

BUYER'S GUIDE FOR PAYROLL & HR SOFTWARE

How to build the right workforce
solution for your business



asuresoftware.com

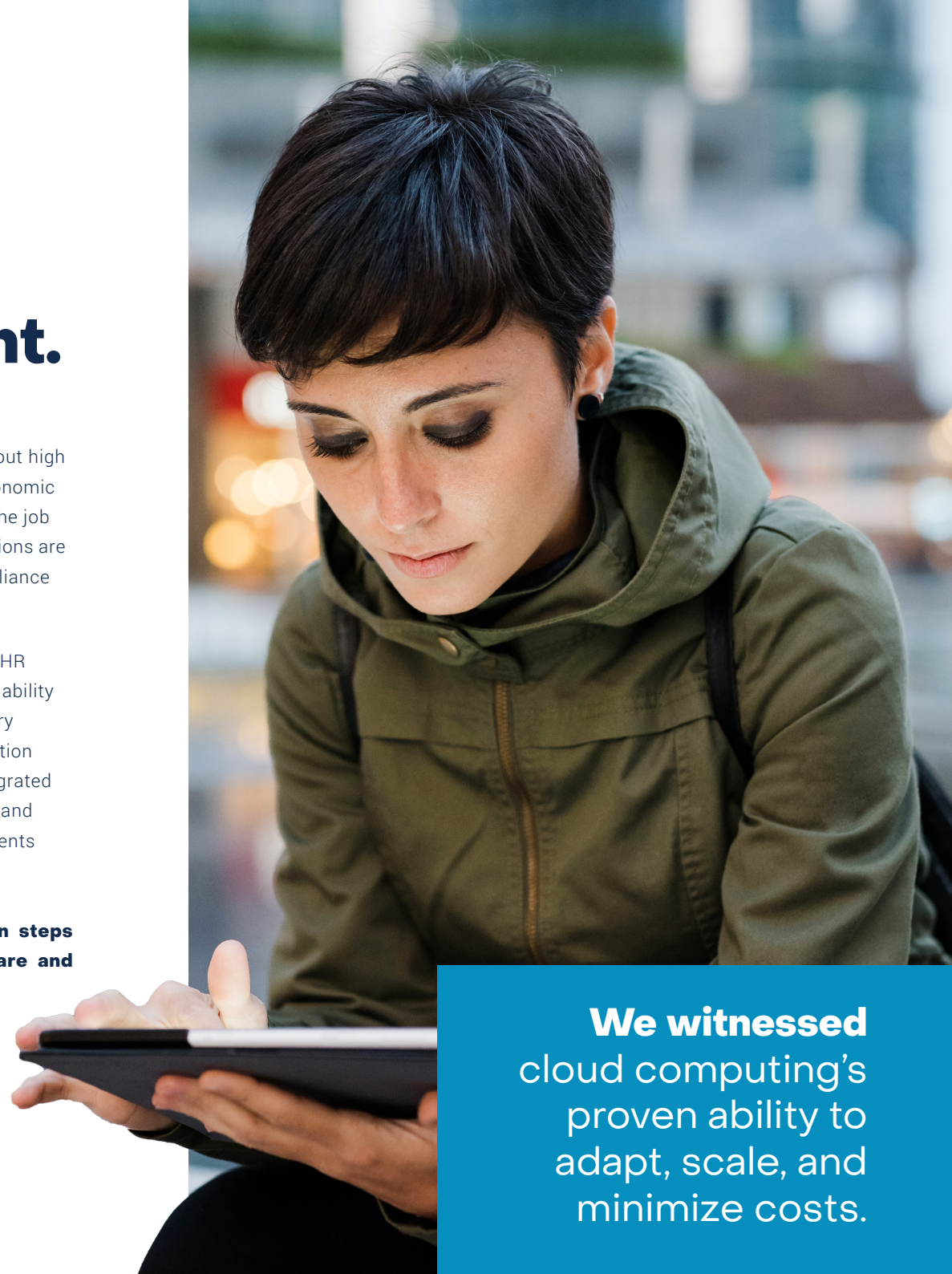


Optimizing the HR payroll tech stack for **more effective** workforce management.

