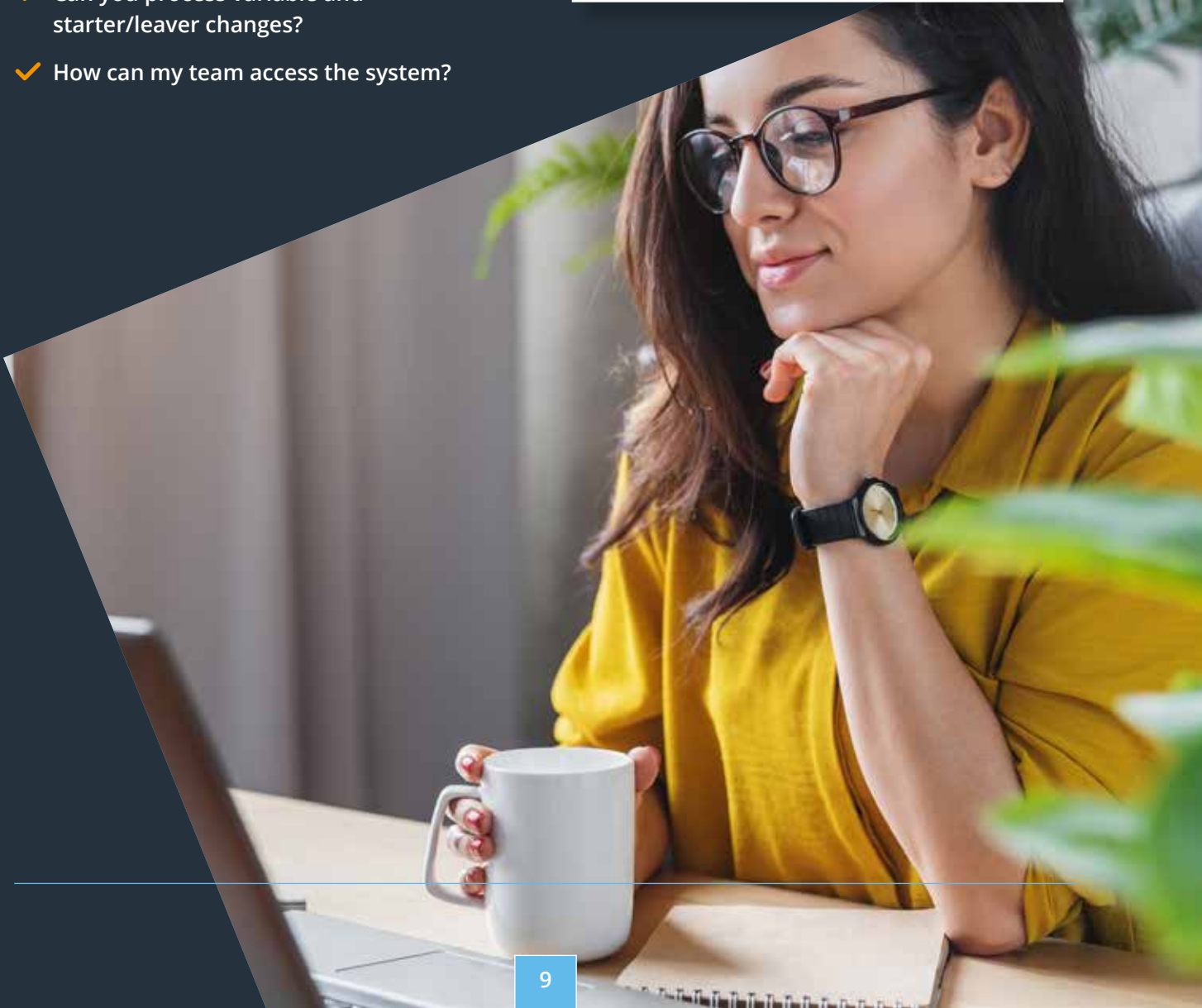
These platforms commonly offer an initial score, providing an overview, while some reviewers also add comments that offer additional insights.



