

## RESEARCH NOTE

# ANATOMY OF A DECISION: INFINISOURCE ISOLVED NETWORK



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### THE BOTTOM LINE

In the payroll services market, regional actors are being pressured by changing legal regulations and customer expectations for more robust services. The Infinisource iSolved Network allows regional payroll service providers to remain competitive by providing resources to the member base, enabling them to keep ahead of evolving market demands. In looking at Infinisource iSolved Network members, Nucleus found that they chose to partner with Infinisource because of its stability, breadth of functionality, and member support.

Infinisource was founded in 1986 as COBRA Compliance Systems. At that time, the company delivered COBRA and fringe benefit services. Infinisource continues to provide these, but has since built out its solutions as part of an objective to transform itself into a full-suite provider of human capital management (HCM) technology. In the spring of 2013, Infinisource announced iSolved as a native-to-the-cloud HCM solution for small- and mid-size companies.

The iSolved platform is available in two ways:

- Directly from Infinisource
- Through the company's iSolved Network, a membership-based access for regional payroll service providers that use the iSolved platform

Between the two delivery methods, more than 25,000 employers are committed to the iSolved HCM technology. Supporting payroll, human resources, benefits enrollment, and attendance, iSolved facilitates users' ability to keep pace with regulatory change. Infinisource is selective about the firms it accepts into its network, which helps regional payroll service providers compete with national firms: The company looks to extend its network of payroll service providers to more partners. The exclusivity of the iSolved Network enables Infinisource to maintain support for partners, control growth, and protect its product and brand.

## WHY INFINISOURCE

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Managing employees has become a more difficult challenge, as legal requirements have changed dramatically and will continue to change because of the implementation of the Affordable Care Act. The new requirements have broad implications for HR management. Helping clients navigate the changing landscape is more difficult for regional payroll service organizations as they have fewer resources to develop processes and feature updates, and content-rich educational materials. The iSolved Network allows regional payroll service providers to offer robust HCM packages while maintaining their customer service advantage. In its analysis of Infinisource members, Nucleus identified three main reasons why they had selected the iSolved Network over competing solutions.

### STABILITY

Nucleus found that the need for a more modern and stable application was a driving factor in partnering with Infinisource. The partners which Nucleus analyzed had aging systems that were largely single-purpose solutions. Due to the previous systems' age and inadaptability, stability became an increasingly prevalent issue. Partners had experienced losses due to system failures and downtime. It was critical to stop these failures.

Customers said:

- *"With our system, we were falling behind competitively. Our system was processing errors when the volume was too high or we tried new integrations."*
- *"We were using two systems to keep up, but it was just too cumbersome and wasn't scalable."*
- *"Our customers interact with our platform through our Website, so when our system would go down, it looked badly on us."*

Older, on-premise solutions require continual maintenance and modification to keep up with evolving client demands. Issues of stability not only create waste in productivity and resources but are often visible by the client and threatened customer confidence.

### BREADTH OF FUNCTIONALITY

Functionality is a driving factor in choosing iSolved technology. Nucleus found that payroll providers need robust features and functionality to accommodate increasing customer demands; clients now expect real-time data processing, reporting, and benefits administration services. Many competing solutions are still focused on exclusively offering payroll support, and those that do provide extended HCM functionality are prohibitively expensive. Members said:

- *"In the payroll services market, you can't survive on payroll alone anymore. We needed to find a way to compete on functionality while still maintaining our competitive edge in service."*
- *"The system we had in place was really good as long as you only wanted to process paychecks. But that is no longer our reality."*

- *“Our customers are expecting more from us. Changing systems was no longer optional.”*
- *“We looked at Kronos but decided not to go with it because we felt it wasn’t adapted to an organization of our size and would have been costly to implement.”*
- *“We believe that the future of our business is in providing greater HCM functionality. When we spoke to Infinisource we realized that we shared the same vision, which was important for us in choosing a partnership.”*
- *“With the iSolved Network we get the best of both worlds. We can compete with the national firms in features but still provide the level of service that our customers are used to.”*

Customers now expect payroll service providers to offer integrated HCM functionality. In-house feature development is impossible for many regional actors due to development time and resource requirements. Competing off-the-shelf solutions lack the back-end support needed to drive value within regional organizations.

### **SUPPORT**

Infinisource provides its partners with back-end support to help them grow and develop their businesses regionally. Members noted the quality and extensiveness of support offered by Infinisource was a differentiator in their choosing of iSolved technology over competing solutions, and in their decision to join the iSolved Network. Customers said:

- *“Infinisource developed and provided training to our staff to bring us up to speed on our new services. We didn’t have to do anything in house, making the change very easy on us.”*
- *“Infinisource is able to develop features and marketing materials faster than we would be able to do. With the major compliance changes that we are seeing going into next year, it probably would have taken us nine months to get new materials together and to make sure that our customers fully understand everything.”*
- *“With new regulations, like the Affordable Care Act, we would have a difficult time keeping up compliance and educating our customers about the new changes all on our own.”*

With current market changes, regional actors need support to build out functionality and keep ahead of regulatory changes. The partners which Nucleus analyzed said the level of support needed to remain competitive either wasn’t offered by competing solutions or wasn’t offered at a price which the partners thought was affordable. They believed that the iSolved Network provided its partners the needed support to keep them ahead of customer and market demands.

### **CONCLUSION**

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The market for payroll service providers is in a state of flux. Customer demands are changing to accommodate regulatory requirements. Through their use of other platforms

and services, customers have also become accustomed to high levels of accessibility, usability, and feature integrations.

For regional firms, the cost of developing new features, improving their user interface, and helping clients grapple with new regulatory demands is too much to bear all at once. iSolved technology provides partner members the capacity to stay ahead of changing demands and enables end users to input information easily through the UI, creating a single point of entry. iSolved technology's robust HCM features accommodate new HR demands, and accessible informational materials help educate clients about the changing regulatory landscape.