Ask any business leader about the current business climate and you'll likely hear about high labor and operational costs, inflation, lingering supply chain issues and sluggish economic growth. The U.S. labor market is expected to go through a period of contraction as the job market resets and companies regain control over costs. As a result, many organizations are running leaner than ever to stay competitive while continuing to face complex compliance and talent management challenges.

But there's good news for businesses that have embraced the modern, cloud-based HR payroll tech stack. Over the past few years, we witnessed cloud computing's proven ability to adapt, scale, and minimize costs. As businesses prepare for what's ahead, industry analysts predict that the shrewdest business leaders will focus on process optimization within the HR payroll tech stack. It will be more important than ever to leverage integrated systems that automate processes, minimize errors, and positively impact employee and candidate experiences. If you're still managing employees and compliance requirements with an outdated tool, it's time to re-examine your tech stack.

This guide will walk you through the key considerations and evaluation steps to ensure you find the right Human Capital Management (HCM) software and services for your business.



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Choose Your Delivery Model

There are three types of deployment options for HR and payroll software.



Cloud Software

The majority of today's HR solutions use the "software as a service" or cloud delivery model. This is the most popular option with many businesses because it is simple, cost effective and scales on demand to support fluctuating workloads. The vendor maintains the software and updates it automatically. Your data resides in the cloud on shared servers owned and maintained by the vendor. There are no upfront costs. You pay a monthly subscription fee, based on number of users or employees.



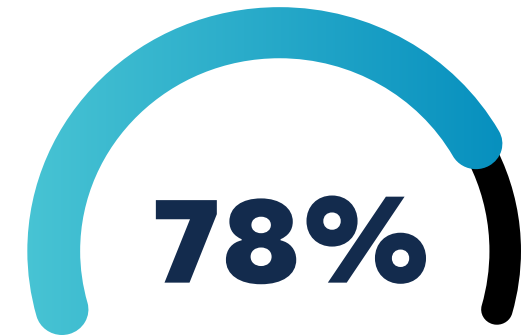
On-premise Software

In this traditional model of software delivery, you must purchase a software user license and a technical support contract, then install the system on your own servers that you maintain. You'll need to keep the software current by installing regular updates. It is critical not to allow your HR or payroll support contract to lapse, or you may be exposed to compliance failures when recordkeeping requirements, tax rates, and wage rules change.



Hosted (hybrid) Software

You purchase on-premise software but have it installed at a remote data center that is operated by a hosting provider (not the software vendor). They purchase and maintain the server, but it (and the data it stores) are dedicated to your business.



of executives said their company has adopted cloud in most or all parts of their business.¹



of cloud-powered companies have improved decision making through cloud transformation.¹



9 Reasons Businesses Choose the Cloud

1 COMPLIANT

Industry experts track changing government compliance requirements and keep your software up to date.

2 HARDWARE SAVINGS

Uses remote resources, saving your business the cost of servers and other equipment.

3 EASY

No more software to install and no need for IT resources — your vendor rolls out updates and new features.

4 COMPREHENSIVE

Get big-league HCM functionality with ease-of-use and low cost designed for businesses.

5 SCALABLE

Scales easily as your business grows, letting you add employees later when you hire them, instead of paying for unneeded capacity now.

6 SECURE

Data security protects financial payroll information as well as sensitive employee data.

7 INTEGRATED

Offers easier data integration with other business systems and best-of-breed apps.

8 ALIGNED

Cloud HR and payroll solutions can infuse expertise and best practices into your organization without adding to back-office headcount—enabling you to conserve cash and focus on growing your business..

9 DATA-DRIVEN

Availability of real-time workforce data and analysis drives more-informed decisions.

Define Your **Functional Requirements**



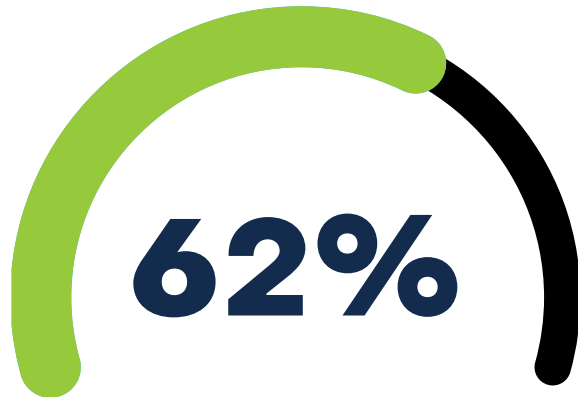
What capabilities does your company need from HR software? Assembling the best HR tech stack for your business can be a little like Goldilocks — it's hard to find a fit that's just right.

