



Paychex U.S. SMB Payroll Services

Vendor Assessment
Report Abstract

January 2020

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12 pages

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Who Is This Vendor Assessment For?

NelsonHall's Payroll Services Vendor Assessment for Paychex is a comprehensive assessment of Paychex U.S. Small and Medium Business (SMB) payroll services offering and capabilities designed for:

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

Key Findings & Highlights

Paychex, founded in 1971, and headquartered in Rochester, NY, is a provider of payroll, HR, and benefits managed services and HR technology for small to medium-sized businesses primarily in the U.S. In 1983 Paychex began trading on the NASDAQ stock exchange under the ticker PAYX.

Since its inception, Paychex has grown both through organic efforts and ongoing acquisitions. Today, Paychex actively supports >670k clients, and ~1.5m worksite employees through its HR service and technology offerings and generated ~\$3.8bn in revenues in FY 2019.

Paychex offers both partial and fully managed payroll services solutions. Paychex provides its payroll services as technology-enabled managed service offering through two primary platforms and their corresponding service bundles. Both are cloud-based, mobile-enabled, and integrated with Paychex full suite of HCM products and services

As of May 2019, Paychex was supporting ~670k clients, with ~99% based in the U.S., and all of its contracts are single country in scope (U.S.). Its Lessor Group subsidiary contributes ~1% of its client base.

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



Scope of the Report

The report provides a comprehensive and objective analysis of Paychex U.S. SMB Payroll services offering, capabilities, and market and financial strength, 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 centers.

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Report Length

12 pages

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U.S. SMB Payroll Services Vendor Assessments also available for:

ADP

Kronos

Namely

Paycor

Zenefits