

U.S. Payroll Emerging Providers Buyers Guide

Software Provider and Product Assessment

EXECUTIVE
SUMMARY

***iSG** Research



U.S. Payroll Emerging Providers

The payroll software market is in the midst of a profound transformation, as payroll evolves from a rigid, transactional process into an integrated component of an enterprise's strategic Human Capital Management (HCM) ecosystem. Payroll is no longer just about getting employees paid accurately and on time. Today's platforms must navigate an increasingly complex regulatory landscape, deliver real-time data visibility and meet growing employee expectations for financial flexibility. This shift reflects a broader need for organizations to harmonize operations, reduce compliance risk and elevate the employee experience through modern, self-service financial tools.

ISG Research defines emerging U.S. payroll platforms as offerings gaining traction among startups and small to midsize businesses, with some expanding into enterprise environments. These platforms provide a native self-service payroll engine focused on U.S. compliance and

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For organizations seeking simplicity, agility and a fresh user experience, emerging U.S. payroll platforms offer an appealing alternative.

core processing while differentiating through modern design, intuitive interfaces and innovative features. Although they may not yet offer deep enterprise-grade capability, their rapid evolution and market momentum indicate strong potential for scalability. For organizations seeking simplicity, agility and a fresh user experience, emerging U.S. payroll platforms offer an appealing alternative to more traditional systems.

Payroll's technology journey began with legacy, on-premises systems focused on batch processing and statutory reporting within finance. The late 1990s introduced integrated Human Resources Information Systems (HRIS), where payroll shared a data foundation with HR functions such as time and attendance. Cloud

computing marked the next major leap, enabling real-time compliance updates and synchronization with HCM and ERP suites. More recently, the rise of remote work combined with technologies such as artificial intelligence (AI) and earned wage access has pushed payroll out of the back office. Today, payroll is recognized as a critical element of the employee value proposition and a key source of workforce and financial intelligence for executive decision-making.

Enterprises now need payroll technology that can manage regulatory and operational complexity while delivering precision at scale. At the core is a unified data model that eliminates silos between payroll, HR and finance, creating a single source of truth that reduces reconciliation errors and compliance risk. For growing organizations, the priority is balancing simplicity with scalability to support evolving workforce models, including contractors and remote employees. The growing adoption of hybrid service models underscores the need for platforms that allow businesses to combine in-house self-service execution with optional expert assistance for compliance or tax filing, offering flexibility without provider switching.



Modern payroll platforms must excel in native compliance automation, intelligent system integration and advanced user experience. Native self-service engines should manage complex calculations and automated tax filings for U.S. jurisdictions. Leading platforms incorporate AI and machine learning (ML) for proactive anomaly detection to flag errors before payroll runs and reduce costly re-runs. By 2028, one-half of enterprises will benefit from payroll platforms that use AI to detect errors and omissions that would prohibit the payroll run, like missed punches, and nudge managers to take action and resolve. Enterprise-grade execution requires open-integration frameworks that connect with time, benefits and financial systems. The employee experience is equally important. Intuitive self-service tools that enable financial wellness through features such as on-demand pay, personalized statements and transparent tax information can turn payroll into a positive touchpoint.

This report provides a detailed evaluation of emerging U.S. payroll providers based on architectural strength, innovation and market momentum. Unlike broad HR technology guides, this edition focuses on platforms that combine core payroll processing with modern design and usability, offering a strong foundation for organizations seeking simplicity and scalability. By narrowing the scope to this segment, the report delivers a targeted analysis of technical and functional fit for businesses that prioritize agility and user experience over deep enterprise complexity.

In a world where compliance failures are costly and the employee experience is paramount, payroll technology should be viewed as a strategic investment in business resilience and workforce stability. Organizations should prioritize cloud-based architectures for regulatory agility and scalability. When evaluating providers, they must insist on native self-service functionality to maintain operational control and examine how platforms address U.S. compliance requirements while supporting growth. Enterprises should also demand AI-driven automation and robust integration that transforms payroll from a compliance obligation into a source of strategic workforce intelligence and financial flexibility. Choosing a platform aligned with these priorities will turn payroll into a competitive advantage rather than a back-office burden.

The 2025 ISG Buyers Guide™ for U.S. Payroll Emerging Providers evaluates software providers and products in key areas such as AI and intelligence, analytics and insights, compliance, risk, governance, core payroll processing and automation, employee and administrator experience, integration and ecosystem enablement, payments, finance and embedded services. This research assessed the following eight providers: EPAY Systems, Intuit, Keka, Namely, Patriot Software, Sage, Sage Criterion and Zoho.

