

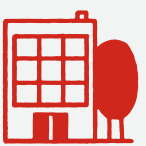
EMBEDDED PAYROLL: **A GAME-CHANGER** **FOR SMALL BUSINESS** **PLATFORMS AND** **PROVIDERS**



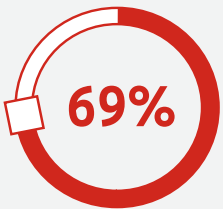
As software-as-a-service (SaaS) providers, you face the ongoing challenge of delivering seamless, efficient solutions that meet your clients' evolving needs in today's fast-paced business landscape. Many of your clients use multiple systems just to meet their needs and accomplish their operational and HR requirements. One survey found that small- and mid-sized businesses say they use five different systems on average just for their HR needs.¹ This creates businesses loaded with a software stack that includes everything they could ever need, but might also be riddled with data redundancies — most often in payroll (69%).¹

A more seamless experience is needed for the clients who use your technology and services.

Even with payroll processing options across HR software platforms, payroll can still become a tangled web of compliance issues, data inaccuracies and manual entry errors. Navigating these complexities can be a major headache for your clients, diverting valuable time and resources from their core operations.



Small and mid-sized businesses use an average of five different systems just to manage their HR needs.¹



of businesses report payroll redundancies, highlighting inefficiencies within otherwise complete software stacks.¹



"The easy choice for Clover and Fiserv was RUN Powered by ADP®. Clearly the best of class in the market so that was the easy piece. **Another differentiator was the service and support we're able to leverage with ADP.** At Fiserv and Clover, payroll is not our expertise. So we really needed to rely on a partner with the expertise to service and support our clients' payroll needs."

Will Karczewski
SVP and Head of Clover

ENTER: EMBEDDED PAYROLL

Embedded payroll is an innovative approach for SaaS providers like you. It integrates payroll processing directly into your software platform. Embedded payroll allows you to streamline your clients' needs and functions all within your platform. This can enhance user experience for your clients and help boost client satisfaction.

Instead of referring clients to a third-party for their payroll or trying to develop payroll software within your platform, you can rely on the expertise and advanced technology of payroll industry leaders while offering clients a seamless, integrated experience.



"Many provider platforms already hold the building blocks of payroll and are perfectly positioned to offer payroll natively embedded in their own UX, which can increase higher engagement."

Michael Konstantinidis
VP, Business Development, ADP



How it works

When a payroll provider offers embedded payroll, most of the time, they simply integrate the same payroll software they offer clients and partners into your solution.

With a payroll solution integrated into your platform, tasks like calculating wages, managing deductions, processing taxes and helping with payroll compliance can all be handled within your system and the client doesn't have to go anywhere else. This can simplify the payroll process for your clients, cut down on errors and boost their

efficiency because they won't have to manually pull their data through multiple platforms.

Making things easier for your clients:

- Seamless look and feel with payroll designed to match your platform aesthetics
- One single login for clients
- Eliminates clients' need to export data from your platform
- Integrates multiple systems to streamline workflow



"Our app, FieldClock, is a labor tracking app for farms. A common pain point is taking hours clocked in our app and putting into another app for payroll. The big value proposition of embedding ADP payroll into our app is that all the **time logged in FieldClock flows directly into payroll, eliminating manual entry and uploads for our clients.**"

Joshua Farrey
Cofounder and CEO, FieldClock

Key benefits

Benefits for SaaS providers

- **Potential to increase client retention:** Embedding payroll functionality into your software can help enhance client satisfaction, potentially leading to higher client retention and possibly eliminating your clients' need to seek an alternate provider.
- **Expanded product offerings:** Diversifying your offerings can help you attract new clients looking for a holistic solution and position you as a one-stop destination for business management.
- **Additional revenue stream:** Increase your revenue through tiered subscription models, transactional fees, or offering premium features within your platform.



"One of the best things about embedding a payroll solution is that the data is shared between payroll and the partner platform and clients log into a single application. Depending on the UX and APIs used, partners can tailor the embedded experience to match their application for a seamless experience."

Anand Pandya

GM and VP, ADP Embedded Payroll, ADP





Benefits for clients

- **All-in-one platform:** A one-stop platform can help eliminate a client's need for juggling multiple applications, simplifying processes and enhancing usability.
- **Time savings and user experience:** Your clients could experience a dramatic reduction in the time spent on payroll processing through automated calculations, deductions, and tax filings all within your platform.
- **Seamless workflow:** With payroll embedded in your platform, your clients experience a smooth flow of information between departments, reducing the potential for data discrepancies, errors and miscommunication.
- **Simplified tax filing and compliance assistance:** Automated tax calculations, filing and payroll compliance assistance embedded in your system can help make staying compliant easier, which may result in reduced stress.
- **Reduced administrative workload:** Managing payroll through an integrated system minimizes manual data entry, error reconciliation, and repetitive tasks, helping to improve efficiency and reduce operational cost.



