

# Next Generation Benefits Administration

## ADP

### Report Abstract

January 2024

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20 pages

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## Who is This Vendor Assessment For?

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NelsonHall's Benefits Administration profile on ADP is a comprehensive assessment of ADP offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of Benefits Administration 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 Benefits Administration Services sector.

## Key Findings & Highlights

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This NelsonHall vendor assessment analyzes ADP's offerings and capabilities in Benefits Administration Services.

ADP, founded in 1949 and headquartered in Roseland, New Jersey, provides HR management software and services.

ADP's business is organized into the following two business segments:

- Employer Services (~70% of revenues): provides HR management/workforce management services, payroll services, time and attendance management, benefits administration, recruiting, and talent management, including RPO, insurance services, retirement services, and payment and compliance solutions to nearly 1 million clients worldwide. Within Employer Services, ADP business supports comprehensive HR outsourcing with two different models:
  - ADP Comprehensive Services (CS), targeted at 25 to 5k employee-sized organizations, offers payroll, HR, and benefits outsourcing to the US and Canadian markets and is based on the ADP Workforce Now technology platform
  - ADP Comprehensive Outsourcing Services (COS), targeted at U.S. organizations with over 3k employees, offers managed payroll services, HR, talent, time, and benefits administration services. Its services are based on the ADP Next-Gen, Vantage HCM, and ADP Enterprise HR technology platforms
- PEO Services (~30% of revenues): ADP TotalSource, provides employment administration outsourcing services for small and mid-sized businesses, including payroll, benefits admin, and compliance services through a co-employment relationship; servicing ~725k worksite employees in the U.S.

Benefits administration services are managed across ADP's Employer Services business and PEO Services.

ADP has been offering benefits administration services for 20+ years, adding its first H&W administration clients with voluntary benefits integrated with Corestream, including a hospital with ~35k employees and a finance company with ~3k employees. Since 2003, ADP has focused on acquiring assets to fill capability gaps and investing in strategic consulting capabilities.

ADP has focused exclusively on benefits administration, distributed approximately as:

- H&W services: 78%
- DC administration: 22%.

ADP targets principally small and mid-market U.S. organizations for its Benefits administration services, with some variation by service line as follows:

- Benefits administration (SaaS model): 50 – 1k+ employees
- Benefits administration (managed services model): >50 employees.

This profile focuses specifically on ADP’s Benefits Administration services.

## Scope of the Report

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The report provides a comprehensive and objective analysis of ADP’s Benefits Administration Service 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 the location of delivery centers.

## Next Generation Benefits Administration Assessments

### also Available for:

Alight Solutions

bswift

Conduent

Empyrean

Fidelity

isolved

Mercer

TELUS Health

## 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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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](mailto:guy.saunders@nelson-hall.com)

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