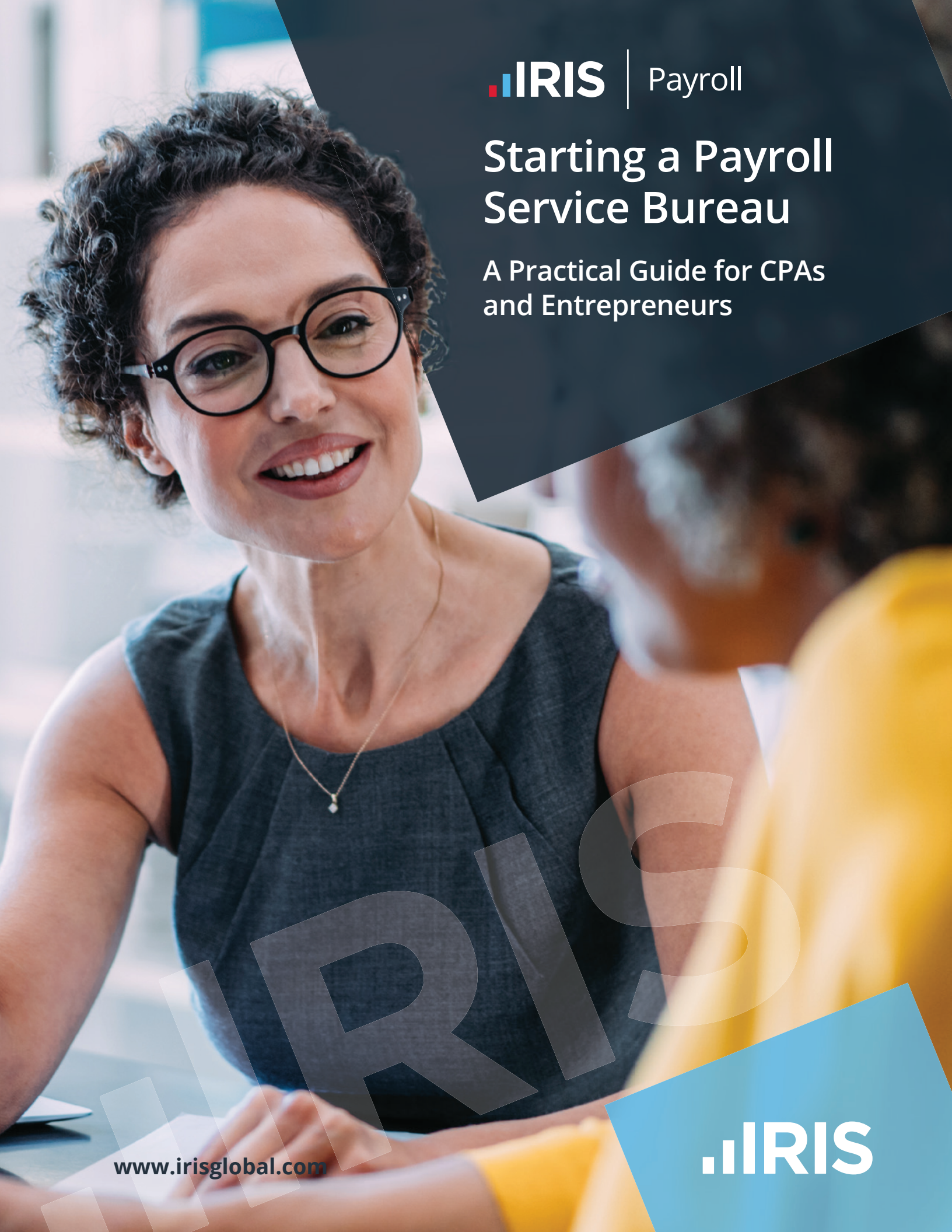




IRIS | Payroll

Starting a Payroll Service Bureau

A Practical Guide for CPAs and Entrepreneurs

www.irisglobal.com

IRIS

Small businesses are becoming more complex. Regulations are evolving. And more than ever, business owners are looking for trusted partners to help manage the intricacies of payroll.

