



Vendor Profile

Payroll Services

Paychex

Report Abstract

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Pete A. Tiliakos

HR Technology & Services Research Director

NelsonHall

12 pages

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Who is This Vendor Assessment For?

NelsonHall's Payroll Services profile on Paychex is a comprehensive assessment of its offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of managed payroll services and identifying vendor suitability for security services RFPs
- Vendor marketing, sales, and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the HR and payroll technology and services sector.

Key Findings & Highlights

Paychex (NASDAQ: PAYX), founded in 1971 and headquartered in Rochester, NY, is a provider of human capital management solutions, offering HR, payroll, benefits, and insurance services for small- and mid-sized businesses primarily throughout the U.S. and in select countries of Northern Europe. It is currently both the largest 401(k) recordkeeper (by total plans administered, currently >91k plans & >1m plan participants) and the 22nd largest insurance agency in the U.S., managing ~\$2.5b in premiums annually.

Paychex offers a comprehensive suite of HR technology and managed services; each is enabled through its proprietary HCM technology, including:

- HR outsourcing services (HR, payroll, benefits)
- PEO services (co-employment model)
- Retirement planning services
- Insurance services.

Paychex targets small and lower middle market clients (generally <5k) for its managed payroll services offering. However, its solutions and platforms can scale to support larger middle market clients (>5k).

Paychex offers both partial and fully managed payroll services solutions. Beyond its HR and payroll services offering, Paychex also offers a range of add-on complementing solutions targeted to small and medium-sized business owners. The solutions provide a "one-stop-shop" for small business administrative needs

As of May 31, 2020, Paychex employed ~16k workers across its businesses and supported >680k clients and >1.4m client worksite employees, providing payroll to an estimated 1 in 12 U.S. private-sector workers.

Scope of the Report

The report provides a comprehensive and objective analysis of Paychex payroll services offering, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphasis, and new developments
- Analysis of the company's strengths, weaknesses, and outlook
- Revenue estimates
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's offerings and key service components
- Analysis of the company's delivery organization including the location of delivery locations.

Payroll Services Vendor Assessments also Available for:

activpayroll
ADAM HCM
ADP
Alight/NGA HR
Ascender
AscentHR
Ceridian
CloudPay
Conduent
Immedis
Infosys
Neeyamo
OneSource Virtual
Papaya Global
PayAsia
Paychex
Payzaar
Ramco
Safeguard Global
SD Worx
TMF Group
UKG
Zalaris

About The Author

Pete is HR Technology & Services Research Director at NelsonHall, with shared responsibility for HR Services research globally with Nikki Edwards and Liz Rennie. Pete covers HR Services research in payroll services, global employer of record services, and HCM technology.

Pete has been part of NelsonHall's HR Services analyst team since 2016, providing comprehensive and insightful coverage of HR services markets in the world. In particular, he is known for his extensive knowledge and coverage of the global payroll outsourcing market. Pete assists both buy-side and vendor organizations in assessing opportunities and supplier capability across HR service lines.

Pete can be contacted at:

- Email: pete.tiliakos@nelson-hall.com
- Twitter: [@petet_NH](https://twitter.com/petet_NH)



About NelsonHall

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We would be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager: Guy Saunders at guy.saunders@nelson-hall.com

Boston

Riverside Center, 275 Grove Street, Suite 2-400, Newton Massachusetts 02466
Phone: +1 857 207 3887

London

Unit 6, Millars Brook, Molly Millars Lane, Wokingham, RG41 2AD
Phone: + 44(0) 203 514 7522

Paris

4 place Louis Armand, Tour de l'Horloge, 75012 Paris
Phone: + 33 1 86266 766

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