"Embedding a partner solution instead of building our own turned out to be a very natural fit for us and now we've solved a big pain point for both our large and small farms — they never have to leave FieldClock to run payroll."

Joshua Farray

Cofounder and CEO, FieldClock



Industry-specific use cases

Different industries have unique payroll requirements, and tailor-made solutions for these verticals can enhance your clients' satisfaction. Here are a few vertical-specific use cases:

- **Retail and hospitality:** Businesses in this sector must handle varied hourly rates, tips and overtime calculations.
- **Healthcare:** Healthcare companies need to track various employee classifications (full-time, part-time, temporary) and ensure compliance with specific regulations, including union requirements.
- **Construction:** The construction industry is often made up of project-based teams, requiring detailed time-tracking and different pay across multiple projects.
- **Nonprofit organizations:** Nonprofits may require specific reporting for funding and compliance purposes.
- **Agriculture:** The agriculture industry often employs seasonal and migrant workers, which leads to varying pay rates and hours, and there are also agriculture-specific labor regulations that must be adhered to.



"I would recommend Clover Payroll by ADP®, because it's nice to have just one place to go to do both tasks. It's nice to not have to go into a separate login."

Becki Kuhl

Owner, Hawaii Fluid Art, Franklin



Questions and considerations for partner evaluation

As you consider embedding payroll into your solution, you may want to consider the following factors during your partner evaluation.

Regulatory and compliance

Payroll is heavily regulated, and while some rules and laws may apply on a federal level, requirements often vary by state and locality. Determine whether the partner has a proven track record with compliance assistance.



Consider asking the following questions during your evaluation process:

Q.

Will the partner help your clients maintain compliance with labor laws through the APIs they provide (examples include federal, state and local minimum wage, overtime and employee classification rules)?

Q.

Is the partner committed to data privacy?

Q.

Does the partner provide current content on changing legislation and how it may impact your clients?

Q.

Does the technology offered by the payroll partner have automated monitoring that can help flag common payroll errors before they are made to help you and your clients minimize risk?



Technology approach and provider support

When evaluating an embedded payroll provider, it's critical to review what kind of support they provide and whether that support is sufficient to help your business successfully market, offer and deliver a payroll solution within your platform. Do they offer more than a hands-off, technology-first approach to support? If they don't offer comprehensive payroll support for your clients, does your own staff have the knowledge, resources and bandwidth to launch and support embedded payroll for your clients? If not, do you have the budget to hire additional staff and experts who can support your clients? If additional budget and staff are not an option, ensuring the provider you choose has a built-in support model for your clients' technical and compliance questions is vital.

Payroll can be complex and it's heavily regulated, so evaluating the level of support before deciding on a partner is crucial to success in offering an embedded payroll solution within your platform.



Consider asking about the following areas of support:

Q.

Does the provider offer real-time, fast and knowledgeable payroll support for your clients' time-sensitive questions?

Q.

Does the provider have continuing expert support for your clients' questions related to payroll?

Q.

Does the provider offer technology support with setup and maintenance?

Q.

Will the provider partner with you to build a go-to-market strategy when launching embedded payroll for your platform?

Q.

Does the provider offer continued marketing support and sales and service expertise during and following the launch?

Questions and considerations for partner evaluation (continued)

Partner reputation: Risk and trust

Selecting the right partner for your embedded payroll services is important for success.

- ✓ **Reputation check:** Evaluate the reputation of potential payroll partners by reading testimonials and case studies, as well as checking online reviews from sites like G2, TrustRadius or Capterra.
- ✓ **Experience and expertise:** Partner with providers who have experience in the payroll domain and demonstrate a deep understanding of industry-specific needs and regulations.
- ✓ **Scalability:** Make sure your partner can support growth as your client base grows. Scalable solutions can decrease the need for frequent vendor switches, providing your clients with more continuity.
- ✓ **Collaboration and support:** When selecting an embedded payroll provider, prioritize those that offer collaboration and robust customer support so that if questions or concerns arise, they can be resolved quickly and easily.



"I think the ADP and Clover integration is easy. My last two pay periods have been done through Clover Payroll by ADP, and it's nice because it does alleviate the extra sites I have to go to."

Justin Kahle

Owner, Just Smokin' Barbecue





READY TO EMBED PAYROLL INTO YOUR PLATFORM?

Embedding a payroll solution presents a unique opportunity for you to enhance your offerings. Consider adding best-in-class payroll technology to your platform. ADP's unique high-support model allows you to continue doing what you do best while adding a payroll offering to your platform without draining your resources and staff.

Embedded payroll helps you be more for your customers — not just with an industry-leading payroll solution, but with the strength of ADP built into your platform.

YOUR PLATFORM. OUR PAYROLL.

Discover **ADP embedded payroll.**

1. Capterra, [HR Employees Say Half of Their Software Systems Perform Overlapping Functions](#), 2023

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