



Six Reasons to Outsource your Payroll Management

Payroll professionals know there are three reasons for payroll errors: people, process and technology. Get even one wrong and your payroll is at risk, not to mention your personal and company reputation. For small to medium sized businesses, payroll is a necessary function, but also one that is vulnerable to internal and external changes. Payroll outsourcing is a smart way to mitigate for any payroll risk. Below are six key reasons to consider making the change.

1. Risk

There is no greater risk than non-compliance. Payroll is heavily regulated and subject to rules and legislation that can vary from state to state. Ensuring your team is on top of the latest requirements is an ongoing challenge. In recent times alone, there have been changes such as JobKeeper and STP Phase 2 for which employers must be prepared. Non-compliance, even if unintentional, can attract hefty financial penalties to say the least.

The competence of your team will also affect payroll accuracy. Payroll professionals are snapped up by larger enterprises that can offer better benefits, so talent is often hard to find and harder to keep. Worse still, how would your business cope if your trusted payroll person resigned or became ill?

Recent world events have highlighted the need for payroll teams to be flexible. Can your organisation pivot to accommodate remote working conditions or disasters such as power outages, fires or flood? Could you still pay your people if access to the office was suddenly unavailable?

2. Cost

Every business has to watch the bottom line and manage costs. The oncost associated with hiring staff can significantly increase the total cost of employment and the dollars may be better spent elsewhere.

When you stop and calculate the actual cost of producing a payslip, you may be surprised. Consider the cost of time taken to gather and check payroll data, process payroll, check outputs, complete approvals, produce reports and payslips and disburse funds. Then consider the opportunity cost of that lost time. According to the Australian Payroll Association, on average, for a business with 50-200 employees, each payslip will cost \$32. So for an organisation with 125 employees paid fortnightly, the annual cost to produce pays is \$104,000, assuming no turnover.

3. Access to Best in Class

Despite being responsible for compliance and accuracy, smaller businesses are often restrained by what they can afford. While some opt for software that has payroll as an add-on, others adopt a simple payroll solution that suits their budget. But can it do the job? Can it accommodate last minute changes such as JobKeeper? Indeed, will the software vendor even know about major impending changes to payroll regulations? Payroll operates in a dynamic and highly regulated environment. Is your solution able to pivot, scale and change in line with requirements?

With the best technology comes the best tools, such as in-depth analysis and reporting, integration to legacy business systems, mobility, etc. How does your solution compare?

How do you know if your payroll processes follow best practice? What benchmarks do you have to compare yourselves against? Unless you have lured a highly experienced payroll professional away from a larger enterprise, what expertise can you leverage?

4. Security

Payroll staff fill a trusted position. How can you be sure your payroll person is working in your best interests? In recent years, Australia has experienced a considerable number of high-profile payroll fraud cases. Apart from the stolen funds, organisations risk considerable damage to their reputation, contracts and ongoing revenue when fraudulent practices become public.

Payroll systems hold a lot of Personally Identifiable Data. How do you protect that data from being accessed? How do you manage the privacy of your payroll data? Are you aware of your responsibilities when it comes to the storage, access and sharing of that data?

5. Expertise

Your organisation specialises in your core business. Maybe it is production, or services or sales. For a payroll vendor, payroll outsourcing is our business. We specialise in payroll software and employ experienced payroll professionals. Our experience means we understand your industry and the best practice controls you need to ensure accurate, compliant pay processing. Our team has thousands of years of collective experience, honed over millions of pay processes and countless unique events, including disaster recoveries. You know your business; we know payroll and how to make sure your people are always paid on time.

6. Flexibility

Having a team of dedicated payroll professionals in your corner means you don't have to worry about leave, illness or turnover. Your payroll processes are documented and understood by our team to make sure your people get paid, no matter what.

An outsourcing vendor should be able to accommodate your changing needs. Look for a vendor that offers various levels of outsourcing – and the option to move between them. If the time comes for you to take your payroll back in house, a great vendor should be able to transfer your database back to you, with no loss of data or downtime.

Why Choose Frontier Software for your Payroll Management?

- Frontier Software has been providing payroll software and services since 1985
- Our solution, ichris, is award-winning payroll software
- We are a member of the ATO Software Developers Committee
- We have a team of payroll professionals working on your account
- You have regular meetings with your Account Manager and team
- You receive monthly SLA reporting
- We have tested and proven disaster recovery processes
- Our team are able to access payroll technology and process remotely
- We will review your processes to ensure best-practice and compliance
- Our solution offers powerful reporting and analytics
- Frontier Software is ISO accredited for Quality Management & Information Security Management
- We offer multiple outsourcing models
- You can move your database to an in-house model without loss of data or downtime

To find out more information contact us on 1300 555 884
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