



Human Capital Management

PAYROLL SOFTWARE CONVERSION

EASIER THAN YOU THINK
MORE ESSENTIAL THAN YOU KNOW



Growth in business ultimately will require stepping up the technology. Such is the case in the payroll and human capital management (HCM) industry. But converting your payroll service bureau's client base from one software to another? Sure, the thought of it may make you feel a bit overwhelmed and wary of the perceived sheer magnitude of the effort. And perhaps with good reason.

"Typically, if someone has told you that they're incredibly unhappy with their current payroll system yet not willing to change, it means they've gone through a conversion that was hard," says Misty Blakesley, Director of Sales & Account Management for Atlanta-based Apex HCM.

Indeed, the conventional conversion process has always been a bit of a beast, drawing heavily upon a payroll firm's human and financial resources; taking valuable time away from sourcing prospective new clients in order to train existing ones on new platforms; and carrying the ever-present "what-if-it-doesn't-work" weight.

But there's good news – With the right payroll products, services, and a skilled implementation team, conversion is easier, faster and far less stressful than you may think. Most importantly, it may prove your most competitive and profitable move yet. This white paper explains why and outlines just how your payroll firm can minimize the complexity and stress of the conversion process and maximize your ROI.

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When our previous provider went out of business, they recommended a product that we could use going forward. But we looked around and when we compared that product with Apex, Apex was much better - head and shoulders.

- Owner, TotalPay, Inc.

WHY

You Need a Conversion Plan

Any significant business move requires a well thought out strategy. The same goes with your payroll service bureau's software conversion plan - for multiple reasons. If your payroll firm is a successful one, you already run an efficient operation that maximizes your profit margins. But how much wiggle room do those margins allow for the disruption that a mass software platform conversion will cause? Likely, not much.

Statistics show that each minute of downtime can cost the average company between \$962 and \$17,244. With that in mind, consider the number of staff you have on hand to help handle conversion of your payroll software platform for your entire client base, as well as the number of payroll clients on your roster.

"EACH MINUTE OF DOWNTIME CAN COST THE AVERAGE COMPANY BETWEEN \$962 AND \$17,244."

"If a payroll service bureau is attempting to handle a software conversion themselves and doing it part time, they're probably only converting 10 to 15 clients a week," Blakesley explains. "That can be a problem because it requires you to run two separate platforms simultaneously, which means you're not seeing the efficiencies of the new platform - the whole reason for switching platforms to begin with."

For payroll firms with a significant number of clients, stretching the conversion time can mean weeks or months of failing to realize full efficiency or profitability.

BUT THAT'S NOT ALL...



WHY

You Need a Conversion Plan CONT.