If you're a CPA, accountant, or entrepreneur ready to expand your services—or explore a new path—this guide is for you. It's here to offer clarity, encouragement, and a framework for success, from idea to implementation.

Whether you're expanding your accounting practice or starting fresh, this is your blueprint.



What This Guide Covers

This guide is focused on helping you build a strong foundation:

- Why payroll is a natural extension for accountants
- How to choose technology that grows with you
- Ways to build the right team from day one
- Steps for landing your first clients with confidence

With firsthand insights and practical tools, we hope this guide meets you where you are—and helps move you forward.

Why Now?

- 63% of businesses with 20–99 employees cite regulatory peace of mind as the top reason for outsourcing payroll.
- The global payroll services market is projected to reach \$34.76 billion by 2030.
- 28% of small businesses already outsource payroll services, making it one of the most common business services to contract.

The need is real. Your opportunity is here.

A Golden Opportunity for CPAs

Twila Walton didn't plan on offering payroll when she launched her CPA firm in Plano, Texas. At the time, it seemed like a distraction—too complex, too low-margin. But client after client kept asking for it.

"Instead of holding onto all the reasons not to offer payroll," she says, "I began to earnestly consider all the reasons I should."

Together with her daughter, Kelly, Twila launched a sister company focused solely on payroll. Today, those services account for half their total revenue.

Many firms like Walton CPA have discovered the same thing: expanding into payroll is not only viable but also valuable.

Benefits include:

- Year-round revenue that smooths the ups and downs of tax season
- Stronger client relationships and natural cross-sell opportunities

- High ROI potential, especially with cloud-based tools that reduce overhead

And just as importantly, it offers freedom. Many professionals who once felt boxed in by the demands of corporate life are now building payroll bureaus that reflect their values, schedule, and definition of success.

Choosing the Right Technology

"It all starts with great software," says Kevin Kardos, co-founder of Workplace HCM.

And he's right. Your payroll platform is the engine of your business. When it runs smoothly, everything else follows.

Here's what to look for:

Compliance Confidence (Start Here)

Your software must stay in step with tax law. Systems that automatically update tax tables and filing rules help you—and your clients—avoid costly compliance errors.

IRIS Payroll has a dedicated team monitoring legislation and implementing updates seamlessly.

Integration Capabilities

Many clients already use timekeeping or HR systems. Your payroll platform should play nicely with others, making it easier to start small and grow the relationship over time.

Cloud-Based Access

On-premise solutions can't compete with cloud-based platforms that offer real-time updates, anywhere access, and built-in scalability.

"People want to onboard from their phones," says Pat McTamney, a payroll bureau owner and Senior Sales Development Executive at IRIS. "They don't want to wait for reports or be tied to a desktop."

With IRIS Payroll's mobile app, employees can:

- View pay and tax information
- Enroll in benefits
- Submit time off requests
- Access everything securely from any device

Must-Have Features

Your **payroll and HCM software** should include:

- Employee onboarding
- Direct deposit
- Tax filing automation
- ACA compliance
- Time and attendance
- Benefits management
- Custom reports
- Employee self-service portals

And all of it should be accessible 24/7—web or mobile.

Training and Support

Getting started can feel daunting. Choose a partner who provides **thoughtful onboarding, responsive support, and training that sticks.**

Investment Perspective

"A common mistake made by new payroll service bureau owners is looking at software options primarily from an expense perspective," Pat McTamney warns. "You get what you pay for."



Cheap software might save pennies now, but it limits you later. Choose a system that grows with you.”

Building Your Team

Behind every great payroll bureau is a great team. And as you grow, your people will become your greatest strength.

Why Staffing Matters

Sales and service teams are the backbone of your client experience. But operational specialists—people who live and breathe payroll accuracy and compliance—are just as critical.