Some solutions lack the flexibility and scalability to meet changing requirements and fluctuating workloads. Others contain so much complexity they feel overwhelming and sport a price tag that's... too hot.

When you're pushing for growth, you need to be able to:

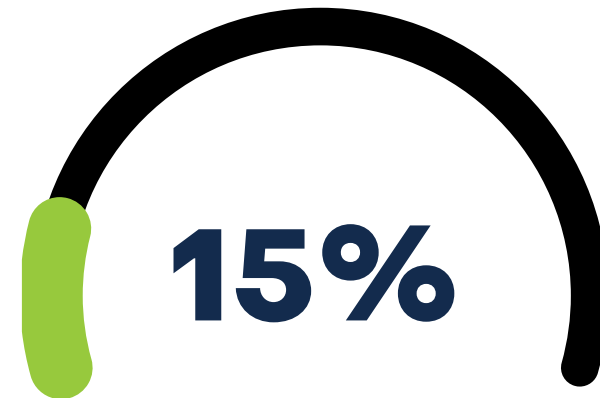
- Find, onboard and retain the right talent
- Meet the challenge of HR compliance
- Manage your people day-to-day
- Administer employee benefits
- Produce timely, accurate payroll
- Leverage workforce data to make strategic plans

Together, these functions represent “core HR” for most businesses. You can add more functionality to core HR if needed, and we'll talk about a few of those areas below.



of organizations agree or strongly agree their organization's HR tech stack increases/improves organizational efficiency and productivity.¹

1 Source: HR.com



of businesses surveyed may be asking **illegal** questions on job applications.²

2 Source: 2023 Small Business HR Benchmark Survey, Asure

3 in 4 growing companies have new hires go through formal orientation to learn the company's mission, vision, and values. And nearly half (**46%**) of companies who suffered a down year do NOT have new hires go through this formal orientation.

What's in the HR Tech Stack?

Fast Growth companies are **22% more likely** to train managers about HR laws like equal pay, overtime, and ADA compared to companies that experienced a Down Year.¹



Human Resource Management

Your HCM system will help you manage the workforce in several areas, including:

- HR compliance
- Talent management
- Benefits management



Compliance

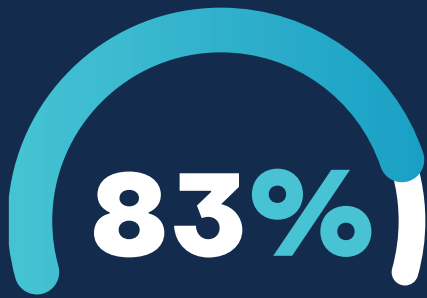
Employer compliance is complex and demanding. With thousands of federal, state and local HR laws and tax jurisdictions to manage, compliance takes more than other HR processes. Your HR solution will serve as a centralized system of record for employee information for recordkeeping and reporting. Compliance is so important – and the stakes so high – that you should prioritize compliance in your functional requirements and your vendor evaluation. Look for software that offers 100% complete compliance from a vendor with the expertise to help you with every aspect of compliance, from creating policies to reporting to workplace compliance posters.



Talent Management

Some aspects of talent management are part of core HR and others are more advanced. For example, your HCM should help you with recruiting by creating job descriptions, posting openings, and keeping track of applications. Your HR software should help you onboard new hires, collecting I-9, W-4, and direct deposit information, gathering an e-signature to acknowledge receipt of policies and handbooks.

When it comes to performance management, a core HR system should track the dates and completion of performance reviews. Some systems may incorporate workflow for creating, approving, delivering, and storing the actual review documents. Some companies opt for a more robust, best-of-breed solution that offers more review options, including continuous reviews and 360-degree reviews. You should also consider integration to employee recognition solutions.



of human resource leaders reported talent retention problems with people that possess in-demand skills¹

Companies with a structured onboarding program keep **58% of employees** for three years and **77% of new hires** with official onboarding programs hit their first performance milestone

Benefits Management

Look for an HR system that helps you administer benefits easily and guides employees through an online new hire or open enrollment. Features should include the ability to set up and maintain benefit plans, define eligibility groups and waiting periods, view and approve employee elections, and integrate with payroll for automatic deductions.