Questions to ask suppliers

Here are a few suggestions to help you prepare questions for your potential supplier.

- ✓ Can I trial the software?
- ✓ Will payroll functionality comply with legislative updates and industry changes?
- ✓ Will the software evolve as our business grows?
- ✓ Do you have organisations like ours using the system?
- ✓ Do you proactively provide easy-to-digest user guides, hints and tips so that we can continually achieve the greatest added value from our system?
- ✓ Will I have a dedicated account manager?
- ✓ How can I be sure my data is secure?
- ✓ Can you process variable and starter/leaver changes?
- ✓ How can my team access the system?
- ✓ How is your onboarding process? Are you able to “hand-hold” me and my team?
- ✓ What customisation options are available?
- ✓ Does the software easily integrate with other systems?
- ✓ Are you able to support the migration of the existing data onto the new software?
- ✓ Can we import spreadsheets?



Considerations when switching your system

When embarking on the journey to switch software, consider the following areas to ensure a smooth transition.

Admin

When considering a change in your software provider, factor in the time needed to transfer data and files.

A reputable supplier will strive to make the process as swift and straightforward as possible.

Initial costs

Some providers or features may have higher costs compared to your current arrangement.

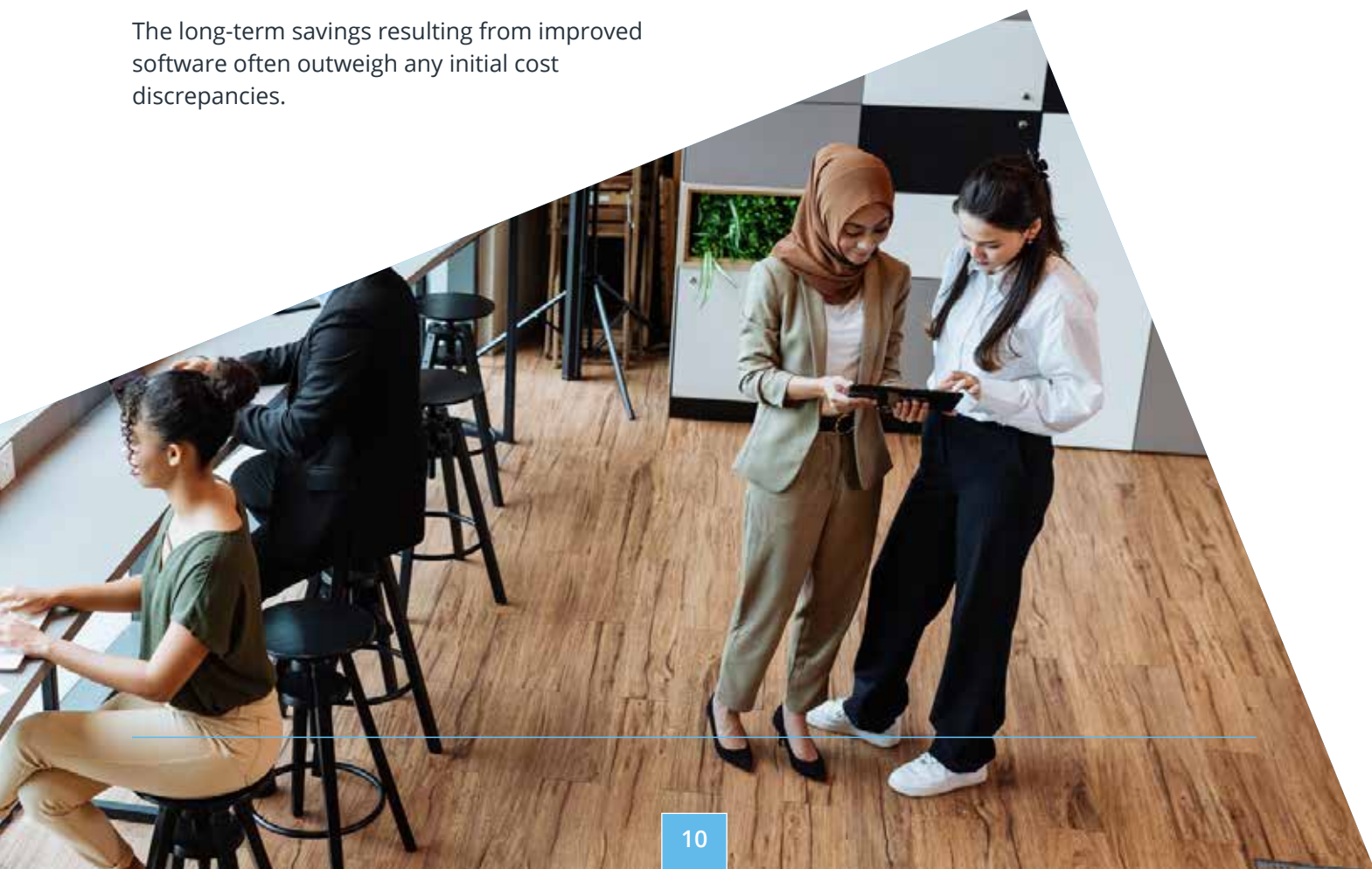
However, when contemplating a software change, it's crucial to balance the time and efficiency savings against the initial fees.