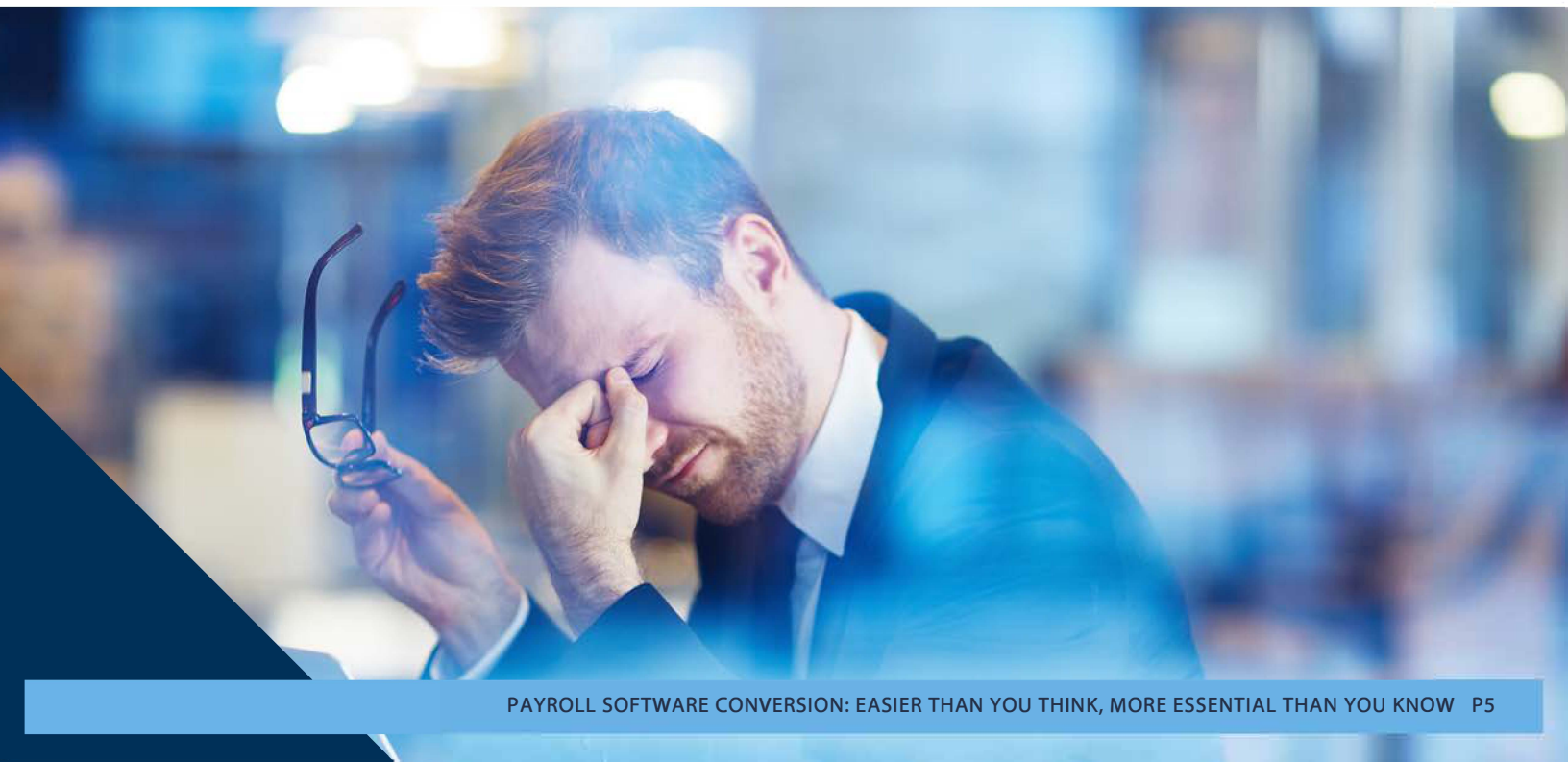
Not only can a drawn-out conversion minimize profitability throughout that window of time, it also can cost a payroll firm its most precious resource - great staff.

"One of the biggest fallouts of doing a conversion yourself is losing valuable staff," Blakesley says. "Running two platforms while working to convert clients places a lot of stress on your processors. Most payroll firms don't have enough staff to have a team dedicated to a conversion project while maintaining regular day-to-day operations, yet most also don't bring on temporary staff to help get them through the project. Instead, they require overtime of their existing staff. But how many nights and weekends can your processors put in and what are those extended hours doing to their overall performance in the meantime?"

**"ONE OF THE BIGGEST FALLOUTS OF DOING A
CONVERSION YOURSELF IS LOSING VALUABLE STAFF."**

Studies show that it costs an employer an average 33 percent of a worker's annual salary to hire a replacement. In dollar figures, that estimate equates to \$15,000 per person for an employee earning a median salary of \$45,000 a year.

BUT THAT'S STILL NOT ALL...



WHY

You Need a Conversion Plan CONT.

Payroll service bureaus can lose up to 10 to 20 percent of their client base in a DIY or poorly implemented conversion process because they are unable to focus on delivering the experience clients are used to receiving while staff is busy learning new software and converting existing client accounts.

"Failing to have an effective conversion plan in place leads to client attrition," Blakesley warns. "When you're trying to split your focus between learning a new software yourself, training your existing clients on that new software and continuing to serve your full client base while also reaching out to prospective new customers, performance in all those areas suffers if you don't have the right resources dedicated to the right tasks."

While this figure initially may prompt second thoughts about launching a conversion altogether - think again. In fact, that potential 10 to 20 percent loss should be a motivator to not only secure a seasoned conversion team but to launch your payroll software conversion project NOW.

"It will never be easier to convert than today. It will only get harder, particularly if you're currently in growth mode or have significant growth plans for the near future," Blakesley says, recounting a conversation with a payroll service bureau owner who chose a low-cost Apex HCM competitor, then was forced to hire an additional consultant to configure the software and convert client accounts. "He said to me, 'I just don't think I can do another conversion.' I asked, 'How much harder do you think that conversion will be when you double your business in the next five years?' Waiting will only raise the stakes."