Payroll and Tax Automation

When it comes to your payroll calculations, tax compliance, and payroll processing, nothing short of 100% accuracy and compliance will suffice. Yet according to a recent analysis by EY, the average company has an 80% payroll accuracy rate and makes 15 corrections per pay period resulting in thousands lost annually due to payroll errors. There's also no greater source of employee anxiety than an incorrect or delayed paycheck. By using a cloud payroll service, you can save time and outsource the management of wages, direct deposit, tax codes, and payroll and tax functions to experts.

Key functionality for payroll services includes:

- Accurate gross-to-net calculations that consistently apply your pay policies and complies with overtime rules.
- Ability to handle any type of earning or deduction, including wages, benefits deductions, overtime, garnishments, tips, and more.
- Option to deliver on-demand wages to employees while promoting financial wellness.
- Continuous maintenance and updating of federal, state, and local tax rates, tax brackets and statutory limits.
- Integration to your General Ledger and Time and Attendance system to reduce manual data entry.
- A complete selection of management reports including pay reports, tax reports, deduction reports, PTO reports, Affordable Care Act compliance reports and more.

Time and Attendance Tracking

Your core HR system needs to include automated time and attendance management to ensure compliance with the Fair Labor Standards Act (FLSA) by applying consistent pay policies and pay rules, such as FLSA rounding rules. To accommodate the needs of remote workers, you'll want a time and attendance system that features a mobile app for time tracking. You might need a solution that works with multiple methods for time tracking, including badge swipe readers, punch clocks, and biometrics. Another helpful feature is management by exception. Here, the system calls supervisors' attention to exceptions such as missed punches or late arrivals, so they don't have to review every timecard. Employees should be able to submit timeoff requests via self-service. Supervisors should be able to review the request and the employee's accrual balance before approving.

¹ Source: [Executive Networks, 2022](#)

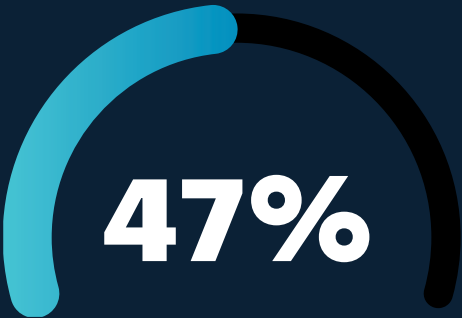
² Source: Forbes

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Employee Experience

Your core HR system must also succeed at supporting all employees holistically from hire to retire. Essential HR onboarding software empowers employees to ramp up quickly so they are ready to go on Day 1 of employment. Employee self-service connects employees directly with their contact data, paystubs, time off requests, and more. This not only increases employee satisfaction, but also saves you time otherwise spent fielding questions. To further enrich your offering, look for integrations that enhance the employee experience including easy access to employee tax return filing solutions, retirement planning, and worker’s compensation planning.

When asked to select the top issues that organizations are trying to address with their HR tech stack, respondents selected the following four¹:



of employers say the payroll process is complicated, and 44% say it is confusing²



Core Payroll and HR Functional Requirements

Human Resource Management

Centralized personnel recordkeeping
Benefits enrollment
Benefits carrier feed connection
HR and compliance reporting
Employee self-service



Other Vendors

✓	×
✓	×
✓	×
✓	×
✓	×

Talent Management

Tailor job descriptions
Customize application questions
Track and review applicants
Digital onboarding process
Track certifications and licenses
Performance review tracking
Automated termination and offboarding process
Automated notifications, alerts, and reminders
Employee self-service

✓	×
✓	×
✓	×
✓	×
✓	×
✓	×
✓	×
✓	×
✓	×

Payroll

Complete payroll tax compliance
General Ledger integration
Managed garnishments
ACA compliance & reporting
Employee self-service



Other Vendors

✓	×
✓	×
✓	×
✓	×
✓	×

Time & Attendance

FLSA and overtime compliance
Management by exception
Time-off management
Automated pay rule calculation for error-free processing
Time tracking on PCs and mobile devices
Supports badge readers
Seamlessly integrates multiple methods for time tracking

✓	×
✓	×
✓	×
✓	×
✓	×
✓	×
✓	×

Research and Evaluate Vendors

Once you've chosen the best deployment option for your business and established your primary requirements, it's time to research vendors to find a good fit for your business.

