

# PAYTECH

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## Heavenly Perks

### Payroll in the Cloud Pays Off

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Cloud-based Software-as-a-Service (SaaS) offerings provide organizations worldwide with transformative technological advances. With nearly limitless applications, their use has become ubiquitous over the past decade, reaching at least half a billion people as of 2012—having been adopted in some capacity by roughly 75% of the world's businesses.

A traditional model of software delivery requires the ownership and maintenance of server hardware, local administration, manual technology upgrades, and more. SaaS, in contrast, allows for various functions or even an entire platform to be set up remotely, maintained, accessed, and administered from anywhere, and upgraded automatically in the cloud. Software support is offered by the SaaS provider rather than conducted by the IT staff at the SaaS user's company. Webmail, online banking, and eLearning are all examples of SaaS services.

Payroll, as a strategic business function fraught with compliance regulations, stands to gain more from SaaS than perhaps any other area. There is massive potential in harnessing the capabilities of this new delivery technology for improving the planning, processing, and tracking of complex pay requirements and schedules for millions of employees worldwide. In fact, cloud-based payroll providers are continuously delivering new benefits, including secure separation of duties for Sarbanes-Oxley compliance and global payroll transparency. Companies of any size can benefit from what SaaS has to offer their payroll professionals.

As with any technology at the forefront of the B2B marketing world, sometimes it's difficult to separate fact from fiction, and to quell concerns about the security of protected payroll data. SaaS for payroll won't quadruple your company's profits, eliminate the competition, or wash your car. But it can provide many tangible and significant real-world advantages over traditional hosting, including:

- Enhanced data security and simplified compliance
- Better performance and stability
- Powerful, automatic scalability for growing businesses
- Dedicated 24-7 system support
- Global, mobile accessibility from anywhere, anytime
- Streamlined processes and reduced paper usage
- Substantial cost savings and boosted productivity

#### **Safety and Security**

Since storing and processing payroll involves many gigabytes of sensitive personal information, your foremost concern should be ensuring your software solution is up to modern security standards. You want to be sure that your payroll data is protected under the criteria of ISO 27001 certification—the most widely recognized information security standard in the world. Obtaining this certification means an in-depth audit of risks and vulnerabilities, as well as developing an overarching and continuously updated plan for information security controls.



Another important certification known as SOC-1 is obtained after a successful audit by the American Institute of Certified Public Accountants (AICPA) on the secure storage control of financial information. With payroll through SaaS, it won't be your company that must obtain these certifications. Instead, your SaaS provider takes on the burden of adhering to strict security standards to protect your data, freeing your payroll team from the hassle of time-consuming security audits.

### **Foolproof Infrastructure**

SaaS can also ensure that your payroll processing is conducted in a cutting-edge, load-balanced multi-tenant server environment in the cloud. This means that your payroll tasks can be executed as quickly as possible with rapid response times regardless of where or when they're started.

With hardware infrastructure, upgrades, and maintenance being handled by the SaaS provider rather than your IT staff, you can ensure that your cloud capabilities are always a step ahead of your business needs—rather than requiring a server upgrade every few months as your enterprise grows. Just as importantly, your server environment will be housed in a rugged, tightly regulated data center, supplying your company's data with multiple layers of redundancy. SaaS allows you to rest easy in the event of a disaster, eliminating or minimizing the risk of confidential data loss without requiring costly, dedicated IT resources at your organization.

### **Dedicated Support**

Similarly, software support with regard to your payroll tasks is no longer a burden placed on your company's resources with cloud-based delivery. Instead, your SaaS provider can offer 24-7 "anytime, anywhere" support from a dedicated technician or team that can tend to your issues remotely as rapidly as possible. Best-in-class SaaS providers also employ proactive

hardware and software monitoring to detect and address potential issues with your payroll processing before a problem arises. This is an advanced level of support that would carry enormous additional cost to implement with a traditional on-site software installation.

### **New Tricks**

But enhanced security, infrastructure, and support are far from the only benefits your payroll team can experience with SaaS. A wealth of new and enhanced functionality awaits organizations in the cloud as well. Whereas a traditional solution might require your payroll team to use an external engine or mainframe for advanced calculations, your SaaS provider can perform crucial, complex "in-line" calculations for you. Rather than requiring direct on-site access or limited remote access solutions such as virtual private networking, SaaS allows your payroll professionals to access your software installation from anywhere in the world by following one simplified procedure.

Your entire organization's payroll and employee data can be centralized in one single system of record, accessible round-the-clock. Recently, SaaS providers have even unveiled fully featured smartphone and tablet apps, putting powerful payroll tools at the fingertips of an increasingly mobile millennial workforce.

### **Streamlined Administration**

Taking advantage of SaaS for setting up and processing payroll can streamline your existing processes as well. Many tedious manual tasks and calculations that may be outside the scope of a hosted software platform can be fully automated with sophisticated workflows. Your payroll team can eliminate unwieldy, indecipherable spreadsheets of payroll data altogether. No more paper timesheets, errors from duplicate data entry, or hunting through filing cabinets to put usable payroll metrics together. Instead, everything is accessible in one comprehensive system—complete with instant online reporting and analytics you can utilize to coordinate your organization's strategic goals.

### **Greener Pastures**

SaaS solutions also eliminate massive amounts of paper usage (and waste) each year. Traditional payroll functions often require multiple printed documents but a cloud-based payroll solution can replace these with completely paperless processes and more secure critical audit capabilities. Many providers offer full services for federal, state, and local tax filing, as well as global processing, which is especially true for payroll. Beyond the potential savings from streamlining administrative functions and freeing up your crucial resources from wrangling with a hosted solution, you can achieve substantial savings to your bottom line by reducing needed storage space, minimizing printing costs, and cutting your entire organization's paper usage by 50% or more.

The rapid adoption of SaaS solutions worldwide coupled with advances in cloud security makes it clear that the cloud is the way of the future. And for many critical business functions, it's already a radically beneficial alternative to traditional on-premise solutions. Payroll is the perfect place to start.