



# Firm X – Industry Overview & Company Profiles

08-03-2015

COMPANY LOGO

# Table of Contents

1. Industry Overview
  - SaaS - HR Software and Technology
  - SaaS - Benefits Administration
  - SaaS - Payroll
  - Healthcare Insurance
    - Traditional Healthcare Insurance
    - SaaS - Healthcare Insurance
2. Company Profile – Firm X
3. Competitor Comparison
4. Competitors - Public Companies
  - Firm A
  - Firm B
5. Competitors - Private Companies
  - Firm P
  - Firm Q

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# Industry Overview

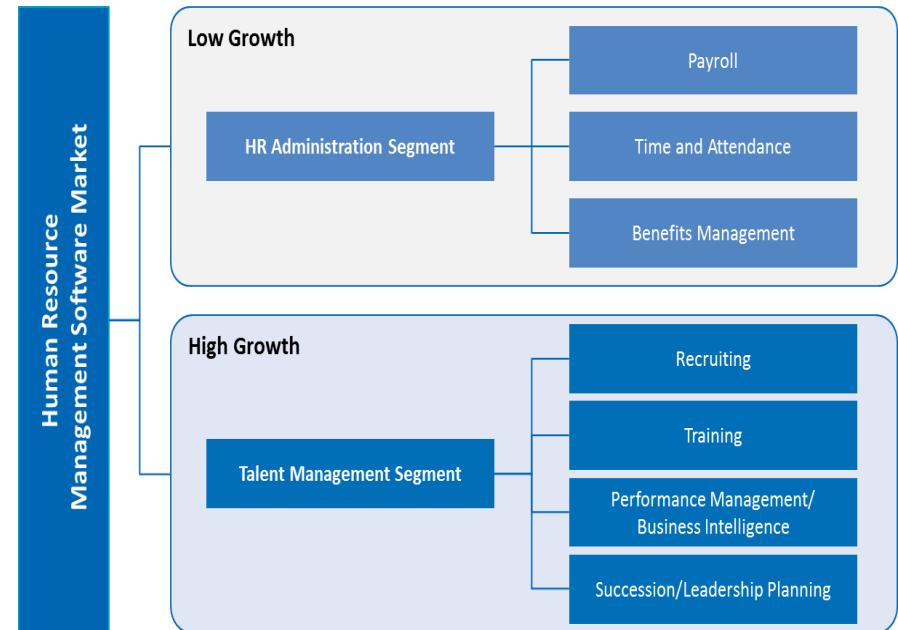


# **SaaS - HR Software and Technology**

# SaaS - HR Software and Technology

## Overview

- HR Software as a Service (SaaS HR), is Human Resources management software that is delivered online. It refers to the delivery of human resources software in a cloud computing environment
- The HR software technology market is estimated to be USD 15 bn<sup>(1)</sup>
- The SaaS delivery model for human resources software is included under the umbrella of SaaS ERP Applications, since human resource functionality is typically a major component of ERP (Enterprise Resource Planning) software
- Comprehensive SaaS HRMS (Human Resource Management Systems) is multi-purpose –
  - Aligns performance and talent development with the needs of business
  - Enables a company to boost employee engagement
  - Manages transactional efficiency and compliance needs



SaaS is an agile, cost-effective and accessible approach. It is a better fit for today's connected way of working

# SaaS - HR Software and Technology

## Advantages

- Successful and time-tested model for application delivery
- Optimizes labour based on customer-driven requirements
- Boosts employee loyalty with digital experiences and engagement programs
- Accelerates the talent pipeline with candidate relationship management
- Measures performance continuously to support business and customer initiatives
- Immediate cost savings and quick payback
- Automatic upgrading of software, hence always up-to-date
- Built-in agility
- No unscheduled downtime

Within the context of Human Resources, SaaS can aid in speeding up strategic initiatives and has proven its worth in scalability and flexibility

