

Next Generation HCM Technology

Paychex

Report Abstract

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11-pages

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Who is This Vendor Assessment For?

NelsonHall's Next Generation HCM Technology Vendor Assessment for Paychex is a comprehensive profile of Paychex's HCM platform offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of HCM Technology and identifying vendor suitability for HCM Technology RFPs
- Vendor marketing, sales, and business managers looking to develop strategies to target service opportunities and benchmark themselves against their peers
- Financial analysts and investors specializing in the HR Technology sector
- HR and Payroll decision makers.

Key Findings & Highlights

Paychex is a provider of integrated human capital management solutions built on a payroll foundation, offering HR, 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 the largest 401(k) recordkeeper (by total plans administered, currently ~100k plans & ~1.3m plan participants), as well as the 28th largest insurance agency in the U.S., managing ~\$3bn 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's mission is to bring simple-to-use, intuitive services and solutions to market while sustaining favorable financial returns for its shareholders. In 2023, Paychex will celebrate its 40th anniversary of being a publicly traded company on Nasdaq. The company has an employee base of ~16k employees managing its technology and services offering for ~730k clients and ~2m client worksite employees across more than 100 locations in the U.S. Paychex conducts all implementations for its Paychex Flex platform, with scalable implementation times depending on modules selected, client size, complexity, and requirements.

Paychex targets small and midmarket clients (generally 1-1k) for its technology and service offerings. However, its solutions and platforms can scale to support larger middle-market clients (1k+). While Paychex has not previously targeted firms outside the U.S., its acquisition of HCM software provider Lessor Group and SaaS-based HR software provider Emly enables Paychex to support firms in and around the DACH region and broader Europe.

Scope of the Report

The report provides a comprehensive and objective analysis of Paychex’s Next Generation HCM Technology services, offerings and 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 delivery locations.

Next Generation HCM Technology Assessments also available for:

ADP

Ascent HR

Cornerstone

Darwinbox

HiBob

Infor

isolved

Oracle Corporation

Paycor

Paylocity

UKG

Workday

About The Author

DeeAnna Warrington is a Principal Research Analyst at NelsonHall and an HR Technology & Services practice member. She has global responsibility for HCM technology, workforce management, and health & welfare administration.

DeeAnna is a highly experienced HR Specialist with 15 years of experience across various industries such as finance, wealth management, health insurance, healthcare, retail & sales, and real estate. She has significant experience in HR business operations and technology, acting as a consulting project manager to match organizations with HR software and service providers.

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About NelsonHall

NelsonHall is the leading global analyst firm dedicated to helping organizations understand the ‘art of the possible’ in digital operations transformation. With analysts in the U.S., U.K., and Continental Europe, NelsonHall provides buy-side organizations with detailed, critical information on markets and vendors (including NEAT assessments) that helps them make fast and highly informed sourcing decisions. And for vendors, NelsonHall provides deep knowledge of market dynamics and user requirements to help them hone their go-to-market strategies. NelsonHall’s research is based on rigorous, primary research, and is widely respected for the quality, depth and insight of its analysis.

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

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