

SOLUTIONS FOR SMALL BUSINESS

Technology Partner Profile

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Outsourcing Non-Core Functions: ADP® Helps Small Businesses Hand Off Payroll and Compliance Headaches

*Technology Partner Profiles from **Solutions for Small Business** are designed to demonstrate how new technologies enabled by cable providers – in this case **Cablevision** – help small business owners and managers address key challenges, solve problems and achieve mission critical objectives.*

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ADP® is one of the anchor tenants of Cablevision's Optimum Business Benefits Program, which offers discounts on popular business services.

The cost of regulatory compliance has become increasingly burdensome, with the new federal healthcare law requiring a sharp increase in 1099 submissions.

ADP® Helps Small Businesses Hand Off Payroll and Compliance Headaches

If there is one universal truth in a tough economy, it is this: businesses, particularly small businesses, must master the challenge of doing more with less. But small businesses that weather the storm and come out stronger know the secret to success is not just about cutting costs; it's about staying focused on your company's core business.

Simply put, small companies can win big by putting their time and focus into growing their business rather than managing critical, but ancillary, processes such as payroll and compliance in-house. According to 2009 research from ADP, a leading provider of HR, payroll and benefits administration services, some 68 percent of small businesses still prepare payroll in-house, compared with 32 percent that outsource. This comes at a time when any activity that shifts a company's focus away from core processes to back-office functions can have a significant – and adverse – impact on the bottom line.

ADP aims to help small businesses do something about that problem. The company has a unique appreciation of the special challenges faced by small firms: some 450,000 of its nearly 600,000 clients have fewer than 50 employees.

That is why ADP is one of the anchor tenants of Cablevision's Optimum Business Benefits Program, a special program rolled out in March 2010 to small-business subscribers of the cable provider's Optimum Voice and Optimum Online business services. The Optimum Business Benefits Program offers discounts on popular business services from well-known providers, including FedEx, ADP and more. As a premier partner in the program, ADP is offering certain discounts on its payroll and HR services to Optimum Business customers.

For this report, the editors of **BizTechReports.Com** sat down with Deepak Mehta, Vice President, Strategic Business Alliances, for Roseland, NJ-based ADP to discuss the challenges small businesses face in managing their payroll, tax and benefits functions, and the advantages they can achieve by outsourcing many of those burdensome tasks.

The Rising Cost of Compliance

The costs of regulatory compliance to small businesses can be staggering. A 2005 study by the U.S. Small Business Administration found that small businesses, particularly those with fewer than 20 employees, spent a whopping 67 percent more per employee on regulatory costs than did their large counterparts with more than 500 employees.

According to ADP's Mehta, the first thing small businesses need to remember is that they have viable and cost-effective alternatives to processing back-office functions on their own.

“On average, a small business owner employs somewhere between eight and 10 employees,” he says. “Somehow, they expect that they can be experts on everything. And while it is true that there are a growing number of self-service payroll and tax compliance solutions in the market, as companies grow, the complexity of compliance rises significantly. Moreover, as the dollar sizes of transactions grow along with volume, the penalties associated with improper filing grow accordingly.”

ADP is working with partners like Cablevision to help cut through the complexity by serving as a single-source solution for the small business owner. “Companies can outsource these various back-office administration tasks to an expert like ADP at a very competitive, reasonable price,” Mehta says.

Large Company with a Small Business Focus

ADP’s Small Business Division helps small businesses with back-office operations.

To address the special needs of these companies, ADP has established a Small Business Services Division. “Its core mission is to service the needs of small businesses by helping them with their payroll, payroll tax filing, and HR solutions, relieving them of many headaches that may come from back-office operations so that they can solely focus on what they do best – which is to grow their business and the future of their business,” Mehta says.

ADP’s alliance partnership with Cablevision complements that strategy. “The philosophy of Cablevision matches ADP’s mission and core values,” Mehta says. The arrangement takes advantage of the strong existing relationship that the two companies have had for the past six years.

“We provide services to small businesses that are world class, and we do not require them to enter into any long-term contracts with ADP,” Mehta says. “They have the right to terminate anytime with 30 days’ notice.”

‘RUNning’ with the Big Boys

RUN Powered by ADP® liberates small business owners from running payroll.

One important service in ADP’s suite of solutions for small businesses is its RUN Powered by ADP® payroll platform. RUN Powered by ADP is a software-as-a-service (SaaS)-based payroll platform – or web-based application – that’s designed to liberate small-business owners from the time-consuming task of running payroll so that they can spend more time on their core functions.

Launched in 2008, ADP deployed the platform on a rolling basis across the country, enhancing the product along the way based on prospect, client and sales-force feedback. The RUN Powered by ADP platform enables ADP to offer differentiated services based on clients’ needs or their industry. RUN Powered by ADP Payroll for Accountants® – a version designed for accountants to assist their clients with payroll functions – offers small businesses several key benefits, including:

- Customizable dashboard
- Client segmentation by accountant within a firm
- Multiple payment methods, such as direct deposits and debit cards
- 100 percent Web-based access to client reports
- Ability to interface with general ledger applications.

Both small-business clients and CPAs will be able to access RUN Powered by ADP on the mobile platform of their choice. ADP introduced functionality for the Apple® iPhone® in October 2010 and plans to introduce functionality for other mobile platforms such as BlackBerry®, Windows® Mobile and Android™ devices in the future.

“RUN Powered by ADP is basically an online solution that continues to evolve,” says Mehta. “It’s Web-based, and it’s available to anyone who has access to the Internet. You’re able to manage everything around your payroll and HR services administration through one single service.”

ADP is continuing to integrate RUN Powered by ADP with other secondary solution sets such as time-and-labor management services, benefits administration, payroll cards, or pre-employment screening, he says.

“Imagine the business owner who may be traveling from place-to-place, and they’re on the road,” Mehta says. “ADP’s release of the Apple® iPhone® application for RUN Powered by ADP enables a small business owner to process their payroll and submit any inquires on the fly.”

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About BizTechReports.Com

BizTechReports.Com is an independent reporting agency with offices in Washington, DC and the San Francisco Bay Area that analyzes user trends in business technology. BizTechReports.Com explores the role that technology products and services play in the overall economy and/or in specific vertical industries. For more BizTechReports.Com white papers, case studies and research reports, visit www.biztechreports.com.

About Solutions for Small Business

Solutions for Small Business is an initiative of CTAM, the Cable & Telecommunications Association for Marketing, which is dedicated to helping the cable business grow. Cable companies supporting the initiative include: Armstrong; Atlantic Broadband Business; Bend Broadband Business; Bresnan Business Services; Bright House Networks Business Solutions; Cable One Business; Charter Business; Comcast Business Class; Cox Business; Insight Business; Mediacom Business; Optimum Business; Suddenlink Business and Time Warner Cable Business Class. Small business owners can learn about the initiative at www.solutionsforsmallbusiness.com.

About Cablevision's Optimum Business Program

Optimum Business Benefits program from Cablevision is designed to deliver enhanced value for Optimum Business customers, who subscribe to both Optimum Voice and Optimum Online, in the form of discounted pricing and other valuable benefits from a variety of companies. Anchor tenants of the program include:

- FedEx;
- ADP®; and
- US Business Technology.

Additional companies will be added to the program on an ongoing basis to provide pre-negotiated benefits and savings for members.

For more information visit: www.OptimumBusinessBenefits.com