# SaaS - HR Software and Technology

## Market Trend

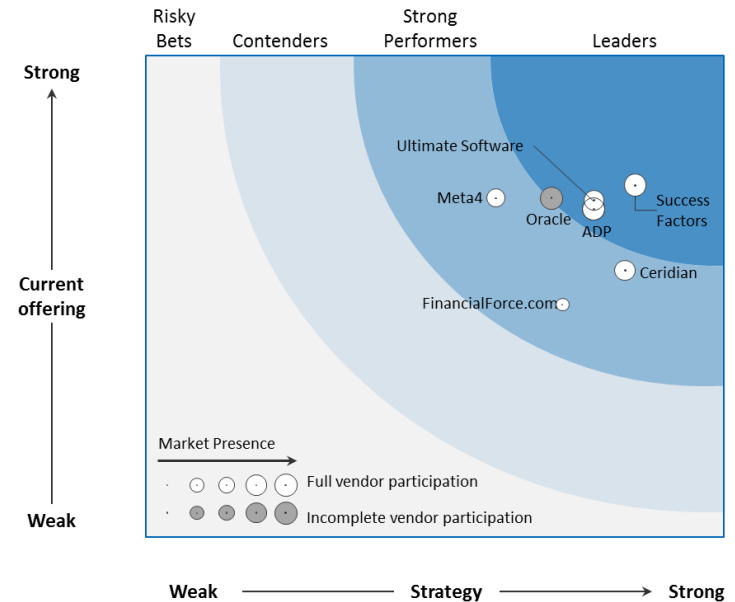
- The HR software market has been through an unprecedented wave of consolidation in recent years. The prior year (2014) has witnessed the fastest advancements to date
- Companies no longer buy HR software solely based on features: They look for the total employee and user experience
- Traditionally on-premises HRMS vendors are moving to SaaS-only models
- Larger HR Tech firms are searching for a “single vendor solution”. Integration is the trend and more than 35% of companies would sacrifice functional features for a single-vendor solution<sup>(1)</sup>
- The incumbent, larger vendors are likely to remain, and they will continue to acquire smaller companies
- Vendor sales forces will fiercely compete but buyers are expected to start looking at HR technology as a “total employee experience”
- Implementation of HR technology remains as a persistent challenge, though other than change management and communications, the systems are becoming relatively more easier to use

Integration is the current trend with most companies seeking a ‘single vendor’ solution

# SaaS - HR Software and Technology

## Convergence

- Although no single vendor offers a complete end-to-end SaaS HRMS on a single platform, most vendors have a core HR transactional system for managing employee records and compensation structures
- Most of the vendors go well beyond the minimum footprint with recruiting, talent management, payroll, time, and benefits
- **Workday** is a leading choice for large organizations looking to migrate from aging on-premises HR systems to SaaS
- **SuccessFactors** offers a system of record, Employee Central, to complement its leading talent and learning capabilities
- **Ultimate Software** has mature depth in HR transaction management and payroll, as well as innovative new offerings in recruiting and on-boarding
- **Firm A** achieved leader status with its Vantage HCM product line based on its functional breadth from compliance to talent and its innovation in user-experience and business intelligence



Vendors are converging to integrated SaaS models to meet the growing demand



# SaaS - HR Software and Technology

## Growth Drivers

- SaaS HRMS vendors are seeing high growth rates in recent times. Venture firms are looking for ways to participate in this fast-growing market
- This growth is driven by talent management sectors (recruiting, training, performance management, leadership, and succession management) as well as a shift to SaaS model
- The SaaS HRMS market is growing as more HR and applications delivery professionals recognize the need to move to more agile and engaging HR systems
- HR software systems are aging, with enterprise software becoming nearly obsolete in 7 years, leading most companies to shop around
- SaaS has been accepted in the HR space as the deployment model of choice, and vendors leverage SaaS to deliver more rapid innovation in processes and user experiences

## Future Outlook

- The fundamentals of SaaS HR are lining up for other organizations as well - The Department of Veterans Affairs is working toward a pilot launch of a SaaS HR system under a 10-year, USD 123 mm contract with IBM<sup>(1)</sup>
- It is estimated that 90% of Fortune 1000 companies plan to replace their HR management software over the next four years<sup>(2)</sup>
- 57% of companies plan to make a major new HR software purchase in the next 18 months<sup>(3)</sup>
- According to the latest US Census data, there are 42 times more firms with 100 to 4,999 employees than those with 5,000 or more employees which is a relatively untapped segment
- In order to meet customer demands, vendors will have to develop skills to design, mobile, analytics, cloud, integration, and modern programming technologies

