Modulr

Revolutionising Payments for Umbrella Companies

Contents

Summary

In the fast-paced world of contract work and temporary employment, rapid payroll processing is key. The traditional banking system, with its slow processes and lengthy Bacs clearing cycles is a significant roadblock for umbrella companies, resulting in payment delays and frustrated workers.

In this eBook, we look at the challenges that umbrella companies face. We discover the limitations of the traditional banking system. And we explore how a more modern payment approach can bring transformative benefits.

We'll show you how, by using Modulr to do the payments heavy lifting, umbrella companies like BoostPay and Rocket Paye have optimised efficiency and delivered an improved end-user experience. Payroll payments are received in seconds, manual processes automated and revenue opportunities unlocked.

It's payments unleashed.

"Modulr has been a gamechanger for us."

\- Eileen Breeze, Director, BoostPay.

The need for fast, flexible pay

Umbrella companies offer contractors and temporary workers all the benefits of continuous PAYE employment, with the freedom and flexibility of contracting.

It's a competitive market, with umbrellas competing on customer service and reputation. This is often measured by their turnaround time, from time sheet submission to payout. Instant, real-time payments are key to attracting and retaining recruitment agencies and contractors, and overcoming existing payment challenges is critical to success.

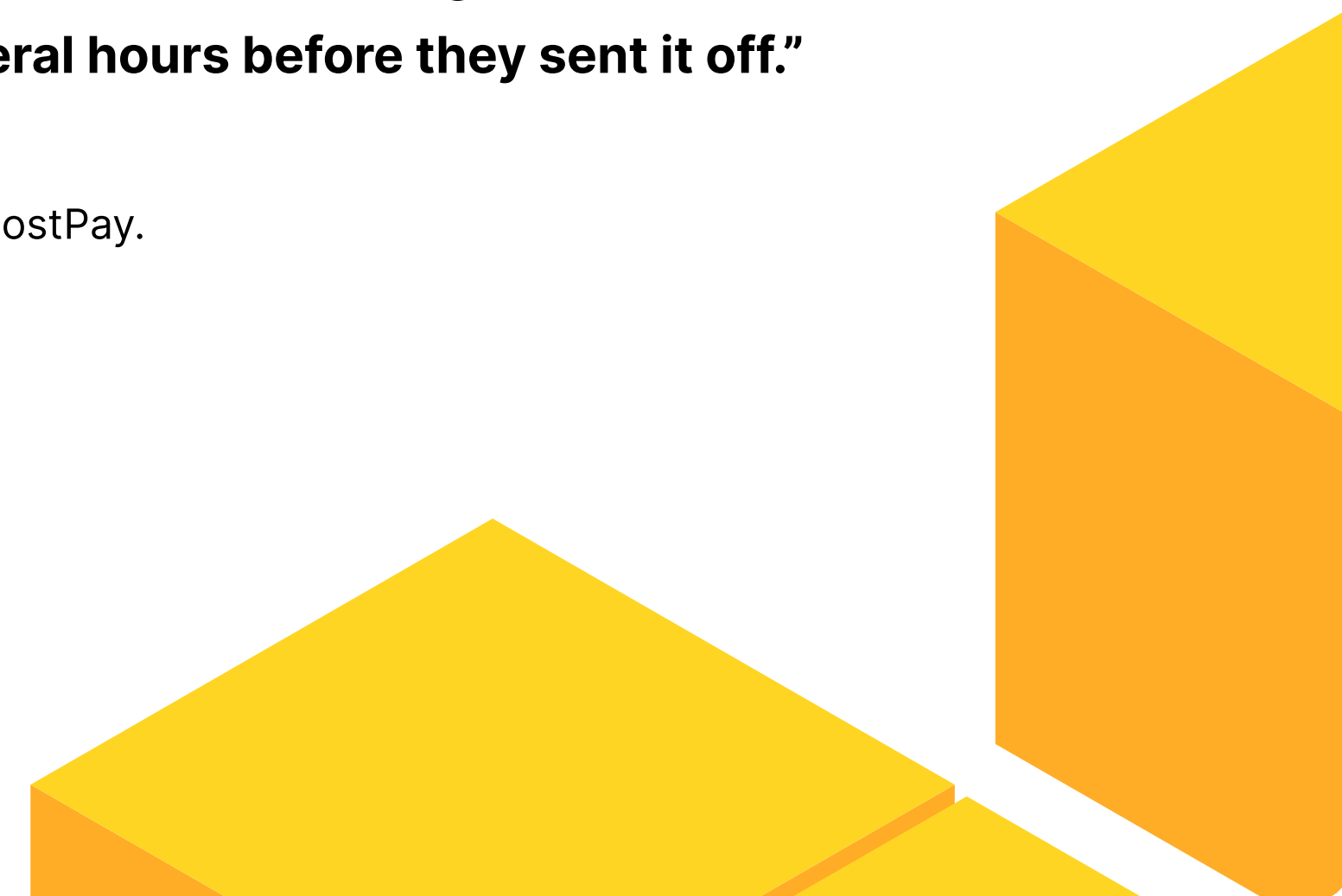## Why payments aren't working for umbrella businesses

