

One small step to making payroll profitable

Reap the revenue benefits of modern software without completely overhauling your processes



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Overview

In this rapidly changing world, advances in technology are making clients more demanding, forcing traditional businesses to pivot, or risk becoming obsolete. Now more than ever, accounting firms must ensure their technology and processes are set up for success in order to maximise revenue opportunities and continuously provide value to clients.

Payroll is notoriously seen in the accounting industry as a “loss-leader”; a service that takes up a lot of time and energy, and doesn’t drive profit. But with the introduction of more advanced automation tools, accountants can automate payroll compliance and tap into a profitable revenue stream.



Eliminating the pains of payroll

Too often, unnecessary efficiency issues across all aspects of the payroll journey are tolerated by traditional payroll systems. While the saying “No pain, no gain” may be true for fitness, it definitely does not need to be the case when it comes to how you process payroll.

We've rounded up six pain points in the payroll process that can be eliminated with the right technology:

HMRC & TAX CODES



When systems don't automatically update tax codes via HMRC, payroll managers need to manually check any changes with HMRC each pay run, or run the risk of overpaying or underpaying employees. The extra step chews up time, is easily forgotten, and can easily result in mistakes in manual data entry.



PENSION INTEGRATIONS

Administrative tasks such as auto-enrolment, reporting pension payments, updating pension scheme details, calculating NI rebates, and managing multiple pension schemes result in time consuming, manual work each pay run.



RESTRICTED CONNECTIONS

Desktop payroll software, or cloud software without an open API creates an extra step in payroll processing. Payroll should seamlessly integrate with accounting software, without the need to manually intervene.





HR FUNCTIONS

Employee leave, document management, and aspects of employee management that directly correlate to payroll should be managed in one system, reducing the need to manually calculate, pull reports and switch between systems.



DESKTOP ISSUES

Those who don't embrace the cloud will experience payroll frustration every day. Accountants using desktop software for their clients are only able to access payroll from one device, and only as a single user at one time. This means visibility restrictions for clients and lack of flexibility for getting work done. Non-cloud software also brings the issue of unreliable data backups, which could potentially breach GDPR requirements.



EVER-CHANGING LEGISLATION

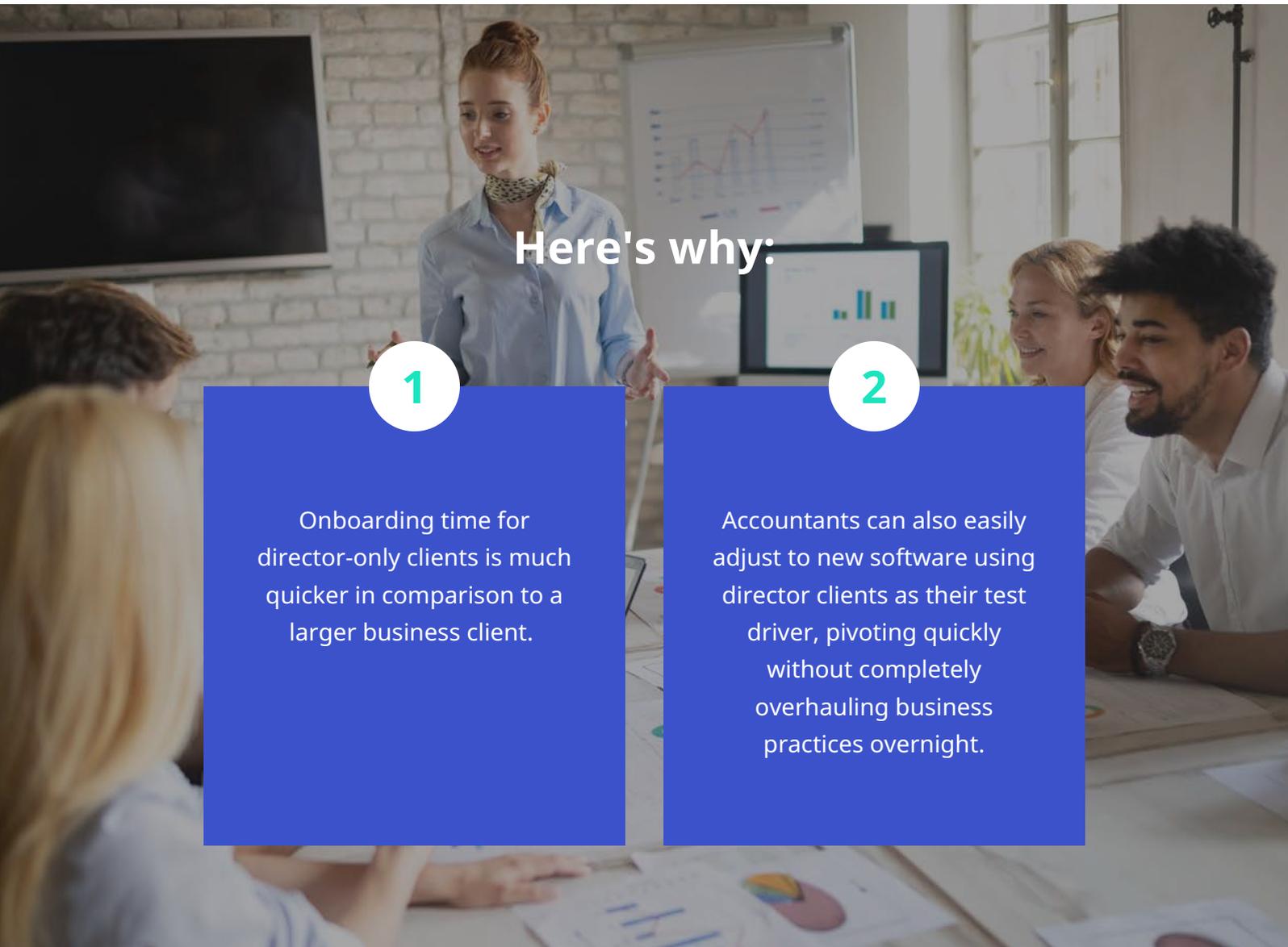
Payroll legislation is always changing, and traditional payroll software isn't quick to keep up. Desktop software is updated much less frequently than cloud software, putting users at risk of inaccurate payroll calculations and running pay runs with outdated data. Plus, updates are made in real time in cloud software, with no need to download new versions.