SaaS HRMS is growing rapidly as a migration path from on-premises systems



**SaaS - Benefits Administration**

# SaaS - Benefits Administration

## Overview

- Benefits administration consists of managing employee benefits in compliance with policies, procedures, and federal and state regulations, as well as educating employees on available benefits and helping them to obtain benefits to which they are entitled
- Benefits administration consists of the following tasks:
  - Preparing for enrollment
  - Working with 401(k) fund allocations
  - Reviewing information on employee enrollment
  - Working with enrollments in single plans
  - Enrolling employees
  - Working with dependents and beneficiaries
  - Managing enrollment processes
  - Working with enrollments in group plans
- The HR and Benefits Administration industry is highly fragmented, with the four largest companies expected to account for less than 5.0% of market share in 2015
- With companies such as Fidelity, Firm A, Mercer, and many other well-established vendors involved in Benefits Administration Outsourcing, fewer risk exists today for organizations that are interested in the outsourcing option

The HR and Benefits Administration industry is highly fragmented and has high scope for consolidation in the future

# SaaS - Benefits Administration

## Trend and Outlook

- Historically, the HR Benefits Administration industry has been dominated by small, family-owned businesses that cater to a narrow geographic region or a niche market
- As healthcare reforms become more complex to administer due to the changing regulatory environment, more organizations will move from a technology-only solution that they administer themselves. They will move to point solutions provided by specialists that deeply specialize in the space as not all of the enterprise technology vendors are paying enough attention to the complexities
- Additionally, although benefits software can greatly streamline the in-house benefits administration function, SHRM warns against an over-reliance by HR on such tools
- Early on in the five-year period, the industry experienced some minor consolidation as uncertain economic conditions forced many underperforming firms to exit the market. In particular, the number of enterprises increased by just 0.1% in 2010
- However, revitalized demand for industry services in later years has once again encouraged a major influx in new operators. Overall, the number of enterprises is expected to rise 3.3% per year on average

The Benefits Administration industry has historically been fragmented, and is poised to witness an increase in consolidation in the future



# SaaS - Payroll

# SaaS - Payroll

## Overview

- Human Resource Services – Payroll industry develops software for the purpose of human resource and payroll management. This service is provided online or through proprietary software
- HR software also allows companies to track employee enrollment in retirement, pension, life and health insurance policies, stock purchases and profit sharing
- The industry generates revenue through the sale of new software, software license updates and subscription fees to web-based applications
- The current market size is USD 7 bn<sup>(1)</sup>

## Market Trend

- Industry has experienced robust growth due to increased private investment in software and the need for businesses to cut costs as a result of the slow recovery following the recession
- The industry will benefit from rising corporate profit, which will encourage investment in IT infrastructure. In addition to this, improvements in the labor market will ultimately represent an opportunity for industry players
- Market growth is driven by 120 mm more employees entering the global workforce<sup>(4)</sup>

## Outlook

- Over the next five years, revenue for the HR and Payroll Software industry is forecasted to increase by further USD 7 bn<sup>(2)</sup>
- The industry will benefit from increasing investment in software and widespread adoption of SaaS business model
- Some companies will return to outsourced HR and payroll providers as corporate profit increases, says Goddard IBISWorld Industry Analyst<sup>(3)</sup>
- Nevertheless, a rise in the volume of administrative work, resulting from improvements in the labor market, will increase industry demand over the next 5 years

The HR and Payroll industry grew at CAGR of 7.4% (2010-2015)

