



Building a Profitable Payroll Business

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SUREPAYROLL
*The Online Alternative*SM

Agenda

- Introductions
- Payroll 101 – covering the basics
- Payroll Marketplace
- Benefits of Online Payroll
- Making Payroll profitable
- Selling & Marketing
- Summary / Q&A

Payroll 101

By definition – Payroll is the sum of all financial records of salaries, wages, bonuses and deductions

But payroll actually can be:

- Complicated with constantly changing federal, state and local tax laws
- Costly with high frequency of penalties for business owners
- Time-consuming – avg. 4 hours per payroll

Payroll as a Process

- Collection of wages/hours based on each employee
- Calculating appropriate taxes and issuing payroll to employees
- Preparing tax forms for filing and payment

Now taxes need to be paid

- Taxes paid late or filed incorrectly = big penalties for the business owners
- Issue W2s or 1099s for employees by the right date to file taxes
- Tax reconciliation is very time consuming

Payroll's many moving parts

- Federal, state and local withholdings
- Deduction matches by employer
- Exempt and non-exempt classifications
- FICA, FIT, FUTA, SUI, SIT and more...
- Common deductions and garnishments (FSA, HSA, child support, alimony)
- Several forms 940, 941 etc...

Payroll as a Business

We are the tax collectors for the government.

- Employees work, get paid – the government would like their share, immediately.
- Government has it down to a science. The more that is owed, the faster they would like they're share.
- To enforce this, they created a complex system of penalties, deadlines and rules.
- As a result, Payroll as a business is born.

Who's running the payroll?

The SBA states that In 2008, there were 29.6 million businesses in the US and businesses with less than **500 employees are 99.9 % of that 29.6 million.**

- 64% are doing payroll themselves, 14% send to their Trusted Advisors and 19% outsource to a payroll service
- Of those doing it in-house - 55% are the owner/manager, 29% hired employee, 14% spouse or unpaid relative

Payroll Marketplace

- Retail/Service business owners
- Doctors/Dentists/Medical Profs.
- Insurance Agents
- Franchises
- Clergy and non-profit organizations
- Home business services – nannies
- Restaurants and food service



Payroll Triggers

What causes a business owner to get payroll help

- Instructed to do so upon start-up
- Hired first few employees
- IRS fines/penalties have occurred
- Current method proved too time consuming or costly

Where they go for help?



- Software found on their computer – may be outdated
- Peers, and colleagues
- Instructed by Financial Institution
- The # 1 resource for payroll advice – Trusted Advisor

The Role of the Trusted Advisor

You can advise:

- Tell the client to do it in-house
- You can offer it to the client as a service
 - Reselling payroll as a service
 - Processing manually
- Client can go directly to a payroll service you trust
 - Referring payroll services out

Online payroll has same benefits as a traditional provider.

- Calculates the appropriate tax liabilities for federal, state and local taxes
- Automatically makes correct payments to federal, state and local agencies
- Guarantees all paperwork is submitted on time and correctly
- Represents and resolves issues with the IRS on behalf of the client, if needed
- Integrates with other services like 401k, WC, insurance, time clock software and more...

Advantages Unique to Online Payroll

- Data control
- Flexible and easy to change – update at anytime
- Fast – computers process faster than people
- Convenient – mobile payroll (we even have an app for that)
- Archive capabilities and reports easily shared
- Dedicated portals for trusted advisors, clients and employees to access information
- Security – data encryption
- No software upgrades to install or pay for
- Less expensive, can be up to 50% less than a traditional service

Online Payroll is Secure.



- Same security measures as leading national banks
 - All data transactions are authenticated by VeriSign™
- Web site is secured with 128-bit encryption (256 bit in supported browsers), a secure socket layer and MS cluster redundant architecture
- A security and auditing process focused on preventing sensitive data from being misused by internal sources within the firm
- Vulnerability audits and penetration testing
- Secure permission-based access to reports and/or accounts
- Customer authenticity process, requiring clients to provide a unique identifier that appears in their payroll account during each use

Do you want to sell online payroll?

Build a payroll platform.

- Establish an online portal to process
- Implement tight security system
- Tie to a back end system to manage database and reporting
- Have a solid tax pay and file system internally

Partner with a payroll company and resell.