If your payroll software doesn't offer the highly accessible, cloud-based, industry-leading features that today's tech-savvy employers and employees increasingly demand, it's time to see what Apex HCM can do for you.

WHAT Goes Into a Great Conversion Plan

"Hands down, the most important element of any payroll software conversion is planning," says Jereme Schumacher, Apex HCM's Principal Implementation Consultant. No matter which payroll software provider you choose, that planning should begin with a thorough meet-&-greet.

GET TO KNOW

"In the conversion kick-off meeting, we focus on really getting to know the payroll service bureau and how they run their business to make sure we're capturing any unique requirements," Schumacher says. Such particulars can include payroll clients in certain industries, including construction firms and restaurants, that have legal and procedural nuances; or employers with "handshake agreements" that call for non-conventional ways of collecting billed funds.

"What you'll sometimes discover is that business owners don't know they're doing something unique," Schumacher explains. "They think they're running their businesses just like anyone else."

Once a rapport is established and there's a full understanding of the payroll firm's culture, client base and way of doing business, it's time to begin training the firm's staff to not only learn the new software platform themselves, but to be able to teach it to the firm's payroll clients.

EASE INTO IT

Throughout training and as you're rolling out a new payroll software platform, you'll want to start with your smaller, simpler clients first, Schumacher recommends.

"It's easier to learn a new system and pick up process flows when you're working with smaller, simpler clients," Schumacher says. "Once your payroll firm's staff are comfortable with using and teaching the new system, you'll be better prepared for converting and serving larger, more complex employers, including those with complex deductions or earnings and those that opt for integrating more of the HCM software elements other than just payroll."



WHAT Goes Into a Great Conversion Plan

CONT.

NOTIFY

As your payroll firm nears time to roll out a new software platform, it's imperative that you give your clients a proper heads up. Apex HCM's Vice President of Operations Greg Javins recommends crafting a welcome packet that clearly spells out the following:

- Why your payroll firm has chosen to switch software platforms and how the decision will benefit client employers and their employees;
- What the new program will look like and include compared to the old - Include screenshots, videos, and FAQs;
- What the conversion will require of employers, including employee information updates and time commitments for training administrators on the new software;
- All required or recommended documentation;
- A sample notice that employers should customize and distribute to employees, particularly if they opt for employee self-service access to various features of the new platform - an increasingly important consideration for attracting and retaining the best of today's tech-savvy workforce;
- Information on how to log into and navigate the basics of the system.

"Setting expectations upfront is always the best method of approach," Javins says.

MIND THE TIMELINE

Any well-crafted plan includes a deadline for completion of various phases and the full project. Schumacher advises that, working with Apex HCM, the average payroll firm is able to fully convert all clients within three months or less, though those with larger or more complex client bases may take up to six months.

"Moving employee data will not take long, depending upon whether a client chooses to move data en masse or check-by check; covering the whole year or just the current quarter; etc.," Javins adds. "Each payroll service bureau converts differently, but most any client's full database can be turned around in a single pay period with the exception of much larger clients."

Javins notes that January is the optimal time for converting clients with more than 500 employees.

"Coming into a fresh year with no year-to-dates, all you have to put into the system are employee deductions, direct deposits and demographic information," he explains. Clients with fewer than 500 employees are easily converted any time of the fiscal or calendar year.

HOW

Apex HCM Can Help

Considering a conversion? Apex HCM has cracked the code of successful, stress-free payroll software conversions. We provide three levels of assistance to help move your payroll firm to a more modern platform and ease your transition away from the legacy payroll system that's limiting your success...



HOW

Apex HCM Can Help

CONT.

ASSISTED CONVERSION

The Apex HCM Conversion Team will take on the task of entering your employee data and current year history wages into the system manually. The estimated turnaround time for your client will be 1-2 weeks depending on complexity of information needed to enter.

Payroll Service Bureau must provide:

- Employee data report with basic employee information including address, hourly wage, deductions, direct deposit information and tax setup
- Payroll report for prior quarter(s) showing each employee's hours, wages, taxes, deduction and employer taxes, along with overall company totals for the quarter.
- Paid/pending tax liability report showing the status of each tax and whether it has been paid from your current system
- Payroll report for each check date within the current quarter
 - Show the period start, period end and check date
 - Show each employee's hours, wages, taxes, deduction and employer taxesm along with overall company totals for this check date
 - Inform the Implementation Team of any check dates that have or have not had the taxes associated with them collected/impounded yet. This will ensure when entered the system will flag them correctly

"IT SPED THINGS UP BY MONTHS."