Vendor review goes hand-in-hand with software evaluation

Many business owners believe choosing HR software simply means finding an affordable solution that "checks all the boxes" on their requirements list. In reality, you need to perform due diligence about the software vendor, too. The vendor you choose will provide a critical foundation to support your most valuable asset—your people. Your vendor needs to be an expert leader in Human Capital Management and a stable, reliable and long-term partner.

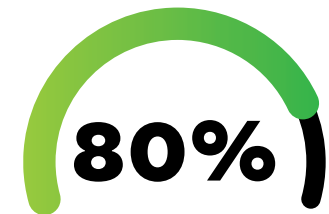
Researching vendors

Most business owners start their vendor research online, using simple searches with their required functionality and chosen deployment option. But don't stop there. Solicit real-world feedback from other business owners. Ask what vendors they recommend (and why) and which they'd avoid. Ask your benefits broker, banker and accountant. They see a lot of HR and payroll solutions while working with clients—and hear the frustrations when vendors don't measure up. You may also want to network with your local chapter of SHRM for recommendations from HR professionals with experience working for businesses like yours.

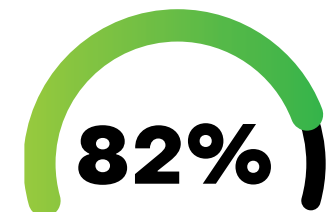
How businesses benefit from the cloud¹:



reported significant online security improvements.



reported operation improvements.



reported reduced costs.

¹ Source: Zippia



5 Questions to Help You Evaluate Vendors

1

Will the vendor be a viable long-term partner to your business?

Sometimes jumping into hot new technology from a young startup can deliver the competitive edge your business needs. But probably not when it comes to HR and payroll software. You need a vendor who has deep compliance experience and a robust team of professionals supporting you, not a small crew. Finally, financial stability is a must for a partner who is handling your payroll accounts.

2

Does the vendor ensure adequate security over sensitive employee data and payroll?

Cybersecurity is a critical component of your HR tech stack. Workforce and payroll data is some of the most sensitive information flowing through your company. It's protected by employment laws and data privacy laws. Violations can result in fines and penalties. Additionally, your payroll provider's security best practices should be rock-solid.

3

How will the vendor support your business?

The right vendor is a partner for the long haul—not just through software implementation. When you pick up the phone to call for support, will you end up at a giant call center with a customer service representative reading you a script? Or will you be connected with a dedicated team of HR and payroll experts that understand your business and work with you through the years?

4

How much extra value does the vendor deliver to businesses?

A true partner walks with you through every step of your learning and growth as a business. It takes more than software to manage a workforce well, it takes specific expertise. To help our clients develop these skillsets, Asure has built a comprehensive collection of resources and tools. And we're so passionate about helping businesses grow, we produce a lot of content that we freely offer to the world. Get a sense of the value we bring by test driving our complimentary resources:

- Live & on-demand HR and payroll compliance webinars
- HCM Blog for Growth Hackers
- Free eBooks & Guides

5

Does the vendor also offer outsourced HR services?

HR services, or outsourcing, can reduce the fixed cost of managing employees, save time, and ensure compliance. In fact, businesses that outsource their HR functions save 28% over the cost of hiring a full-time in-house HR staff member. HR services can also provide businesses with certified HR experts to fill gaps in expertise or expand to cover busy times or special events like benefits open enrollment.