Monthly payroll can be complex. Umbrella businesses have greater challenges with weekly payruns. This requires a high level of payments flexibility, together with the ability to make last minute changes and handle emergency payments.

Most payroll software only does calculations. Users must then go to slow, clunky banking portals to make payments. This results in major pain points. It's hard to meet payment deadlines because there's limited ability to pay outside of business hours or get customer service support. Batch processing and, in some cases, a reliance on Bacs also contribute to the challenges.

BoostPay

"To pay workers by a certain day, we needed clients to pay us several days beforehand so we could make a Bacs transfer. Even when we were using Faster Payments, there was still a delay. We'd have to download a CSV file then give it to our bank, and then they'd take several hours before they sent it off."

Eileen Breeze, Director, BoostPay.

Introducing a new way to make payroll payments

Payroll software providers, like My Digital, Zeel and Staffology, have partnered with Modulr to bring payments into their software. This means that users no longer have to transfer to the traditional, but limited, source of payments services - banks.

These payroll software platforms now offer umbrella companies the ability to compute payroll and taxes and pay workers and HMRC, all far more efficiently. This unlocks greater value for their customers.

My Digital

"Disruptors like Modulr are accelerating the evolution of banking into a more efficient and cost-effective space. We are proud to be a Modulr partner in this new world".

John Whelan CEO, My Digital.

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The benefits
Modulr brings umbrella companies

Umbrella companies can unlock many benefits by using a payroll software platform that offers Modulr's payments functionality.

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Modulr

(#1) Increase operational efficiency

Perform payroll confidently at speed. Process and reconcile large amounts of payroll payments automatically and in bulk, with no transaction volume limits. No more manually downloading and uploading payment CSV files to banks. Payment information flows automatically into the Modulr portal. This ensures you pay the right amount every time, without having to double check the payment file.

Enable instant payments. Access the Faster Payments Scheme 24/7/365. Schedule payments automatically on payroll due dates and add, remove, or update payments until the last minute. This is great for clients whose workers are slow or late with timesheets.

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≡BoostPay

"Using a bank to make payments was a five-step process for us, whereas using Modulr through My Digital, so much of that is automated. We've cut costs on payment fees by 50% so far compared to our old bank, and spend less time having to speak to unhelpful bank managers chasing a payment that has been sent to the wrong place."
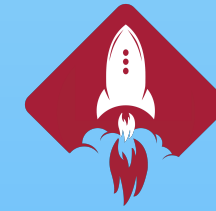
Eileen Breeze, Director, BoostPay.

(#2) Improve end-user experience

Payroll payments can be made and received by workers within 90 seconds. No more payment delays letting you, and your customers, down. Something that umbrella company BoostPay regularly had to deal with.

"We sometimes received over 500 calls on a Friday morning from workers asking when they'd get paid. All we could say was that they'd receive it at some point by the end of the day. We'd done our part, but it looked like we were to blame, whilst we waited on the bank to do their part." Explained BoostPay Director, Eileen Breeze.

Instead, equip yourself with the payments speed and flexibility needed to meet the expectations of temporary contractors and the gig economy.
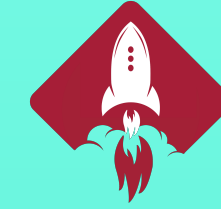
ROCKETPAYE

"Modulr has been so much easier. The minute we click pay we don't have to worry about payments. Everyone gets paid when they need, and we don't receive any calls from workers wondering when they're going to get paid".

Alex Hough, Managing Director, Rocket Paye.