# SaaS - Payroll

## Advantages

- **Automated functions:** Provides up-to-date payroll tracking which is fast and accurate
- **Ease of use:** Allows the operator of the system to make changes, enter data and add new rules or tools to the system
- **Grows with the business:** Can be implemented in modules, and these modules can be expanded as the business grows, or removed, where necessary, to reduce costs
- **Saves money:** Performs a lot of different automated functions, thus less people required to run the HR function
- **Accurate information:** Computers tend to eliminate human error to a great extent

SaaS payroll services are more affordable and less cumbersome than traditional payroll services



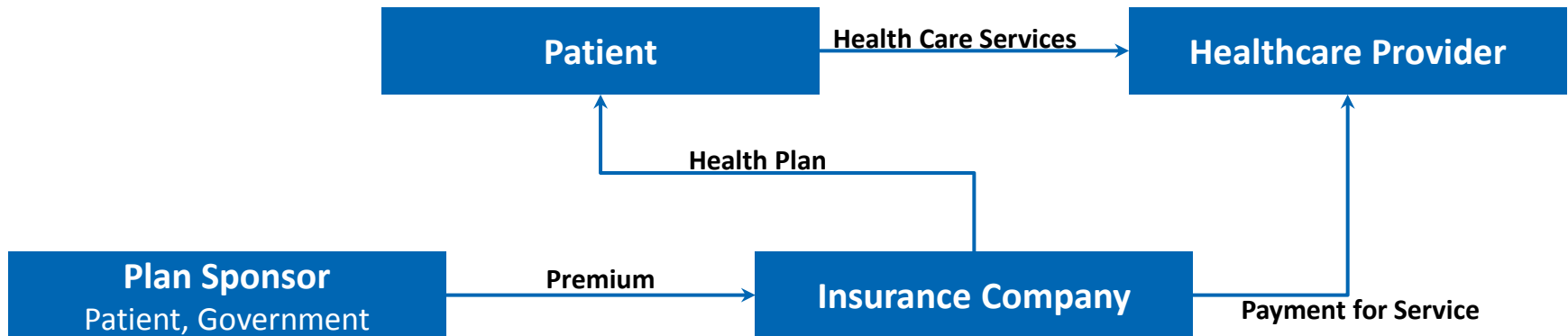
# Healthcare Insurance



# Traditional Healthcare Insurance

## Overview

- Commercial health insurers made their presence known in the US market post World War II, when workers started demanding health insurance as a fringe benefit from employers, called “employer-sponsored insurance”
- The major managed care players such as Aetna (AET), Anthem (ANTM), and Cigna (CI) share prices had an annualized return of 9.3%, 9.3%, and 2.8%, respectively, from October 2001 to January 2015<sup>(1)</sup>
- The traditional health insurers Lincoln National and MetLife (MET) share prices had an annualized return of 1.4% and 4.6%, respectively, from October 2001 to January 2015<sup>(2)</sup>
- More than 160 mm Americans are covered by employer-sponsored insurance plans. Another 17 mm Americans purchase insurance for themselves in the private insurance market, and about 100 mm are covered by government-sponsored insurance plans



Highly concentrated industry which is dominated by a few major players

# Traditional Healthcare Insurance

## Industry Trends

- Market share concentration within the Health and Medical Insurance industry is moderate, with the top four companies Aetna (AET), Anthem (ANTM), Cigna (CI) and MetLife (MET) accounting for an estimated 46.0% of total industry revenue in 2015<sup>(1)</sup>
- The Traditional Healthcare Insurance grew at CAGR of 2.9% (2010-2015)<sup>(2)</sup>
- The US industry is concentrated with 50 largest companies generating about 75% of revenue<sup>(1)</sup>

## Outlook<sup>(3)</sup>

- The Health and Medical Insurance industry has been characterized by slow growth for 2010 to 2015 as a result of reduced employer coverage and continued consumer deleveraging
- In the next 5 years till 2020, the industry will continue to benefit from rising health expenditure and an aging US population that demands increased insurance coverage
- The US health insurance industry in terms of the total direct premium written is slated to grow over the 5 years till 2020 at a CAGR of 5.3%

