



HR Technology & Services

Report Abstract

March 2020

By Pete A. Tiliakos

Principal Analyst

NelsonHall

53 pages

Contents of Full Report

1. Changing Shape of the U.S. SMB Payroll Services Market
 2. Customer Requirements
 3. Vendor Offerings
 4. Vendor Targeting
 5. Delivery Capability
 6. Vendor Challenges and Success Factors
- Appendix I – Vendors Researched
- Appendix II – Glossary
- Appendix III – Vendors Technology and Services Matrix

Who is This Market Analysis For?

NelsonHall's U.S. SMB Payroll report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the managed payroll outsourcing market
- Vendor marketing, sales and business managers developing strategies to target small and midsize businesses in the U.S. with managed payroll service offerings
- Financial analysts and investors specializing in the HR technology and services sector.

Key Findings & Highlights

NelsonHall's U.S. SMB Payroll Services Report focuses on how payroll services and technology providers are meeting the increasing demand for technology-based HR and payroll solutions for the emerging small/midsize buyer with <250 employees.

The current SMB payroll services market remains focused on the tactical elements of payroll execution, as compliance is front of mind for most buyers, with demand increasing for modern technology and digital enablers to support maturing the organization to support the 'future of work' and compete for talent in line with upmarket peers.

Like their upmarket peers, small businesses are typically seeking out advanced, modern cloud platforms and services that can deliver the digital HR capabilities necessary to compete for top talent, address the future of work, and enable a compliant, futureproof operating model to support growth.

Small market buyers are keen to engage vendors with capability to offer a range of integrated HCM solutions that extend beyond managed payroll services in support of 'hire to retire' activities. Thus competition in the payroll services space is no longer limited to payroll service providers alone, with technology providers pushing into the space more frequently, and payroll providers expanding their offerings beyond managed payroll.

Scope of the Report

The report analyzes the U.S. market for SMB Payroll Services and addresses the following questions:

- What are the top drivers for the adoption of payroll services by small and midsize businesses today?
- What are the benefits currently achieved by SMB adopters of managed payroll services?
- What factors are inhibiting SMB's from adopting managed payroll service offerings?
- How the SMB payroll services vendor landscape is being shaped?
- What combination of services and technology is typically offered within SMB payroll services contracts and what new services are being added?

- What pricing mechanisms are typically used within SMB payroll services and how is this changing?
- How buyer demands are shaping vendors delivery models and client engagement approaches?
- What next generation technologies are being deployed in SMB managed payroll service delivery?
- What are the challenges and success factors with SMB payroll services?

U.S. SMB Payroll Services Vendor Assessments Available for:

ADP

Kronos

Namely

Paychex

Paycor

Zenefits

About The Author

Pete Tiliakos is NelsonHall's lead analyst for payroll services, with global responsibility for payroll services research and client support.

As a Principal Analyst, Pete is known for his extensive knowledge, experience, and coverage of the global payroll outsourcing and HCM technology markets.

Pete is a regular speaker and contributor to industry associations and publications such as the American Payroll Association, the Global Payroll Management Institute, and HRO Today magazine.

Pete can be contacted at:

- Email: pete.tiliakos@nelson-hall.com
- Twitter: [@PeteT_NH](https://twitter.com/PeteT_NH)



About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the 'art of the possible' in digital operations transformation. With analysts in the U.S., U.K., and Continental Europe, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall's research is based on rigorous, primary research, and is widely respected for the quality, depth and insight of its analysis.

We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

Boston

Riverside Center, 275 Grove Street, Suite 2-400, Newton Massachusetts 02466
Phone: +1 857 207 3887

London

Unit 6, Millars Brook, Molly Millars Lane, Wokingham, RG41 2AD
Phone: + 44(0) 203 514 7522

Paris

4 place Louis Armand, Tour de l'Horloge, 75012 Paris
Phone: + 33 1 86266 766

Copyright © 2020 by NelsonHall. All rights reserved. No part of the publication may be reproduced or distributed in any form, or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher. The information provided in this report shall be used only by the employees of and within the current corporate structure of NelsonHall's clients, and will not be disclosed to any other organization or person including parent, subsidiary, or affiliated organization without prior written consent of NelsonHall. NelsonHall exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, NelsonHall shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.