

This Small Firm Saved \$8,372 With One Automation Change

Executive Summary

A 12-person accounting firm struggled with a manual payroll process spread across three systems. Smartfirm.io implemented a fully automated workflow that consolidated time entry, payroll calculations, and journal posting. The results were immediate: a reduction in payroll processing time from 8 hours to 0.5 hours, annual labor savings of \$8,372, and a first-year ROI of 419% with a payback period of just over six pay periods.

The Challenge

The firm used a Practice Management system to track time, ADP to run payroll, and QuickBooks Online for accounting. None of these systems were connected. Staff had to export time data manually, manually calculate overtime, then re-enter payroll data into ADP and QuickBooks every pay period.

The problems included:

- Three separate systems that were either misconfigured or incapable of integration with the other systems.
- Repetitive manual data handling
- High error rates
- 8 hours of payroll preparation every two weeks by the payroll manager
- 1 hour of journal entry work by an accounting staff member
- Significant labor cost for non-billable tasks

The Solution

Smartfirm.io designed and deployed a set of automations that:

- Pulled all time entries into a centralized dashboard
- Applied all payroll rules and prepared ADP-ready data
- Automatically posted the complete payroll journal entry to QuickBooks
- Eliminated all manual exporting, calculating, and rekeying

The Results

Based on the firm's actual payroll data:

- Payroll manager time reduced from **8 hours to 0.5 hours** per pay period
- Data entry time reduced from **1 hour to zero**
- Total payroll cost per pay period reduced from **\$342 to \$20**
- **\$322 saved every pay period**
- Annual labor cost before automation: **\$8,892**
- Annual labor cost after automation: **\$520**
- **Annual savings: \$8,372**
- Project cost: **\$2,000**
- **First-year ROI: 419%**

Payback period: 6.21 pay periods (about 12 weeks)

Client reaction:

"Wait, seriously? That's all I have to do?...You're kidding."

Key Takeaways

- Small firms can achieve large financial returns through targeted automation
- Eliminating manual data movement immediately reduces errors and rework
- End-to-end workflow automation consistently outperforms partial improvements
- Fast payback periods make automation highly cost-effective for accounting teams
- Successful accounting firms invest in their future today.
- Continuous incremental investments have massive cumulative benefits.

Pay Periods Annually-26							
Payroll Automation Project Cost \$2,000							
	Hourly Rate	Payroll Processing Time		Payroll Processing Cost			
	Hourly Rate	Before	After	Before	After	Savings	
Payroll Manager time spent	\$40	8	0.5	\$320	\$20	\$300	
Data entry	\$22	1	0	\$22	\$0	\$22	
Total Per Pay Period				\$342	\$20	\$322	per pay period
Annual Total Labor				\$8,892	\$520	\$8,372	Annual Savings
ROI in Year 1	419%						
Payback period 6.21 pay periods (roughly 12 weeks/3 months)							