

**Title:**

Payroll Service, Changing Providers. Chapter Two. What Should you Look for in a New Provider?

**Word Count:**

605

**Summary:**

When changing payroll outsourcing providers what should a company look for in a new provider. This is chapter two of two in a series of articles about changing payroll providers.

**Keywords:**

payroll, payroll outsourcing provider, internet payroll, paperless payroll, payroll cost, professional payroll, payroll debit card, payroll experts, payroll technology

**Article Body:**

**What should you look for in a new payroll provider?**

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**<li>Service</li>**

**<li>Technology</li>**

**<li>Professionalism</li>**

**<li>Cost</li>**

**<li>Location?</li>**

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**Service.** Can your new provider handle your unique needs? You can only ask. But don't just take their word. Ask for references in your size and type of business. Smaller providers may only be able to get close but that is OK. You're concerned about how, not what, service is provided. Ask the references for other reference back to the provided that they did not provide you with. That is where you may get your best information. But in all fairness, remember the old adage "You can't make all of the people happy all of the time."

**Technology.** Is the provider up to date on payroll technology? It is hard for the major payroll providers to upgrade a system for hundreds of thousands of users. They will always be slower to change just because of size and inertia. The very small payroll service providers can't afford the newest technology. You also don't want bleeding edge technology just leading edge. Currently (and this changes all the time) you want to talk about paperless

payroll, online payroll, payroll debit cards and employee self-service. There are other topics that will apply to your unique circumstances.

**Professionalism.** How long has the company been in business? Are they a fly-by-night outfit and will disappear with your tax deposits. Do they have standing in the community? Are they an EFTPS batch filer meaning they have at least 100 clients they file tax deposits for?

Do they have qualified payroll professionals and CPAs on staff to handle problems? You will have dealings with the IRS if nothing else over mistakes that the IRS makes. Without a CPA on staff you will either have to deal with the IRS yourself or pay your regular CPA to handle the problem. If your CPA does not deal with payroll tax problems on a regular basis it will be time consuming for him, and expensive for you. to get up to speed with IRS procedure and policy on an area he doesn't deal with daily.

**Cost.** How important is cost in the mix of factors in making a decision on which payroll service provider you choose? That question you have to ask yourself. If all other things mentioned above were equal then cost would be the determining factor. If you get the best price and then spend hours every pay period because of obsolete technology, hours fixing their mistakes. Then spend hours placating your employees. Then spend hundreds of dollars with your CPA fixing an IRS error because the new payroll service provider has no CPAs on staff. What have you gained?

Please also review the cost paragraph in chapter one to better understand how payroll companies can mislead you about pricing.

**Location.** There was a time that location of a payroll company was important, delivery of checks and reports, long distance phone calls, local banking relationships and so on. It does not matter much in this day and age. With email and FedEx it does not matter very much where your payroll service provider is located in relationship to your business. With paperless payroll location is absolutely irrelevant as everything is handled over the Internet and all money is moved through the banking system electronically.

Check out

Payroll Service, Changing Providers. Chapter One. Reasons to change Providers

And

Payroll Service, Changing Providers. Chapter Three. What should happen when I  
Change?