Innovation is 24/7 at Paychex

By KEVIN OKLOBZIJA

The awards and "best of" accolades are endless for Paychex.

Next Generation Payroll Services Leader by NelsonHall. World's Most Ethical Company by Ethisphere Institute. No. 307 on the 2019 *Forbes* America's Best Employers list. No. 12 on *Training* magazine's Top 125 Training Organization. And on and on.

The Penfield-based firm is proud of every honor, but may hold a special place for one: Being No. 76 on the most recent list of World's Most Innovative Companies by *Forbes*.

Over the past dozen years, Paychex has strategically transitioned its method of doing business and the services offered, and innovations produced by an ever-expanding IT department have paved the way.

"The company has transformed from a very personalized service to a technology-enabled personalized service," Martin Mucci, Paychex president and CEO, said. "It's still all about service. Paychex has always been about serving clients and their employees, but today it's much more about the technology approach that they want."

Transition No. 1: Paychex went from a payroll-only firm to a full-service human resources outsourcing company.

Transition No. 2: In processing the paychecks for 1 in every 12 private-sector workers in America, digital-first is the company mantra.

"Our purpose has not changed as a company," Mucci said. "It has always been to serve small and midsize businesses, and help them succeed. That hasn't changed, but the way to do that has changed quite dramatically. We just knew we had to catch up.

"We now do everything for you, and if you want to do more things for yourself, you can do them. Employees want to be more self-sufficient, and the client wants to be more self-sufficient."

That's possible because of Paychex Flex, the app created in-house through which all things Paychex are accomplished.

Payroll, 401(k) portals, open enrollment, chat bots or live chats; whatever must be done, it's done via the app. Paychex Flex also provides a consistent user experience, regardless of the device the employee uses for access. So Paychex isn't just keeping up with the times, the firm is driving the pace car.

"We saw early on that mobile technology was going to take more of a hold. We could see what was going on with Facebook and LinkedIn and banking and consumer applications that were out there, and we knew we needed to move in that direction," said Mike Gioja, vice president, product development and IT.

"And we wanted to move in that direction, where we didn't have a bunch of code for a phone and bunch of code for a desktop. We wanted one set of code that would handle that automatically."

Ease of user operation was also mandatory.

"That's the expectation today of people: everything has to be simple and on my phone," Mucci said. "So to sell to new clients and to make it easier for them, and to retain the clients, you have to make it a great experience for the employees.

"You can pretty much get to everything in one to two clicks; that's the importance of mobile-first design."

The user-friendly experience was possible because of the design approach.

"Everything Mike's IT team designs, it's designed for the mobile first," Mucci said. "It's a whole different way of designing. As a mobile-first thing, it's 'How do I make it as simple as possible to fit on that screen; but when you get to a desktop, it's the same screen.' "

For HR clients, there is the Paychex Learning Management System. It's an online training program that provides either pre-populated training or a format from which clients can create their own system to suit their needs.

It's a choice Paychex gladly offers. There's a reason the firm has 670,000 clients, and why revenue hit $3.8 billion for the fiscal year ending May 31.

"Half the clients still want to call us and have us do everything for them," Mucci said. "The other half are rapidly changing and saying I want to do it myself, when I want to do it, and call you only when I need you, and I want my employees to be able to do more."

Which leads us to online chats. Clients can reach Paychex personnel by phone, 24 hours a day, seven days a week, 365 days a year. Or they can find answers through the app's chat bot.

There are at least 200 answers to commonly asked questions within the bot, with more being added all the time. Speaking with a person often isn't necessary.

It is, however, always an option. Mucci said about 60 percent of questions are answered by the chat bot. But if the user reaches a point where it's necessary to speak to their Paychex HR specialist, the chat with the bot ends and the specialist is summoned — with full access to what has already transpired with the bot.

"If a client calls us, or if we need to call a client, we can bring that client up and we can see what chats you have had and what were the chats, what were the emails and what were the disposition of the emails," Gioja said.

The chat program is built for the beginner as well as the tech-savvy user.

"Everybody learns differently, so one of the whole ideas of our chat center was, 'Let the user decide,' " Gioja said. "Do you want me to tell you how it's done, do you want to see a video, do you want me to just take you right to the spot and guide you, or do you just want to tell me what you're trying to do and I'm going to do it for you."

Obviously Paychex has invested deeply in IT. Of the company's 16,000 employees, just under 9 percent — around 1,500 – work in IT.

"They help operations become more efficient," Mucci said. "When you think about a chat bot, think about how much that reduces the need for all those payroll specialists, or the ones that are there can handle much more complex things, which they like. Who wants to take address changes all day?"

That all began with a shift in IT's approach, from the old-school waterfall development process to an agile approach, with 120 teams, each with between four and nine team members.

"With the waterfall development process, you have an idea, then you lay out the concepts, then you do the design, then you do the architecture, then you do the coding, then you do the testing," Gioja said.

"Today's approach is agile. It's basically an iterative approach. Work is done in two-week increments, what we call a two-week sprint. There's a goal and a concept of what you're trying to do in six months, and every two weeks you're iterating it but you can stop at that point. You're building it, you're looking at that piece you just did, you're testing it and you're demo-ing it to the user or to sales or whoever's looking at this for our clients. It allows much faster time to market. It allows you to get things out earlier and get feedback."

And, if necessary, the team can pivot and change what they're doing at any point in the process.

The emphasis on cutting-edge technology has been good for Paychex in the same regard. If you're a software genius, do you want to provide support for Windows 7 or use your creative abilities?

"They're always working with new technology and something new," Mucci said. "It's really been an attractive thing to pull in new hires."

koklobzija@bridgetowermedia.com/ (585) 653-4020