Payroll
Market Assertion

By 2028, one-half of enterprises will benefit from payroll platforms that use AI to detect errors and omissions that would prohibit the payroll run, like missed punches, and nudge managers to take action and resolve.

Matthew Brown
Director of Research, Human Capital Management

ISG Research



Buyers Guide Overview

ISG Research has conducted market research for over two decades across vertical industries, business applications, AI and IT. We have designed the ISG Buyers Guide™ to provide a balanced perspective of software providers and products that is rooted in an understanding of business and IT requirements. Utilization of our research methodology and decades of



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experience enables our Buyers Guide to be an effective method to assess and select software providers and products. The findings of this research provide a comprehensive approach to rating software providers and rank their ability to meet specific product and customer experience requirements.

The 2025 ISG Buyers Guide™ for U.S. Payroll Emerging Providers is the distillation of continuous market and product research. It is an assessment of how well software providers' offerings address enterprises' requirements for payroll software. The Value Index methodology is structured to support a request for information (RFI) for a request for proposal (RFP) process by incorporating all criteria needed to evaluate, select, utilize and maintain relationships with software providers. The ISG Buyers Guide evaluates customer experience and the product experience in its capability and platform.

The structure of the research reflects our understanding that the effective evaluation of software providers and products involves far more than just examining product features, potential revenue or customers generated from a provider's marketing and sales efforts. It can ensure the best long-term relationship and value achieved from a resource and financial investment. We believe it is important to take a comprehensive, research-based approach, since making the wrong choice of payroll software can raise the total cost of ownership, lower the return on investment and hamper an enterprise's ability to reach its potential. In addition, this approach can reduce the project's development and deployment time and eliminate the risk of relying on opinions or historical biases.

ISG Research believes that an objective review of existing and potential new software providers and products is a critical strategy for the adoption and implementation of payroll software. An enterprise's review should include an analysis of both what is possible and what is relevant. We urge enterprises to do a thorough job of evaluating payroll software and offer this Buyers Guide as both the results of our in-depth analysis of these providers and as an evaluation methodology.



Key Takeaways

Emerging U.S. payroll platforms are evolving from simple transactional tools into modern systems that pair native compliance engines with intuitive design and AI-enabled assistance. As growing organizations face rising regulatory complexity and expanding workforce models, they require payroll tools that balance simplicity with scalability. These platforms increasingly unify payroll, HR and finance data to reduce reconciliation effort and improve visibility for managers and employees. This shift underscores the need for solutions that combine operational control, automation and user-centered experience.

Software Provider Summary

The ISG Buyers Guide™ for U.S. Payroll Emerging Providers evaluates eight software providers offering products supporting U.S. payroll processing, compliance automation, analytics and experience capabilities. The research ranked the top three overall leaders as Zoho, Intuit and Keka. Providers were classified using weighted performance in Product Experience and Customer Experience for ISG quadrant placement. Keka, Sage and Zoho were rated as Exemplary, with Intuit rated as Innovative. Sage Criterion was rated as Assurance; and EPAY Systems, Namely and Patriot Software were rated as Merit.

Product Experience Insights

Product Experience, representing 80% of the evaluation, focuses on Capability (20%) and Platform (60%), which includes adaptability, manageability, reliability and usability. Zoho, Intuit and Keka achieved the highest performance as Leaders in this category, supported by their breadth and depth across U.S. payroll capabilities and platform architectures that deliver scalable performance, reliable operations and intuitive user experiences. Leaders demonstrated enterprise-grade platform capabilities across varied roles and contexts.

Customer Experience Value

Customer Experience, representing 20% of the evaluation, focuses on validation and TCO/ROI. Keka, Sage and Sage Criterion were the Leaders in this category, showing strong customer advocacy and clear investment in success outcomes. Providers with lower performance often lacked publicly available customer validation or failed to demonstrate structured ROI measurement and proactive lifecycle engagement.

Strategic Recommendations

Enterprises should treat emerging U.S. payroll platforms as strategic investments that unify compliance automation, configurability, integration readiness and employee experience. Buyers should prioritize solutions that combine intuitive design with scalable architectures and AI-enabled capabilities that improve accuracy and operational control. Platforms that streamline multi-jurisdiction compliance while enabling accessible self-service and clear insight will better support growing organizations. Using these criteria, enterprises can align provider selection with long-term agility, governance and workforce needs.