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(#3) Unlock revenue

Faster payment processing means time savings and revenue gains. Umbrella companies using Modulr for payments have slashed the overall costs associated with payment processing by 50-75% compared with using a bank.

And, as automated payment processing results in fewer errors and less time spent rectifying them, this time can be spent on revenue-generating areas of business.

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ROCKETPAYE

"**Modulr has been so efficient and easy to use I would have happily paid what I was paying before with the bank for this level of service. But the fact that it's such a big saving is obviously a huge bonus for us. Now, instead of wasting hours on the challenges of payroll, we can divert that time and energy to winning new business.**"

Alex Hough, Managing Director, Rocket Paye.

Modulr

How Rocket Paye built an award-winning umbrella payroll solution with Modulr

4+ hrs to <90 second payout speed	**75% reduction** in payment costs	**2023 winner** Best Umbrella Company

Rocket Paye won the title of 'Best Umbrella Company' at the 2023 Contracting Awards and, according to Managing Director Alex Hough, a significant part of this win is down to its collaboration with Modulr.

Using Modulr's payment technology through My Digital, has not only eliminated long, unsociable work hours for staff but also slashed payment costs by an impressive 75%, all while giving Rocket Paye a reliable partner it can scale with.

Rocket Paye now makes payments in a matter of seconds, knowing there'll be no unexpected delays. And, even more importantly for the team, they can schedule payments in advance, make last minute changes and handle emergency payments.

"When we were using a bank to process payroll with Faster Payments, it could still take over four hours. This meant I had to get up at 4am to send payments because many of our clients' workers have to see money in their account first thing in the morning, or they simply won't go to work that day.

Eventually we spoke to My Digital and asked if there was anything better, and they recommended Modulr. Process and software-wise everything works better than ever expected - it's exactly what we were looking for." Alex Hough, Managing Director, Rocket Paye.

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Modulr

BoostPay offers rapid payments for agency workers with Modulr

90 second payout speed	50% reduction in payment costs	500 > 0 weekly calls chasing payments

BoostPay pays over 2,500 temporary agency workers each week in industries where fast and frequent payments are essential. Any delays and workers may not return the following day or week.

While BoostPay was set up to meet this quick turnaround, it was constantly let down by banks. But that's all changed with Modulr and My Digital. BoostPay's 10,000 monthly payroll transactions are made reliably and rapidly, and it has also slashed its costs by half!

"It's completely changed what we can offer clients. If they want to send us funds the night before and have workers paid the following morning – we can do that. If workers are slow and late to submit their timesheets, we can even do same-day payments. The Modulr integration with My Digital is so quick and easy to use." Said Eileen Breeze, Director, BoostPay.

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"It's completely changed what we can offer clients."

- Eileen Breeze, Director, BoostPay.

What do payroll payments with Modulr look like?

With Modulr integrated with your payroll software of choice, you're four steps away from perfectly synced payroll.

(#1) Calculate payroll as normal
Do what you normally do in your payroll software! Modulr is already integrated into the software.

(#2) Sync payments from your payroll software to Modulr
Login to your Modulr portal where you'll see pending payments synced directly from your payroll software.

(#3) Approve payments in your Modulr portal
Simply hit 'approve payments' after your clients have funded your Modulr account.

(#4) Easily see payments updated in your payroll software
Modulr automatically syncs payment statuses within your payroll software, meaning you'll know exactly what's paid and what's pending.

And if you're not using a software platform that offers Modulr's embedded payment functionality, don't worry….

You can still enjoy all the benefits of 24/7/365 access to instant, real-time faster payments, unrestricted by banking hours and cut off times, or sluggish three-day Bacs clearing cycles.

All this functionality is available to you via a simple file upload directly to the Modulr portal.

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Why Modulr?

Modulr is the payments partner of choice for leading payroll providers such as

Through our integrations and our payments network and services, we enable hundreds of enterprise customers and thousands of SMEs to process and reconcile large amounts of payments automatically and in real time.

Core to Modulr's success is our robust platform, our unrivalled connections to payments schemes, and our ability to operate at scale. This is underpinned by our regulatory status as an Electronic Money Institution in the UK and Europe, and our compliance rigour.

Today, we handle over $100bn of annualised payment volume and have an industry-leading uptime of 99.999%.

We call this Payments Unleashed.

Get in touch

We hope you found this guide useful. Got a question? Contact our team.

Find out more

Find out more about how you can deliver a premium umbrella service with Modulr here.

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