

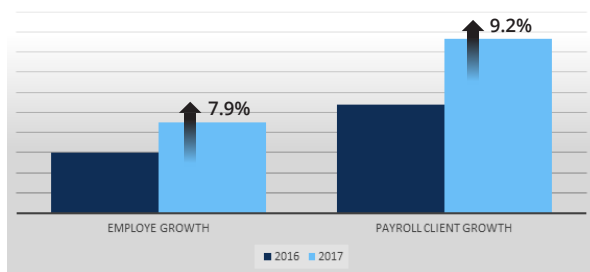
# Apex HCM Research Brief

## Payroll and HCM Software Drives PSB Growth

In early 2018, Apex HCM conducted research on the growth of payroll service bureaus (PSBs) that switched to the Apex HCM platform. Over 100 Apex customers were evaluated who switched their payroll software to Apex in 2015-2016 and were fully converted to the platform. Apex analyzed the fee billings generated via the Apex platform in Q4 2016 in comparison to the billings generated in Q4 2017. This billing data directly relates to the EINs and Employees added as well as the additional HCM services provided via the Apex platform. The data reveals two benefits of switching to Apex HCM: First, PSBs are able to add and service more EINs and EEs. Second, the actual revenue increase exceeds the EIN and EE growth due to selling more HCM services.

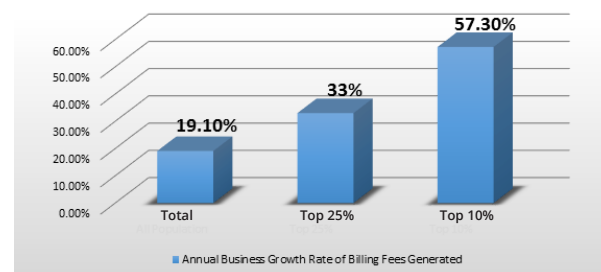
### PSBs Switching to Apex

Employee & Payroll Client Growth  
Q4 - 2017 vs. 2016



### PSB Revenue Growth

Annual Business Growth Rate  
Q4-2017 vs. Q4-2016



Based on the analysis, payroll service bureaus (PSBs) that switched to Apex HCM demonstrated accelerated growth in new clients (EINs) processed each month.

Billing Fees are defined as the usage costs of the Apex HCM platform to process payroll and HCM services for clients. Fee growth relates to delivering more payroll and HCM services to EINs and employees.

*Note: The growth rate as determined by Apex HCM data underestimates the actual revenue growth rate of the PSBs as the Apex fees are typically marked-up in terms of client pricing and revenue. Hence, the 19.1% increase in fees generated equates to actual PSB client revenue increase in excess of 20%.*

## Why do Payroll Service Bureaus using Apex HCM grow faster?



#### **GROWTH MINDED**

Quite simply, Apex's solutions including technology, marketing assistance, support, account management and training appeal to growth-minded PSBs. The majority of Apex PSBs actively pursue initiatives and strategies designed to grow their business.



#### **SINGLE SOURCE HCM SOLUTIONS**

Apex PSBs offer customers easy and intuitive single-source technology on any device, delivering functionality in payroll, human resources and labor management. A seamless solution with more services opens new opportunities not previously available and more revenue per client.



#### **SCALABLE TECHNOLOGY**

PSBs switch to Apex in their pursuit of scalable leading edge technology to support their business growth, including EINs and ability to address the needs of larger prospects.



#### **PROFESSIONAL ONBOARDING**

Apex employs a team of Onboarding professionals and a team of data conversion specialists to train your staff and convert your client data smoothly and quickly.