- Good reputation
- Best mix of features and benefits for your clients
- Branding options available
- Marketing support

Offering online payroll means:



- An additional revenue stream
- A “sticky” service making cross-selling/up-selling easier
- Retention opportunities
- Easier access to payroll data/client visibility
- Scalable business model

Example – Aim for simplicity



Your Payroll. Our Passion.™

Account Center | Payroll | Reports | Employees | Company | Tools & Resources

Welcome Jason Copeland, logging in on behalf of [Jill Mugford](#), Approver for **MUGFORD**

[Online Help](#) | [Contact Us](#) | [Logout](#)

SurePayroll Account Center

Payroll Status: You have started entering payroll information (preview available) [203].
Next Check Date: **3/26/2009**
Approve by: **3/24/2009**

1-Click Payroll™ ?

Memo: You do not have any checks waiting to be printed. ?

Payroll 101: Our [guide](#) to running your first payroll.

[Run Payroll](#) [Approve Payroll](#) [Print Checks](#)

SUREADVISOR ✓

Poster Compliance
In Compliance
✓ ILLINOIS

[How-To Guides](#)
[Business Forms](#)

Payroll
[Run Payroll](#)
[Print Checks](#)
[Reset Payroll](#)
[Preview Payroll](#)


Reports
[View Reports](#)
[Accounting Software Integration](#)


Employees
[Employee List](#)
[Add Employees](#)


Example - Eliminate data errors

Hourly Employees

Pay	Regular	Overtime	Other	Extra Pay	Extra Pay Type	One-time	Suppress
Name	Hours	Hours	Hours	Dollars	?	Deduction	Direct Deposit
<input checked="" type="checkbox"/> KOMPARE, LYNSEY	80	0	0		Select Type ▼		<input type="checkbox"/>
<input checked="" type="checkbox"/> MALLONE, TONY	80				Select Type ▼		<input type="checkbox"/>

 [SAVE CHANGES](#)


 [ADD ADDITIONAL CHECKS](#) (Second Checks, Bonus Checks, Tax Override Checks)


 [VOID A CHECK](#)


* inactive employee
✓ unsaved changes

Salaried Employees

Pay	Regular	Overtime	Other	Extra Pay	Extra Pay Type	One-time	Suppress
Name	Dollars	Hours	Hours	Dollars	?	Deduction	Direct Deposit
<input checked="" type="checkbox"/> DOHERTY, KELLIE	1000	0	0	150	Bonus ▼		<input type="checkbox"/>
<input checked="" type="checkbox"/> JOHNSON, ROBERT	1000			Click to see detail			<input type="checkbox"/>

 [SAVE CHANGES](#)

 [ADD ADDITIONAL CHECKS](#) (Second Checks, Bonus Checks, Tax Override Checks)

 [VOID A CHECK](#)

* inactive employee
✓ unsaved changes

Preview Payroll

Example - The chance to proof and preview

<u>Payroll Preview Report</u>						
Employee Name	Gross Pay	Employee Deductions	Employee Taxes	Net by Direct Deposit	Net by Check	Employer Taxes
<u>DOHERTY, KELLIE</u> ***-**-8722	\$1,150.00	\$0.00	\$164.01	\$985.99	\$0.00	\$120.17
<u>JOHNSON, ROBERT</u> ***-**-7685	\$1,850.00	\$185.00	\$310.27	\$1,354.73	\$0.00	\$193.33
<u>KOMPARE, LYNSEY</u> ***-**-0487	\$1,520.00	\$0.00	\$355.03	\$1,164.97	\$0.00	\$158.84
<u>MALLONE, TONY</u> ***-**-7783	\$2,000.00	\$0.00	\$526.15	\$1,473.85	\$0.00	\$209.00
	\$6,520.00	\$185.00	\$1,355.46	\$4,979.54	\$0.00	\$681.34
				Direct Deposit Total		\$4,979.54
				Employee Taxes		\$1,355.46
				Employer Taxes		\$681.34
				Processing Fees		\$40.20
				Amount Electronically Transmitted		\$7,056.54
				Paid by Check		\$0.00
				Employee Deductions		\$185.00
				Employer Deductions		\$0.00
				Total Cash Requirement		\$7,241.54

Preview Created Thursday, March 26, 2009 1:49:25 PM Central Time

Print Screen * (Mac Users: Please use File > Print)

Payroll Preview Report

I have reviewed the payroll preview summary and want to approve payroll for:

Pay Period: 1/23/2009 - 3/19/2009
Payroll Check Date: Monday, March 30, 2009

Funds for this payroll will be withdrawn from your account on: **Thursday, March 26, 2009** in the amount of **\$7,056.54**.

