

Title:

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

Word Count:

840

Summary:

Reasons why a company might want to change payroll providers. Chapter one of three in a series about changing payroll providers.

Keywords:

payroll outsourcing provider, payroll, payroll service, payroll problems, IRS problems

Article Body:

Why would you want to change payroll service providers?

** Service Stinks
Cost too High
Too many Errors
No help with IRS
Lost in the Shuffle**

Service Stinks. Payroll service is all about service. If you don't perceive that your business receives good service then you probably aren't getting good service. Payroll service providers know that their level of service has to be extremely high. Are you getting what you were promised? Too often salespeople promise what production can't deliver. Are your problems addressed, and more importantly solved, immediately. If your account has been overdrafted and you don't get your money back in two business days or less you are not getting good service.

Cost too High. Are you paying more than you should? How do you tell? Get some quotes. There are a number of free quote services on line. Google "Payroll quotes" and go from there. Many times your payroll company will negotiate with you if you feel the price is too high, but not always. Remember also that the major payroll companies have a revenue maximization process. They will quote you a price to get your business. There used to be right on the Paychex contract a line called WIT for the salesperson to fill in. WIT stood for "Whatever it Takes". The salesperson would give any concession to get the payroll business. Then the local office would stealthily increase the price

every payroll or every few payrolls until it reached the maximum level the local office thought it could sustain.

The other thing a lot of payroll companies do is quote you prices but don't tell you what is not included in that price. Things like a cost for: each hire, each termination, each report, each new report, each non standard report, each W2, each W2 reprint, tax service, phone entry, year end reports, unnecessary CDs, access fees, monthly fees and so on. Also if they give you a "discount" to get your business it can easily vanish.

Be careful of quotes to make sure everything is in them and your price is guaranteed for a period of time. Then check it every pay period to make sure it is what you expect.

Too many errors. Errors are inevitable when humans handle the payroll. If your service is making too many then you may choose to leave what ever the cost. Errors cost you in time and morale if not in actual dollars. Does your payroll provider try to fix blame for an error or do they just fix it. They should just fix it! If it really is your error and you admit it, expect a fee. If you think it is their problem and say so, they should take responsibility regardless of what they think. Does your payroll provider call you if they see something strange or do they just do it their way? If they do it their way you know they are not concerned enough about you to make a phone call or send an email.

Every employee of every client looks at payroll and needs for it to be perfect. It won't be, but it needs to be as close as possible

No help with the IRS. Does your payroll service when presented with a letter from the IRS tell you to call your CPA? Shame on them. The IRS will send you letters. The IRS makes mistakes. The IRS will not fix their mistakes unless and until you can prove to them they are wrong. Many times even if you made the mistake a good negotiator can get the IRS to remove the penalties and sometimes the interest. I can't tell you how many penalties in the last fifteen years I have had abated simply by contacting the IRS in a professional manner and knowing what to say and how to say it. Your payroll service provider should be an expert in getting penalties abated. Your CPA will probably not be a payroll tax expert. Your payroll service provider should have CPAs on staff, that you can talk with to solve IRS and State tax problems.

Lost in the shuffle. Do you talk to a different person every time you call your payroll service provider? Do you get passed from extension to extension to extension until you end up with voice mail that is not returned?

When you call for help do you get a voice mail system and not a person? When you call for help do you reach India? If you can't talk to live people, who can solve your problems and do it in English, then you are lost in the shuffle. Enough said!

Check out

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

And

Payroll Service, Changing Providers. Chapter Three, What Should Happen When We Change Payroll Providers?