

Growing Your Payroll Service Bureau

Your Guide to Scaling,
Diversifying, and Standing Out

So, your payroll service bureau is up and running. Now comes the exciting part: turning a solid foundation into something truly scalable and lasting.

Growth isn't just about gaining new clients. It's about building systems that adapt, extending your value with meaningful services, and deepening the trust you've built. This guide is here to help you grow with intention.



What This Guide Covers

In this guide, we'll walk through essential strategies to help you:

- Prepare your technology for rapid scale
- Expand your revenue with HR, timekeeping, and compliance services
- Navigate hybrid and remote work complexity
- Build CPA and accountant referral networks
- Compete effectively through digital marketing
- Differentiate your bureau with pricing, service, and positioning

You'll find practical insights and real-world examples to support your next chapter of growth.

Scaling for Growth

Starting a business is easy. Scaling it? That's where wisdom, systems, and timing matter.

According to Lending Tree, 21.5% of new businesses fail within their first year. By year five, that number climbs to 48.4%, and by year ten, to 65.1%.

In a field as operationally vital as payroll, scaling requires strong infrastructure—especially when it comes to your technology.

IRIS Payroll's cloud-based solutions help bureaus grow in three essential ways:

- **Space-wise:** No need for server rooms or IT closets
- **Financially:** Predictable subscription pricing vs. costly hardware
- **Client base growth:** Scalable systems that handle complexity

Upfront Cost

Cloud-based platforms reduce the capital needed to get started. You skip the cost and lead time of on-site servers and physical installations—and you're live in days, not months.

Ongoing Maintenance

Instead of worrying about repairs or unexpected tech upgrades, your cloud provider handles it. That means less downtime, fewer budget surprises, and no risk of aging hardware causing compliance headaches.

Storage & Scale

As your client base grows, so do your storage and access needs. Cloud systems expand as you do, without requiring new space, power, or personnel.

And if your current platform isn't cutting it, don't wait to switch. IRIS offers several conversion options tailored to your team's time and bandwidth:

- **Full-service conversion:** A dedicated IRIS Client Success Manager leads the transition and trains your team remotely. Conversion typically takes 3–6 months, depending on complexity.
- **On-site conversion:** Senior consultants complete your migration onsite with in-person training. Up to 30 clients/day can be converted.
- **Assisted conversion:** When data can't be exported, IRIS manually enters employee and wage data by quarter. Turnaround: 1–2 weeks.

Now that your infrastructure is solid, let's explore how to expand your offerings.

Diversification That Drives Revenue

The phrase “don't put all your eggs in one basket” may be old, but it's earned its place in every smart growth playbook.

Today's cloud-based tools have leveled the playing field—giving small and mid-sized bureaus access to enterprise-grade capabilities without the overhead.

Here's how to put that flexibility to work:

Time and Attendance

Time theft costs U.S. businesses over \$400 billion in lost productivity annually. The average employee—intentionally or not—logs 4.5 hours per week in unearned time. That adds up to six full work weeks a year.

With remote and hybrid work still the norm, clients are looking for timekeeping solutions that are:

- Automated and easy to use
- Geolocation-aware (via geofencing)
- Seamlessly integrated with payroll

The IRIS Payroll mobile app supports clock-ins via:

- Mobile devices
- Tablets and computers
- Key fobs, proximity cards, fingerprints, swipe cards

It also enables real-time schedule updates and provides built-in analytics for:

- Tracking and adjusting labor costs
- Controlling overtime
- Ensuring compliance



Time Theft Snapshot:

- 41% of employees report stealing 11–20 minutes per shift
- 25% steal 1–10 minutes
- 14% steal 31–60 minutes
- 13% steal 21–30 minutes
- 7% steal over 60 minutes

HR and Compliance

Adding HR functionality makes your offering more holistic—and harder to leave. The most requested add-ons include:

- Employee onboarding
- Benefits enrollment
- Time-off requests
- Document storage

When you deliver these through a mobile-friendly platform, you give clients tools their employees will actually use. And that's where the magic happens.

But with HR comes compliance. Legislation is evolving rapidly, from federal rules to city-level mandates. Many small businesses lack dedicated HR expertise and rely on patchwork processes.

That's where you come in.

IRIS helps you offer:

- Employee handbook development support
- Compliance webinars
- State-mandated training via LMS

Let's now look at one of the trickiest compliance challenges today: hybrid work



Remote Work, Real Complexity

Payroll has always required precision. But the rise of hybrid and remote work has introduced a tangle of jurisdictional tax rules that even seasoned professionals find difficult.

