

## Discussion-1 Payroll

### **Discussion Topic:**

In the last few months, the company you work for has grown 43%. Up until now, payroll has been managed manually using Excel spreadsheets. To increase efficiency and ease of payroll management, the decision has been made to purchase an off-the-shelf software solution. How would you decide what criteria was needed and which solution would work best for your organization?

### **My Post:**

Hello Class,

A 43% company growth in a few months; it is a fast and substantial growth. As a consequence, managing the payroll manually using Excel spreadsheets has become impractical, inefficient, and risky (elevating the risk of errors). Thus, it is understandable that the company has made the decision to purchase an off-the-shelf software solution. This aligns with the general trend of companies when reaching a certain size, moving away from in-house developed systems that use general-purpose software such as Excel spreadsheets to make payrolls, as they are often inefficient, lacking some of the specific functionality needed for complex business processes like payroll (Valacich & George, 2020).

Before defining which payroll off-the-shelf software is the best solution for our company, it is essential to evaluate the criteria based on the company's specific needs and requirements (Valacich & George, 2020). We can start this process by first researching and making a shortlist of reputable Small and Medium-sized Business (SMB) payroll software vendors. Our research may result in the following shortlist of reputable vendors: Gusto, ADP RUN, Paychex Flex, Rippling, and QuickBooks Payroll (Dennis & Ferrer, 2025).

Note that when evaluating the company criteria, we need to consider the following rubrics:

- Cost: What is the Total Cost of Ownership (TCO), including setup fees, monthly/annual fees, per-employee fees, and costs for additional modules or support?
- Vendor Support & Viability: What level of customer support is offered (phone, email, chat)? Are they reliable and likely to stay in business?
- Ease of Use & Implementation: How intuitive is the interface for our payroll staff? How complex is the initial setup and data migration?
- Flexibility/Customization: Can the software adapt to any unique pay structures or reporting needs we might have?
- Security: How is employee data protected?

((Valacich & George, 2020)

Then, based on the company's criteria, we will select the SMB payroll software that best meets those criteria. This is done by comparing shortlisted vendors against the company-specific criteria based on the rubrics listed previously.

When selecting the best vendor solution for the company, we need to consider the following rubric:

- Overall Fit: Does the vendor's software functionalities meet the company's needs?

- Scalability: Does the vendor/software have the ability to support our company's future growth beyond the recent 43% expansion?
- Validation: Did we have the opportunity to demo the software, what kind of user reviews the vendor has, and did the vendor respond to our query during the evaluation process?
- Risk: Did we have the opportunity to assess the risks associated with the implementation and hidden costs, as well as whether the vendor can be considered reliable in the long term?

Next, we need to recommend our selected vendor to the company's stakeholders and decision makers by showcasing our analysis and findings. Note that you may want to have a first vendor choice and a second vendor choice, as the first choice may be declined due to unforeseen reasons. During this phase, it is also important to provide a demo of the software, if possible, as well as an implementation strategy.

Last, if the software/vendor recommendation is approved by the stakeholders, negotiations on the contract terms with the selected vendor can be initiated (or started, or finalized), and then the software can be integrated within the company system by following an implementation strategy.

-Alex

#### **References:**

Dennis, J., & Ferrer, R. A. (2025, February 6). *7 Best payroll software for small business users*. Fit Small Business. <https://fitsmallbusiness.com/best-payroll-software-reviews/>

Valacich, J. S., & George, J. F. (2020). Chapter 2: The Origins of Software. *Modern systems analysis and design* (9th ed.). Pearson Education, Inc. ISBN-13: 9780135172841 (digital) or 9780135791592 (e-text)