How To Use This Buyers Guide

Evaluating Software Providers: The Process

We recommend using the Buyers Guide to assess and evaluate new or existing software providers for your enterprise. The market research can be used as an evaluation framework to assess existing approaches and software providers or establish a formal request for information from providers on products and customer experience and will shorten the cycle time when creating an RFI. The steps listed below provide a process that can facilitate best possible outcomes in the most efficient manner.

1. Define the business case and goals.
Define the mission and business case for investment and the expected outcomes from your organizational and technological efforts.
2. Specify the business and IT needs.
Defining the business and IT requirements helps identify what specific capabilities are required with respect to people, processes, information and technology.
3. Assess the required roles and responsibilities.
Identify the individuals required for success at every level of the enterprise from executives to frontline workers and determine the needs of each.
4. Outline the project's critical path.
What needs to be done, in what order and who will do it? This outline should make clear the prior dependencies at each step of the project plan.
5. Ascertain the technology approach.
Determine the business and technology approach that most closely aligns to your enterprise's requirements.
6. Establish software provider evaluation criteria.
Utilize the product experience: capability and platform with support for adaptability, manageability, reliability and usability, and the customer experience in TCO/ROI and Validation.
7. Evaluate and select the software provider and products properly.
Apply a weighting the evaluation categories in the evaluation criteria to reflect your enterprise's priorities to determine the short list of software providers and products.
8. Establish the business initiative team to start the project.
Identify who will lead the project and the members of the team needed to plan and execute it with timelines, priorities and resources.

Using the ISG Buyers Guide and process provides enterprises a clear, structured approach to making smarter software and business investment decisions. It ensures alignment between strategy, people, processes and technology while reducing risk, saving time and improving outcomes. The ISG approach promotes data-driven decision-making and collaboration, helping choose the right software providers for maximum value and return on investment.



The Findings

The software providers and products evaluated in the research provide product and customer experiences, but not everything offered is equally valuable to every enterprise or is needed to operate in business processes and use cases. Moreover, the existence of too many capabilities in products may be a negative factor for an enterprise if it introduces unnecessary complexity. Nonetheless, you may decide that a more comprehensive set of capabilities in the product is important, and where they match your enterprise's requirements.


An effective customer relationship with a software provider is vital to the success of any investment. The overall customer experience and the full lifecycle of engagement play a key role in ensuring satisfaction and long-term success. Providers with dedicated customer leadership, such as chief customer officers, tend to invest more deeply in these relationships and prioritize customer outcomes to TCO and ROI expectations. It is equally important that this commitment to customer success is clearly demonstrated throughout the provider's website, buying process and customer journey.