“Solo can be risky,” McTamney says. “If something happens to you, your clients can’t wait. They need coverage.”

Staffing Ratios

- Up to 50 clients → 1 part-time person
- 50–100 clients → 1 full-time person
- 100–200 clients → 2 full-time people

These ratios help balance service quality with scalability.

Hiring Tips

Turnover can be costly. Here’s how to hire with care:

- Be specific in your job descriptions—skills, experience, and expectations.
- Check credentials thoroughly. Ask for performance proof (quota reports, client feedback, etc.).
- Run a live test. Ask candidates to walk through how they’d handle a client onboarding or solve a timekeeping issue.
- Ask for referrals once you find a great hire. They often lead to others who fit your culture.



Compensation That Works

There’s no one-size-fits-all model, but common structures include:

1. Full commission – Ideal for hungry sellers who thrive on autonomy
2. Base + commission – Balances risk and reward
3. Base + quota bonus – Encourages steady performance

Tips for success:

- Keep it simple and transparent
- Remove earning caps to attract top performers
- Support your team with autonomy and collaboration

LANDING YOUR FIRST CLIENTS

Your first few clients are more than revenue—they’re proof points. And in the early days, nothing matters more.

Network with Purpose

Kevin Kardos landed Workplace HCM’s first clients through chamber of commerce meetups, even while under a non-compete. He focused on businesses outside his restriction zone, built trust, and asked for referrals. Momentum followed.

Pat McTamney tells a similar story. A casual conversation with a local business owner turned into a referral—and then many more. “A happy customer is your best advocate,” he says.

Where to Look

- Join local chambers of commerce
- Monitor new business filings online
- Search LinkedIn, Facebook, and other local business groups
- Send a launch press release to local media
- Always, always ask for referrals

Building a business takes courage. But you don’t have to go it alone. The demand is there, and when you lead with service, trust, and genuine value, success tends to follow.

CONCLUSION

Starting a payroll service bureau is more than a business decision. It’s a chance to show up for people in meaningful ways—helping employers stay compliant, employees get paid, and teams run smoothly.

The landscape will continue to evolve. But the fundamentals remain:

- Employees will always expect accurate, timely pay
- Employers will always need trusted advisors
- And you can be the steady hand they rely on

Let IRIS Payroll help you meet that moment.

What’s Next?

You’ve laid the foundation. Now let’s build on it.

In Part 2, Growing Your Payroll Service Bureau, we’ll explore how to:

- Streamline operations for growth
- Offer new services like HR and compliance
- Partner with CPAs
- Compete (and win) against national providers

Let’s keep going—together.

About IRIS Payroll

IRIS Payroll delivers cloud-based payroll and HCM solutions for bureaus that want to grow, scale, and compete.

Our integrated platform covers the entire employee lifecycle—from hiring and onboarding to time tracking, benefits, payroll, and compliance. It’s built to simplify complexity, reduce manual work, and free up time for what matters most.

Join hundreds of providers who use IRIS Payroll to deliver big-firm capabilities without the big-firm overhead.

Get in touch to [see our software in action](#) or to [book a consultation with a payroll expert](#).

Let’s grow together.

Contact now

IRIS Americas is part of IRIS Software Group. IRIS payroll solutions exist to take the pain out of processes and enable professionals working in CPA firms and payroll service bureaus businesses comply with regulations, improve efficiency and drive growth. IRIS Americas brands include IRIS Star Practice Management, IRIS Global Workforce, IRIS Innervision, IRIS Practice Engine, Doc.It, PSI Payroll, IRIS HCM, Apex, AccountantsWorld, Senta and Conarc.

IRIS partners with thousands of CPA firms, payroll service bureaus and small to midsize businesses across North America, including 52 of the top 100 US CPA firms. We offer innovative Payroll and HR solutions, making us the preferred partner in the region. Globally, IRIS serves over 100,000 customers, with 80% having tenure of five or more years.