Your Vendor Evaluation Checklist



	Vendor	Vendor	Asure
Long-Term Viability			Founded in 1994 Entered HCM software market in 2007 Publicly traded (NASDAQ: ASUR)
HR & Payroll Expertise			Process over 2.6 million checks Annually 230 dedicated payroll and support specialist ~ 600 Asure staff Certified payroll experts (CPP & CPA) Employment law experts
Cybersecurity / Data Privacy			Fully compliant with ACH banking rules governed by the National Automated Clearing House Association (NACHA) SOC 1 Type 2 certifications Independent third-party SOC 1 Type 2 audits every six months
Service Level Stability and Reliability			Systems and customer data hosted with Amazon Web Services (AWS) to ensure the very highest levels in security, up-time, redundancy, and scalability
Customer Support			Decentralized Center of Excellence service delivery model means clients are on first name basis with their dedicated account team
Value-added Resources			Clients-only access: • HR Online Library for Basic Compliance Needs • Build Your Own Employee Handbook • HR Online Library • Self-Service Interactive Tools
HR Services			Complimentary resources: • eBooks and Guides • Monthly HR & Payroll Webinars • COVID-19 Resource Center • Growth Hacker Blog HR Hotline for Tactical, On-Call Support staffed by fully-certified HR professionals HR Help Team can augment or fill in on an as needed or special project basis Turnkey, Completely Outsourced, Remote HR Team Labor Law Compliance Posters

3 Payroll & HR Trends to Watch

Businesses continue to face significant challenges: Enduring competition for in-demand talent; a stressed and exhausted workforce; data privacy and bias concerns with use of artificial intelligence; and the erosion of social skills and engagement in the workplace.

That's why business leaders will continue to focus on employee experience, workforce planning, and supporting work-life integration. Strategically, organizations work to fill critical roles with internal talent, upskilling and contract employment. Additionally, they will bolster support for employees through leadership development and performance initiatives.





GREATER FOCUS ON EMPLOYEE EXPERIENCE

According to Gallup's 2023 State of the Workplace Report, nearly 6 in 10 employees psychologically disengage from work and stress remains at a record high. After several years of economic uncertainty and social turbulence, employees are simply burnt out. Workforce social skills have eroded and Gen Z employees are struggling in the workplace after missing out on in-person opportunities during the pandemic. All these factors are contributing to declines in engagement and productivity and a rise in workplace conflict.

To turn the tide, employers must focus on supporting employees holistically to help them maintain resilience and sustainable performance. Forward-thinking leaders will provide education, training, and support services to embolden the workforce for future success.



ADDRESSING ETHICAL USE OF AI/EMERGING TECHNOLOGIES.

More organizations are leveraging machine learning, AI, and smart devices to improve hiring processes and collect personal information about employee health and family situations. As technological capabilities continue to expand, concerns about bias and privacy boundaries must be addressed. In recruiting, Businesses must be more transparent about their processes and consider ethical implications.

Though employers may have good intentions to use collected personal information to better respond to employee needs, the most successful HR leaders will define boundaries around private data and prioritize transparency about the collection, usage, and storage of employee data.



DOUBLING DOWN ON TALENT ACQUISITION AND RETENTION.

Traditional sourcing methods aren't enough anymore. The landscape for recruiting and retaining skilled, capable employees remains competitive—that means more employers are embracing multiple strategies to meet their talent needs. The most successful hiring managers are thinking outside the box to fill critical job openings. Greater attention is being paid to internal talent mobility and assessing candidates on their ability to perform rather than credentials. Recruiting leaders will expand the talent pipeline by pursuing other nontraditional candidates and fill project-based needs with interim workers.

To future-proof the workforce, HR will also place greater emphasis on retention activities including digital onboarding to boost engagement and offboarding to keep the door open for boomerang employees.

Ready, Set, Go!

Build Your Payroll & HR Tech Stack

Now that you've completed your planning and evaluation, it's time to upgrade your technology.

Build a better future for your business and your employees when you embrace digital transformation HR. Here are six tips to give you confidence in your decision-making as you build out your tech stack.

First, make sure compliance is 100% solid in whatever solution you choose.