Overall Scoring of Software Providers Across Categories

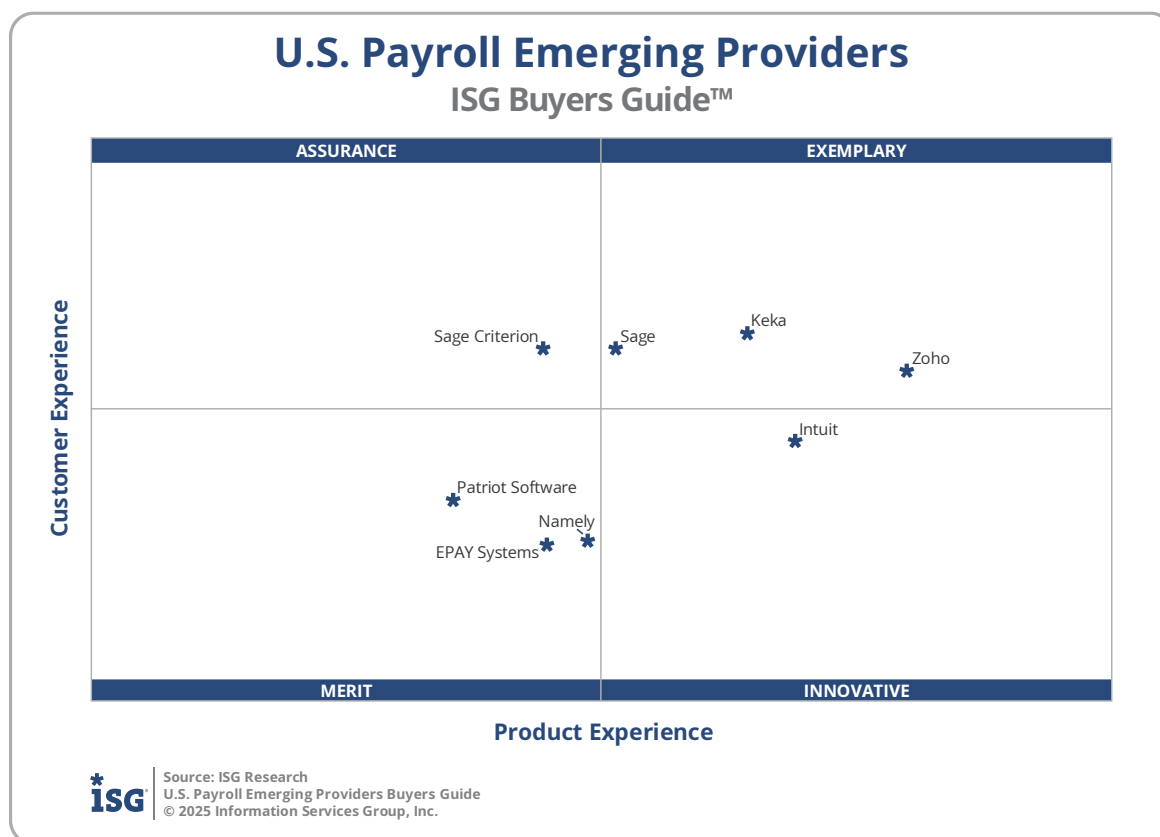
The research finds Zoho atop the list, followed by Intuit and Keka. Providers that place in the top three of a category earn the designation of Leader. Intuit, Keka and Zoho have done so in four categories; Sage in two; and Sage Criterion in one.

The overall representation of the research below places the rating of the Product Experience and Customer Experience on the x and y axes, respectively, to provide a visual representation and classification of the software providers. Those providers whose Product Experience have above-median weighted performance to the axis in aggregate of the two product categories place farther to the right, while the performance and weighting for the Customer Experience category determines placement on the vertical axis. In short, software providers that place closer to the upper-right on this chart performed better than those closer to the lower-left.

U.S. Payroll Emerging Providers			
Overall			
Providers	Grade	Performance	
Zoho	B+	Leader	71.3%
Intuit	B	Leader	68.7%
Keka	B	Leader	66.3%
Sage	B		63.8%
Sage Criterion	B-		60.3%
Namely	B-		58.8%
EPAY Systems	B-		57.2%
Patriot Software	C++		52.9%

 Source: ISG Research
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The research categorizes and rates software providers into one of four categories: Assurance, Exemplary, Merit or Innovative. This representation of software providers' weighted performance in meeting the requirements in product and customer experience.



Exemplary: This rating (upper right) represents those that performed above median in Product and Customer Experience requirements. The providers rated Exemplary are: Keka, Sage and Zoho.

Innovative: This rating (lower right) represents those that performed above median in Product Experience but not in Customer Experience. The provider rated Innovative is: Intuit.

Assurance: This rating (upper left) represents those that performed above median in Customer Experience but not in Product Experience. The provider rated Assurance is: Sage Criterion.

Merit: This rating (lower left) represents those that did not surpass the median in Customer or Product Experience. The providers rated Merit are: EPAY Systems, Namely and Patriot Software.

We advise enterprises to use this research as a supplement to their own evaluations, recognizing that ratings or rankings do not solely represent the value of a provider nor indicate universal suitability of a set of products.



Product Experience

The process of researching products to address an enterprise's needs should be comprehensive and evaluate specific capabilities and the underlying platform to the product experience. Our evaluation of the Product Experience examines the lifecycle of onboarding, configuration, operations, usage and maintenance. Too often, software providers are not evaluated for the entirety of the product; instead, they are evaluated on market execution and vision of the future.

The research results in Product Experience are ranked at 80%, or four-fifths, using the underlying weighted performance. Importance was placed on the categories as follows: Capability (20%) and Platform (60%). Zoho, Intuit and Keka were designated Product Experience Leaders.