"What used to be a simple payroll calculation has become a multi-state puzzle," says Loreene Kemperman, IRIS Payroll Compliance Expert and Chair of the NACTP Payroll and Information Reporting Committee.

"For hybrid and remote teams, compliance now depends on tracking not just where someone lives—but where, and why, they're working."

Consider these examples:

- An employee lives in New Hampshire and works one day a week in Massachusetts. That employer must track income by state and apply the right withholdings.
- In Ohio, city-level taxes apply based on work location. A hybrid employee working in Dayton two days and Eaton three days would owe taxes in both.

Some states offer reciprocity. Others don't. States like New York and Pennsylvania use a "convenience of the employer" test to determine taxability.

These details matter. And that means your clients will need a partner who:

- Understands the implications
- Offers tracking tools to stay compliant
- Is proactive, not reactive

Let's now explore another key source of growth: partnerships.

Partnering for Growth

When Steve Kowalski launched Entrust Payroll Solutions in Fort Myers, Florida, he did everything the classic way—face-to-face networking, door-to-door outreach, and lots of coffee chats.

Then the pandemic hit.

Kowalski realized business owners were turning to their accountants for clarity. And that opened the door to something powerful: partnerships with CPAs and accounting firms.

Using white-labeled IRIS Payroll platforms, Kowalski helped his partners expand their offerings. In return, his client base multiplied—from four states to over 20.

You can use the same playbook. Here's why CPAs are ideal allies:

1. DIY competition is rising

- a. TurboTax, QuickBooks, and other tools are eating into traditional revenue. Payroll helps firms diversify.

2. Revenue smoothing

- a. Payroll creates a dependable income stream beyond tax season.

3. The trust factor

- a. 89% of SMBs consider their accountant a trusted advisor. With the right partnership, you're the recommended solution.

Competing Through Digital Marketing

"Stopping advertising to save money is like stopping your watch to save time."

—Henry Ford

In today's landscape, a strong online presence is more than helpful—it's critical.

Digital marketing helps you:

- Build trust before the first conversation
- Demonstrate your expertise
- Create a steady stream of qualified leads

DIY or Outsource?

You might start by doing it yourself—writing blog posts, posting on LinkedIn, managing email outreach. But as you grow, the opportunity cost grows, too.

Hiring a marketing partner can pay off, especially if they:

- Know payroll and HCM inside and out
- Can target by industry, region, and company size
- Have a track record of ROI through SEO, PPC, and content marketing





Trackable KPIs include:

- Website visits
- Time on page
- Service page click-throughs
- Demo requests, guide downloads, newsletter signups
- MQL-to-SQL conversion rate

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.

Strong digital strategies aren't set-and-forget. They require iteration and curiosity.

A good partner will help you answer:

- What keywords are your ideal clients searching?
- How does your site rank vs. competitors?
- Where are leads dropping off—and how can you fix it?

Let's now wrap with what truly separates you: how you show up for clients.

Winning on Service

There's no substitute for exceptional customer service. It's what clients remember—and what sets you apart from software alone.

"Your team needs to be knowledgeable, responsive, and empowered," says Kevin Kardos. "Sometimes just answering the phone quickly or saying 'let me find out and get back to you' makes all the difference."

A recent study found:

- **88%** of customers say great service increases the likelihood of a repeat purchase
- **80%** say customer experience is as important as the product itself

Support your staff and they'll support your clients. It really is that simple.

Smart Differentiation

Choosing a niche—like healthcare or construction—can position you as the go-to expert. But diversification still matters.

As Pat McTamney puts it: "If you're too verticalized, you're exposed. During the pandemic, restaurants were hit hard. If that's all you had, your business was in trouble."

Focus where you're strong, but maintain a mix.



Conclusion

Growing a payroll service bureau is about more than revenue. It's about building something sustainable—something that helps other businesses run better.

The tech will evolve. The rules will shift. But your clients will always need a steady hand.

"If you ask a business owner if they want more efficiency, more productivity, more peace of mind—they're going to say yes," says Kardos. "And we can help them get there."

About IRIS Payroll

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

We offer a fully integrated platform that streamlines the entire employee lifecycle—from hiring and onboarding to benefits, time tracking, payroll, and compliance. Our tools are designed to free up time, reduce manual work, and simplify even the most complex payroll challenges.

Used by hundreds of payroll providers, IRIS Payroll gives you the power to deliver big-firm capabilities—without 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.