Health spending in America will approach USD 3 tn in 2years

# Traditional Healthcare Insurance

## Advantages

- Traditional insurance provides risk coverage
- Traditional insurance policies offer in-built guarantees and defined maturity benefits through variety of product options such as Money Back, Guaranteed Cash Values, Guaranteed Maturity Values
- Insurers through riders or stand alone health insurance plans offer benefits of protection against critical diseases and hospitalization expenses
- Insurance is a long-term contract where a policyholder pays a fixed amount at a defined periodicity
- Insurance is a highly regulated sector. Various regulations ensures that the safety of the policyholder's money is the primary responsibility of all stakeholders
- Insurance plans provide attractive tax-benefits at the time of entry and exit under most of the plans

Insurance provides the dual benefits of savings and security

# SaaS - Healthcare Insurance

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## Overview

- The SaaS or "cloud-based" applications available to the insurance industry have exploded over the past few years
- SaaS model allows insurers to focus on unique qualities that differentiate their companies in the market and expand their capabilities in areas that will make the most impact on the customers

## Advantages

- Agents could have 360° customer account access
- Smartphone application for agents improving business efficiency
- Automated underwriting was conducted for 80% of new business and is expected to reach to 90% of new business
- Straight-through-processing could be done for 75% of the new businesses, an increase from less than 5%
- Agents can quote and issue in one-third time of the replaced legacy system

An array of highly valued healthcare SaaS companies, each worth more than USD 100 mm, are emerging



# **Company Profile - Firm X**

# Company Profile

## Firm X

COMPANY LOGO

### Company Overview

- Firm X is a SaaS platform that allows businesses to manage multiple HR services from a single cloud-based dashboard
- It streamlines the process of adding new employees and executes tasks associated with human capital management. It is free for businesses and earns revenue by acting as an insurance broker
- It serves over 10,000 small and mid-sized businesses, and its platform covers over 100,000 employees
- Firm X had around 500 employees by end XXXX, and it wants to hire around 1,300 employees over the next 3 years<sup>(1)</sup>

<b>Founded</b>	February 18, XXXX
<b>Location</b>	XXX
<b>Area served</b>	United States
<b>Employees</b>	1,000+, up from 15 in Jan XXXX <sup>(2)</sup>
<b>Founders</b>	Mr. ABC (CEO), Mr. DEF
<b>COO</b>	Mr. PQR

### Funding

- In May 2015, Firm X raised USD XX mm at a USD XX bn valuation, with USD XX mm in venture financing<sup>(3)</sup>:

<b>Seed<sup>(4)</sup> - 2013 XX mm</b>	Aaron Levie, Adam Jackson, Benjamin Ling, Brad Gessler, Charlie Cheever, David Petersen, David Rusenko, Maverick Capital, Sohail Prasad, Venrock, Wefunder, Y Combinator
<b>Series A - 2014 XX mm</b>	Andreessen Horowitz, Maverick Capital, Venrock
<b>Series B - 2014 XX mm</b>	Andreessen Horowitz, Elad Gil, Hydrazine Capital, Institutional Venture Partners (IVP), Jared Leto, SV Angel
<b>Series C - 2015 XX mm</b>	Fidelity Investments (Lead), TPG (Lead), Andreessen Horowitz, Brendan Wallace, Comcast Ventures, Founders Fund, Insight Venture Partners, IVP, Jared Leto, Justin Mateen, Khosla Ventures, Sound Ventures

### Clients

- Some of Firm X's clients are<sup>(5)</sup>:

Client Logo

Client Logo

Client Logo

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Client Logo

Firm X is a SaaS company that offers cloud-based platform to businesses for managing multiple HR services

Source: (1) (3) Firm X Just Raised USD XX Million At A USD XX Billion Valuation - TechCrunch