U.S. Payroll Emerging Providers Product Experience

Providers	Grade	Performance
Zoho	B+	Leader 56.5%
Intuit	B	Leader 52.2%
Keka	B	Leader 50.4%
Sage	B-	45.3%
Namely	C++	44.2%
EPAY Systems	C++	42.6%
Sage Criterion	C++	42.4%
Patriot Software	C+	39.0%



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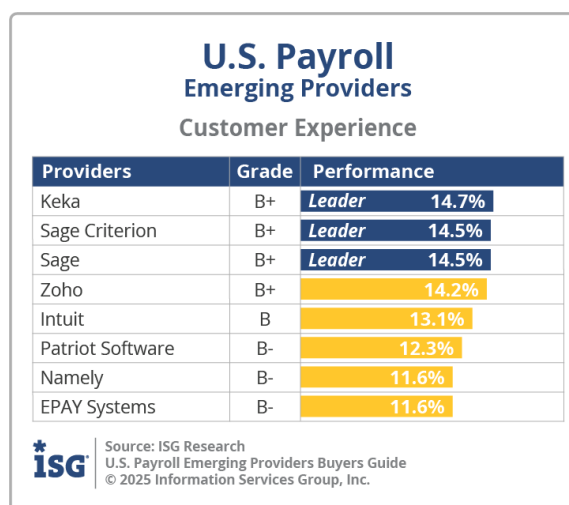


Customer Experience

The importance of a customer relationship with a software provider is essential to the actual success of the products and technology. The evaluation of the Customer Experience and the entire lifecycle an enterprise has with its software provider is critical for ensuring satisfaction in working with that provider. The ISG Buyers Guide examines a software provider's customer commitment, viability, customer success, sales and onboarding, product roadmap and services with partners and support. The customer experience category also investigates the TCO/ROI and how well a software provider demonstrates the product's overall value, cost and benefits, including the tools and resources to evaluate these factors.

The research results in Customer Experience are ranked at 20%, or one-fifth of the 100% index, and represent the underlying provider validation and TCO/ROI requirements as they relate to the framework of commitment and value to the software provider-customer relationship.

The software providers that evaluated the highest in the Customer Experience category are Keka, Sage Criterion and Sage. These category leaders best communicate commitment and dedication to customer needs.



Software providers that did not perform well in this category were unable to provide or make sufficient information readily available to demonstrate success or articulate their commitment to customer experience. The use of a software provider requires continuous investment, so a holistic evaluation must include examination of how they support their customer experience.



Appendix: Software Provider Inclusion

For inclusion in the 2025 ISG Buyers Guide™ for U.S. Payroll Emerging Providers, a software provider should have more than 50 customers, at least \$3 million in annual or projected revenue verified using independent sources, and sell products and provide support in the US. The principal source of the relevant business unit's revenue must be software-related and there must have been at least one major software release in the past 12 months.

This category includes US-centric platforms that offer a self-service payroll engine and are gaining traction among startups and small to mid-sized businesses (and some enterprise businesses). Inclusion is based on market momentum, modern design, and a growing feature set that supports core payroll processing. While these platforms may not yet offer deep enterprise functionality, they demonstrate innovation and potential for scale.

The research is designed to be independent of the specifics of software provider packaging and pricing. To represent the real-world environment in which businesses operate, we include providers that offer suites or packages of products that may include relevant individual modules or applications. If a software provider is actively marketing, selling and developing a product for the general market and it is reflected on the provider's website that the product is within the scope of the research, that provider is automatically evaluated for inclusion.

All software providers that offer relevant payroll products and meet the inclusion requirements were invited to participate in the evaluation process at no cost to them.

Software providers that meet our inclusion criteria but did not completely participate in our Buyers Guide were assessed solely on publicly available information. As this could have a significant impact on classification and ratings, we recommend additional scrutiny when evaluating those providers.



Products Evaluated

Provider	Product Names	Version	Release Month/Year
EPAY Systems	EPAY Payroll (part of EPAY HCM)	N/A	October 2025
Intuit	QuickBooks Payroll	N/A	October 2025
Keka	Keka Payroll	N/A	October 2025
Namely	Namely Payroll	N/A	October 2025
Patriot Software	Patriot Payroll	N/A	October 2025
Sage	Sage Payroll (Sage Business Cloud / Sage HRMS Payroll)	6.5a	September 2025
Sage Criterion	Criterion Payroll (HCM platform)	25R3	October 2025
Zoho	Zoho Payroll (US)	N/A	July 2025



About ISG Software Research and Advisory

ISG Software Research and Advisory provides market research and coverage of the technology industry, informing enterprises, software and service providers, and investment firms. The ISG Buyers Guides provide insight on software categories and providers that can be used in the RFI/RFP process to assess, evaluate and select software providers.

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About ISG

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