At first, I was hesitant to allow Apex to assist with entering my client data, afraid their data entry quality wasn't as good as mine. But it quickly became obvious that it was taking me far too long to get all my clients accounts implemented. So, when I finally let Apex take over conversion, it was a huge sense of relief - Constant movement going on every day. Where I was able to add just one client a day to the new platform, they were able to add 10. It sped things up by months.

- Founder and CEO, InFocus Payroll

HOW

Apex HCM Can Help

CONT.

FULL SERVICE CONVERSION

The Conversion Team will train your team and/or assist in creating client shells, customizable according to industry verticals and other nuances. Then, with your assistance, we'll extract your current payroll data from your platform. If using this option, we'll need to arrange an online meeting or your payroll firm must provide a step-by-step guide that explains how we'll retrieve data from your origin system. This option offers you the ability to focus solely on the client base that has been converted and affords Apex the ability to streamline the transfer of your client data for you. The estimated turnaround time for your client will be 1-2 weeks depending on complexity and volume of information to be transferred.

"WOULD NOT HAVE BEEN ABLE TO CAPTURE AS MANY NEW CLIENTS."

We went to Apex when the provider we were using prior closed down. Working with the conversion team probably saved our lives. We have two full-time processors here and still, I barely had time to upload the documents needed to provide the conversion team. I don't know where we'd be if we had to enter all the client data ourselves. With Apex handling the conversion, not only were we able to meet our clients' demands and have their employee information processed a lot quicker, but we probably wouldn't have been able to capture as many new clients as we did. We started with about 20 clients in 2018, bumped up to 95 at the beginning of 2019 and are up to 113 now.

- Payroll Associate, Capitol Payroll

ONSITE CONVERSION

Work via the previous options is done at Apex HCM's offices. However, your payroll service bureau can opt for an onsite conversion that involves conversion consultants completing the full conversion at your location. This is a popular option for payroll firms with larger, more complex or niche client bases and for those that simply prefer to keep all data onsite with face-to-face coordination and conversion. It also works well for bigger payroll providers that employ more processors than the average firm and will benefit from more intense, in-person training.

WHO

BENEFITS: MORE OF WHAT YOUR PEERS ARE SAYING

You don't have to simply take our word for it. Rather, take a look at what your peers who have converted from some of the most established legacy payroll software platforms have to say about their Apex HCM...

"WE CAN WORK FROM ... OUTSIDE THE OFFICE."

We were with another company for 25 years before it went bankrupt and we were forced to find a new provider. Initially, I was scared to let someone else handle conversion of all my client data, but Apex assured us it would go smoothly and it did! We started our conversion on September first and it was completely done - six years of client data history plus data on every employee who has worked for is in our 25 years - by the second week of October. I run about 750 W2s a year. That times three would have been way out of the box in terms of our capabilities. With Apex, everything went seamlessly. I was extremely surprised. Also, with our old system, we had one license on one computer, which my processor would have to use to close out a payroll. That interfered with my client work. Because Apex is cloud-based, we can both work from any computer, even outside the office.

- Payroll Administrator, Ronald J. Roberts Distribution, Inc.



WHO

BENEFITS: MORE OF WHAT YOUR PEERS
ARE SAYING
CONT.

"IT GIVES US ANOTHER WAY TO SELL."

We tried manually converting clients ourselves, and only got about six companies done before we had Apex handle it. I had no idea how much work it was going to be. It did take some time on our part to get all the smaller nuts and bolts working the way we want them to, but having Apex handle the bulk of the conversion helped quite a bit.

Plus, the online portals allow us to give both our clients and their accountants access. And that gives us another way to sell the products - Through the accountants.

- Owner, TotalPay, Inc.

"CUSTOMER RETENTION - KEEPING THEM HAPPY!"

Other softwares seem very convoluted and complicated compared with Apex. It was less of a learning curve and they literally converted all of our clients in the span of a month and a half. I've been doing this for 15 years so I know what it takes to set up a new company in the system. Apex was much faster and easier than I expected.