The long-term savings resulting from improved software often outweigh any initial cost discrepancies.

Contracts

For those bound by contracts, early exit costs may need consideration.

While the prospect of early exit fees might initially deter a switch, if your current provider is significantly underperforming, the cost is often a modest price to pay for the advantages of enhanced processes.



Understanding the return on investment (ROI) of your new system

Return on investment is a great way to measure what you're spending and the output that's subsequently delivered – a perfect way to reflect on your new software.

Typically, when evaluating ROI, businesses frequently focus solely on cost reduction and time-savings.

Yes, time and cost are extremely important, but we recommend also scrutinising more strategic areas, such as:

✓ Improved efficiency

With the digitisation and automation of processes, you can expect to see greater efficiency throughout your day-to-day.

✓ Error reductions

By automating processes and using integration to minimise human intervention, you significantly reduce the risk of error.

✓ Data visibility

Access to an abundance of information at your fingertips through one centralised platform enables you to make much more strategic decisions.

✓ Legislative compliance

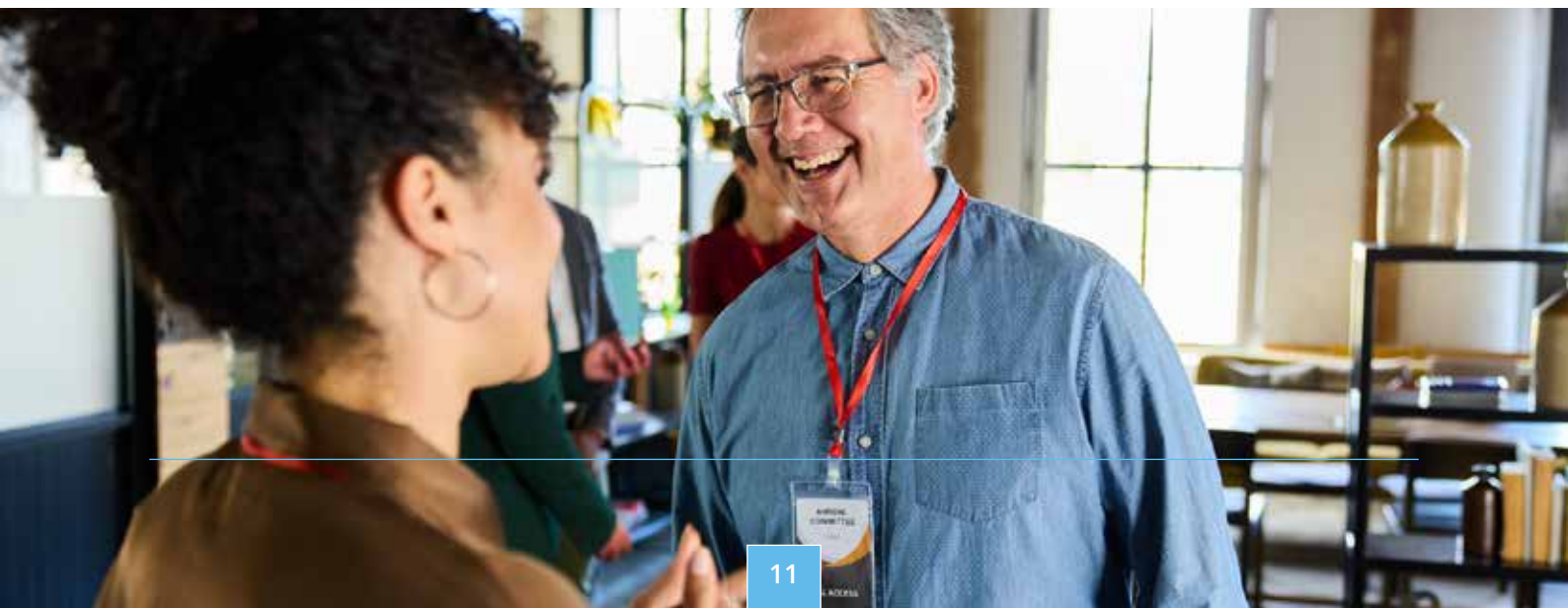
Ensure compliance without lifting a finger as the software automates your security needs.