The cure to these pain points is technology that employs automation to eliminate manual tasks. This allows firms to confidently run multiple pay runs at the same time, with no manual input or risk of human error. As a result, firms have more time on their hands to focus on providing advisory services to clients which subsequently drives revenue.



Starting small with change

It can be daunting trying to change your entire payroll process, and learning how to use new software all at once. The key to managing this is to start small, by switching over director clients first.



Here's why:

1

Onboarding time for director-only clients is much quicker in comparison to a larger business client.

2

Accountants can also easily adjust to new software using director clients as their test driver, pivoting quickly without completely overhauling business practices overnight.

Traditional software vs. modern payroll technology

Let's take a closer look at a director payroll scenario between traditional software and a modern payroll solution incorporating automated features like Director Pays:

Traditional process	vs.	DirectorPays
<p>⌚ SETUP: 3-5 MINS</p> <p>Configuring the director client in the system.</p> <p>Up to 28 mins* each pay run</p> <p><small>*Based on client payroll requirements</small></p>		<p>⌚ SETUP: 3-5 MINS</p> <p>Configuring the director client in the system and setting up the automated pay runs feature.</p> <p>0 mins for the rest of the tax year</p>
<p>No automated features</p> <p>Manual updates are required to keep up to date with latest legislation</p> <ol style="list-style-type: none">01 Manually check HMRC website for tax code updates ⌚ 3 MINS02 Create/Open a pay run ⌚ 1 MIN03 Perform auto-enrolment assessment ⌚ 3 MINS04 Update the pay run ⌚ 1 MIN05 Print or upload/distribute the payslip ⌚ 3 MINS06 Print or upload/email reports ⌚ 3 MINS07 Craft PAYE payment letter ⌚ 3 MINS08 Send FPS file to HMRC and file confirmation ⌚ 3 MINS09 Upload pension information to the provider ⌚ 5 MINS10 Download/export payroll journals to accounting software ⌚ 3 MINS		<p>Director Pays Automates:</p> <ul style="list-style-type: none">✓ Pay runs & pay schedules✓ Tax & NIC calculations✓ HMRC reporting; FPS & EPS submissions✓ Payslip & report distribution✓ Gross to net reporting✓ Net earnings & pre-tax deductions reporting <p>DirectorPays </p> <p>Director payroll is automatically processed on the next pay period</p> <p>When the next pay period arrives, Director Pays will automatically create a pay run for you so you won't have to do everything manually for the rest of the year!</p>

Change payroll from a loss-leading service to a profitable business tool

Through utilising new breeds of automated technology, the multiple steps in a director payroll scenario can be eliminated with immediate time savings experienced. By automating all transactional aspects of director payroll such as pay runs and pay schedules, tax & NIC calculations, HMRC reporting, report distribution, and journal entries, firms can confidently run multiple pay runs at any one time with no further actions required until the next tax year.

Accountants who refuse to innovate processes, and ignore the value of payroll, will continue experiencing payroll as a loss-leading service. But what once was a drain on resources, now has the opportunity to be a profitable business tool. Taking advantage of technology and automating the usually time-consuming compliance pieces can scale payroll with minimal effort, enabling it to become a profitable part of any accounting business.



About Director Pays

Director Pays is a cloud-based payroll system for accountants and payroll bureaux that's designed specifically to remove the manual efforts involved with director payroll processing. Completely automate company director payrolls for the entire tax year, without compromising on accuracy or compliance.

With a one-off set up, accounting firms can automate pay schedules, HMRC submissions including FPS and EPS, client reporting, and journal entries to accounting platforms. Our built-in engine automatically calculates tax and National Insurance, giving firms confidence that their clients' payroll will be processed correctly to the exact specifications they set for the entire tax year. Configured warnings will pause an automation if something needs addressed prior to the pay run being finalised, ensuring accuracy and compliance.

With Director Pays, director payroll can be the easiest and most profitable part of any accounting or bookkeeping business. Firms can scale their director client base through automation, without increasing time or headcount. The hours of time saved each month on manual processes can be better spent on taking on more complex clients, driving value, and strategic work.



DirectorPays

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