Apex's platform has really made a difference in what we've been able to offer our clients in competing with others. We love that the clients' employees can get set up with their own online access to their information. We used to have to do that for every employee every time they needed information. That alone saves us so much time, not to mention that we no longer have to handle any new employee onboarding. Before, we were always lagging behind because we had to do so much manually. Now, clients don't have to wait on us. They can do so much, including pulling reports, on their own. And they love it. It's great for customer retention because it's keeping them happy.

- Payroll Administrator, Miami Payroll

WHO

**BENEFITS: MORE OF WHAT YOUR PEERS
ARE SAYING
CONT.**

"WE CAN TAKE ON NEW BUSINESS."

Our clients weren't happy with the user end of the clunky and old system that we were using before. You almost had to be a software programmer to understand how to use it. So we switched to Apex and didn't miss a beat throughout the conversion.

One client called me for help every single week for help with the old system. We trained her on Apex and she's never needed to call again. My business partner was supposed to train a new restaurant client in January, but by the time he got back to her, she had already figured it out and was running her own payroll. The volume of service calls has gone down 60 to 70 percent since we switched to Apex, which has helped us grow. Before, we were spending all day and night on the phone just servicing existing clients. You can't grow when you're doing that. Now, we're able to take on new business and get our new clients set up in a timely manner. I don't know where I'd be without that. Not only are we growing our new client base, but our existing client retention rate has improved, too.

- Vice President, Owner, Charlotte Payroll

WHO

**BENEFITS: MORE OF WHAT YOUR PEERS
ARE SAYING
CONT.**

"I CAN SEE IT HELPING US TO GROW."

We were looking to make a switch because the system we were using wasn't progressing as far as technology was concerned. We were looking for a cloud-based system and Apex had been reaching out. Apex's ability to handle the conversion was a big plus. They made it less of a headache, that's for sure. The conversion took place between August and September and was seamless.

Clients using the online portal are very pleased with how the software works. Because we've just recently converted, we're still learning a few things - like processing holiday bonuses. But once we're fully comfortable with the system, I can see it helping us to grow our client base.

- Owner, Business Services Group

**"APEX OFFERS A FULL CONVERSION ASSISTANCE
PROGRAM WHERE A DEDICATED TEAM DOES THE
CONVERTING FOR YOU SO YOU CAN FOCUS ON
MAINTAINING AND GROWING YOUR BUSINESS."**

- MISTY BLAKESLEY

Conclusion

Ready to kickstart your payroll software platform conversion? Remember...

- Apex HCM's dedicated conversion team affords you an augmented staff for no additional cost. We'll handle your conversion faster and with less disruption to your firm's day-to-day operations, allowing you to save money while realizing the efficiencies and power of the Apex HCM platform sooner.
- We convert at your speed! Don't waste money, time and effort paying for and running two platforms when Apex HCM can convert 200+ clients per week.
- Using the Apex HCM conversion team can reduce your conversion churn by up to 95 percent. You'll keep your existing customers happy, safeguarding your client retention rate, throughout the conversion process by allowing your staff focus on maintaining a great client experience while we focus on converting your data and delivering ready-to-run payrolls for you.

Don't let the perceived stress of converting your client base delay your service bureau from moving to a modern and highly competitive payroll platform. Apex HCM has changed the game for payroll firms looking to convert, offering unprecedented opportunity to leverage veteran payroll expertise and industry-leading technology. Contact Apex HCM today at 877-750-2739 or request a demo of our full suite of cloud-based, customizable and proprietary payroll software platforms.



PAYROLL

About Apex HCM

Apex HCM provides a state-of-the-art software platform allowing our clients to take full advantage of the benefits of cloud computing technology. We help organizations escape the bindings of traditional software, including the hidden costs of protracted implementations, disaster recovery, data security, software upgrades, and everyday technology needs.

Apex HCM is a market leader in licensing cloud-based payroll, benefits and HR technology. Over 300 payroll service firms nationally use Apex's technology as the core of their business foundation. Our highly customizable and comprehensive suite of products and services include payroll & tax, time & attendance, benefits enrollment, ACA, human resources, mobile apps, reports & analytics, employee onboarding, applicant tracking, and other business management tools normally reserved for large enterprises. Apex HCM's cutting edge cloud-based software allows its customers to effectively compete feature-for-feature with larger established firms while dramatically improving their workforce productivity. For more information, please visit apexhcm.com or call 877-750-APEX (2739).