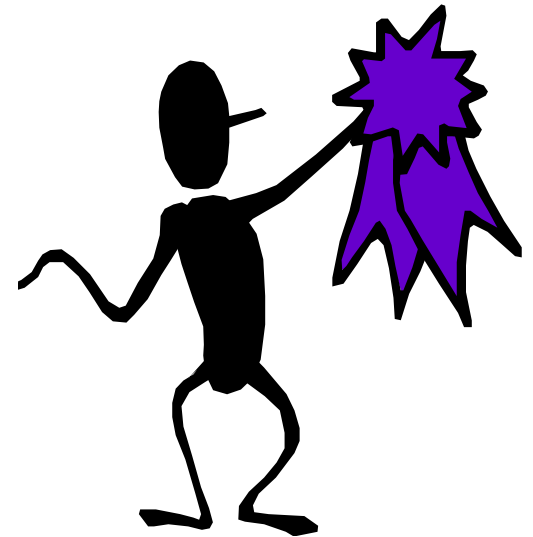
- See gross-to-net breakdown for employees before approving
- Correct any data entry errors before payroll is processed
- Verify funds required to cover payroll before payroll is processed
- Can be done in minutes – by Firm or by Client

Payroll Pricing and ROI

- Who are your competitors – local providers, payroll providers, others?
 - By frequency and # of employees
 - Flat monthly rate for unlimited payroll
 - Bundled with other services
- Fees can vary by client
 - Are taxes included?
 - Extra fees for W2s and 1099s
 - As a reseller, what is your discount? Is it scalable?
- A world gone paperless – reducing costs for all
- Less overhead – shift internal responsibilities

Reselling or providing Payroll isn't for you?

- There are great referral programs available
 - Simply refer business to companies you trust – solid reputation, meet the needs of your clients
 - Refer companies that provide more services than payroll
 - Programs that offer rewards and benefits that help your firm



Becoming a marketing machine

Tools

- A website with clear information
- Competitive pricing structure
- Collateral explaining service
- E-mails or direct mail to promote
- Sales script
- Cross-sell/upsell strategy within the firm
- Audience to target/database

Know how

- Marketing Strategy
 - Defined objectives
 - Audience details
 - Targeted messaging
 - A detailed budget
 - An outlined calendar and tactical plan
- Ability to measure the results
- A plan to improve

Tips to get started

- Train Sales to always include payroll
- Offer to existing clients
- Free trials/promotions to try it out
- Take the time to research competitors around you – offer something unique/better price
- Spend time learning about SEO and SEM
- Engage in social media, several ways to participate
- Ask what works – how they heard, what helped colleagues, etc...
- Try, try and try again – in time you will find the right recipe
- Don't be afraid to invest \$ into marketing

Introduction to SurePayroll



- The first 100% online, full-service payroll company in the U.S.
 - Opened in 1999
- A wholly-owned subsidiary of Paychex, Inc.
- Exclusively focused on small businesses with 1-100 employees



2011 Winner — Stevie Awards
National Sales Team
of the Year

2009 Winner — Stevie Awards
eCommerce Customer
Service Team of the Year

3-Time Winner
PC Magazine
Editors' Choice

Fastest Growing
Fastest Growing Company
for 2 Consecutive Years

Awarded 5 Stars
Best Payroll Software
for Accountants

A- Rating
By the Better
Business Bureau

Questions?

Contact Information:

call for questions and pricing

855.354.6941

AccountantInfo@surepayroll.com

www.SurePayroll.com/Accountants

W-2 / 1099 creation

- Provide W-2 Changes
- Confirm Tax IDs
- Turn in Payroll Adjustments
- Adhere to Your Filing Requirements