



# Paychex Next Generation HCM Technology

Vendor Assessment  
Report Abstract

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## Who Is This Vendor Assessment For?

NelsonHall's HCM Technology Vendor Assessment for Paychex is a comprehensive assessment of Paychex HCM platform offering 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 benchmark themselves against their peers
- Financial analysts and investors specializing in the HR Technology 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 business in the U.S.

While Paychex has extensive managed HR services offerings, the focus of this profile is on its HCM platform offering, Paychex Flex which it launched in ~2012. The core platform and functionality of Flex was developed as a cloud-based HCM solution by Paychex.

Paychex Flex HCM is a cloud-based platform offering, built on a single database, and delivered as a SaaS-based, multitenant solution. The current configuration supports the U.S. only and includes both English and Spanish languages. For the near term, Paychex does not plan to expand its platform to support global HCM (however, it can support custom localizations through API's).

Paychex Flex is comprised of the following modules, including:

- HR Records (HRIS)
- Payroll
- Recruiting and applicant tracking
- Onboarding
- Performance Management
- Time and attendance
- Expense Management
- Benefits
- Retirement

Paychex maintains an open platform approach, offering its clients, and partners, (not currently available for 3rd parties) to connect through API, applications which extend its capabilities and provide clients with add-on solutions to complement the capabilities of Flex.

Paychex offers Flex as a separate technology only offering where managed services are not required, and leverages Flex to deliver all of its managed services; >75% of its client base leverages Paychex Flex.

Paychex offers all of Flex' platform modules as a standalone offering, meaning each can be purchased without having additional modules. Additionally, it can offer bundling options to accommodate client needs. Payroll is Flex most popular (most adopted) module, followed by core HR, reporting and analytics, and time and attendance.

As of December 2017, Paychex was supporting ~605k clients, all of which leverage the Flex HCM platform. ~99% are U.S. based with less than <~1% in Germany.

Paychex targets small market and smaller middle market clients (clients below 3-5k employees) for its Flex and managed services solutions. However, its platform is capable of scaling to support larger middle market clients (5k+). >80% of its clients have less than 20 employees.

Paychex has an employee base of ~14k employees across more than 100 locations in the U.S. (>30 states) and Northern Europe (Denmark, Germany, Norway, Sweden).



## Scope of the Report

The report provides a comprehensive and objective analysis of Paychex Next Generation HCM Technology 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 locations.

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## Report Length

9 pages

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## Next Generation HCM Technology Vendor Assessments also Available for:

ADP

Ceridian

Cornerstone On Demand

HRadvocate

Infor

Kronos

Meta4

Namely

Oracle

PeopleStrategy

Ramco

Sage

SuccessFactors (SAP)

Ultimate Software

Workday