✓ Improved security

Built on a solid foundation, you have access to an extensive variety of security and access controls.

✓ Increased capacity

Thanks to improved processes and automation, you can do more with the same amount of resources.



Become a payroll powerhouse with Staffology Payroll

The next generation of cloud-based payroll software is here!



Introducing: Staffology Payroll.

Whether you need an automated payroll solution for your small business, an API-backed payroll powerhouse to integrate with your other systems, or specialist software designed for payroll providers, we've got you covered.



Reduce administration



Improve accuracy



Optimise productivity



Greater transparency



Learn more about what Staffology Payroll can do for you here.





What do customers have to say about IRIS?



We had been using 12 Pay for seven years so obviously the idea of moving to a new payroll system was a bit daunting, but as soon as I saw the demo for Staffology Payroll I knew we had to move. It looked so much more modern and user-friendly, and I was actually quite excited to migrate over and begin using it. The communication from IRIS has been great and we did our first payroll run last month. I'm really glad we made the move and would highly recommend Staffology Payroll based on my experience so far."

Mandy Gundle, Manager, Eco Plastic Wood



When I was shown Staffology Payroll, I thought it looked very user-friendly and easy to follow. It did look quite different to IRIS PAYEmaster but with the support materials provided by IRIS, I felt confident that migrating was the right thing to do. It's always daunting moving to a new system and my biggest concern was losing data, but it was a very smooth and easy process. I used the training videos if I had any questions and they helped with any queries. We have now done our second payroll run with Staffology and we are really pleased with how it's going! I've been able to make the payroll process more automated since moving to Staffology payroll and so far, so good!"

Elaine Trotman, Sole Practitioner, Boss Accountancy



The process of migrating from IRIS PAYEmaster to IRIS Staffology payroll was very smooth, with someone at IRIS on hand before, during, and after the migration. I will admit I felt a bit nervous about switching, but the team at IRIS made me feel very supported. I have had a play around the system and completed a few dummy runs to build my confidence and my payroll has now been set to monthly, which means I'm good to go. I am really pleased with how well it's gone, and I look forward to using Staffology payroll going forwards!"

Patricia McGuinness, Kumon Childwall



Closing advice

With thoughtful planning and preparation, new payroll software can lead to revolutionary benefits.

To summarise, key advice includes:

- Allocate sufficient time for your project, as the research, selection, procurement and implementation of new software should not be rushed
- Acknowledge the significant impact that the right (or wrong) system can have
- Clearly define your desired system's functionalities and assess the value
- Utilise this buyer's guide as a checklist when embarking on your software procurement project



Learn more about what Staffology Payroll can do for you here.