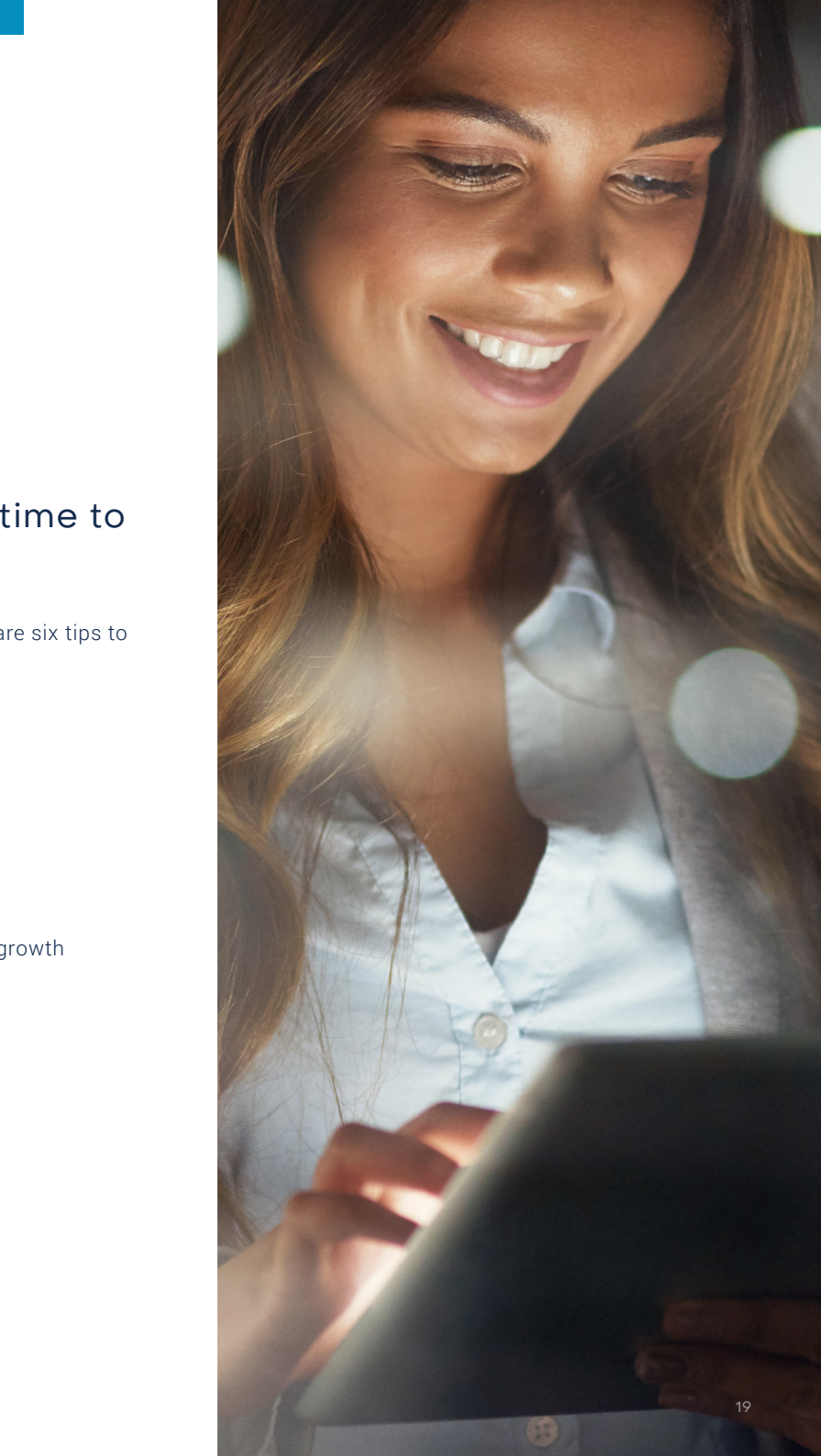
Assess your immediate workforce needs today.

Consider what additional functionality you may need in your next stage of growth.

Layer in additional functionality with integrated, best-of-breed apps, as it aligns with your overall business and growth objectives.

Choose the most robust cloud solution that suits your technology budget that is also

- Scalable
- Easy to learn
- Easy to use
- Provides an excellent experience for employees and candidates





Payroll & HR Solutions for Growing Businesses

Our clients have a mission — build a better product, figure out a better way, or maybe even change the world. To do that, they must grow.

That's why we build reliable, compliant Payroll & HR software that's delivered via the cloud so you can skip the costly IT overhead or large capital purchase. And because we're hyper focused on supporting your growth, our systems can scale from start-up to 1,000+ employees without any expensive upgrades or painful migrations.

Don't want the risk and overhead of maintaining payroll and HR staff? Asure can take the expense and compliance headache off your plate. Our certified HR professionals help build top-notch teams, stay compliant with HR laws, and eliminate the need to hire full-time back-office staff.

Partner with Asure to develop great teams, stay compliant, and allocate your resources toward growth.

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