(2) (4) Firm X - CrunchBase

(5) Company Website

# Company Profile

## Firm X

COMPANY LOGO

### Features

- **Payroll**
  - Full-Service Payroll System
  - Automated adding and removing employees
  - Automated pre-tax deductions
  - Hire and pay contractors
- **Benefits**
  - End-to-end benefits administration software
  - Simplified administration in one place
  - Minimized compliance risks
- **Insurance**
  - Health, Dental, Vision insurance quotes
  - Workers' comp quotes
  - Short and Long-term disability insurance quotes
  - FSA and HAS quotes
- **Compliance**
  - On-boarding compliance
  - Benefits compliance
  - Time off compliance
- **Advisors**
  - Benefits Advisors
  - HR Advisors
  - Employee Concierge
- **HR Software**
  - Human Resource Information Software (HRIS)
  - Human Resource Management Software (HRMS)
  - Human Capital Management Software (HCM)
- **New Products**
  - Firm X For Managers
  - Firm X Business Intelligence

### Services Offered by Partners

#### ■ Payroll

Client Logo

Client Logo

Client Logo

Client Logo

Client Logo

#### ■ Health Insurance

Client Logo

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Client Logo

Client Logo

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# Company Profile

## Firm X

COMPANY LOGO

### Financials

- Firm X said it closed more new business in March 2015 than it had in around the first year of its inception

**Revenue**      **USD XX million<sup>(1)</sup>**      **→**      **USD XX million**      **→**      **USD XX million**  
 (20x growth in 2014)      (in 2015)      (in 2016)

- To compare, HR solutions giants **XXX** and **XXX** took about 4 years to get to USD XX mm, and nearly 6 years to reach USD XX mm
- It expects to lose more than USD XX mm<sup>(3)</sup> in 2015, dwarfing the amount of money it burned through in 2014.

### Health Insurance

**USD XX million<sup>(2)</sup>** in healthcare insurance premiums

### R&D investment

expected to roughly **quadruple<sup>(4)</sup>** in 2015

- This number still represents a relatively small portion of the company's overall spend

Source: (1) Firm X releases growth numbers: headed for USD XX M in revenue – Silicon Beat

(2) (3) Firm X Just Raised USD XX Million At A USD XX Billion Valuation – TechCrunch

(4) Cloud HR Startup Firm X Is Looking To Raise A Giant New Round Of Funding – TechCrunch



# Company Profile

## Firm X

COMPANY LOGO

### Legal Issues: Firm X vs. Firm A

A disagreement between Firm A, one of the largest payroll processing companies, and Firm X, a self-described startup, centres on the method that Firm X used to gain access to Firm A's payroll system without specific authority granted by Firm A to do so. Firm X and Firm A have been partners since the former was founded in XXX.

In June 2015, Firm A shut off Firm X access to Firm A's RUN small business solution, claiming the startup was using this information in an unauthorized manner, pulling sensitive information, including unmasked Social Security numbers and employee banking information, in a way that did not comply with Firm A's standards for data security

Firm X denied those accusations, outlined its traffic logs and said Firm A was being anticompetitive. It said that Firm A was actually shutting off access because it had developed a competing service to Firm X. About 0.25% of Firm A's customers are from Firm X. Firm X said the shut off affects about 10% of its customer base<sup>(1)</sup>

Firm A responded to that accusation by filing a lawsuit against both Firm X and its CEO Mr. ABC

Firm X claims "Firm A is an entrenched incumbent that is resorting to frivolous litigation and spreading 'fear, uncertainty, and doubt' (FUD) to try to silence and stop a disruptive new competitor"

**Payroll giant Firm A blocked Firm X from accessing payroll information on behalf of customers. Firm A then sued Firm X for defamation and launched a competing product aimed at replacing Firm X**



# Competitor Comparison

# Company Profile

## Comparison Summary

		Public Companies										Private Companies												
Companies \ Services	Firm X	Firm A	Firm B	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm P	Firm Q	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	Firm XXX	
HR Solutions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓
Payroll	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Benefits	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓
Time and Attendance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗	✓	✓	✓	✓	✗	✗	✓	✓
Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✗
HR Outsourcing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✓	✗	✓	✗
Health Insurance	✓	✓	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✗	✗	✗	✓	✗
HR Software	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓
Employee Onboarding	✓	✓	✓	✓	✗	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓	✓



## **Competitors - Public Companies**



**Firm A**

# Company Profile

## Firm A

COMPETITOR LOGO

### Company Overview<sup>(1)</sup>

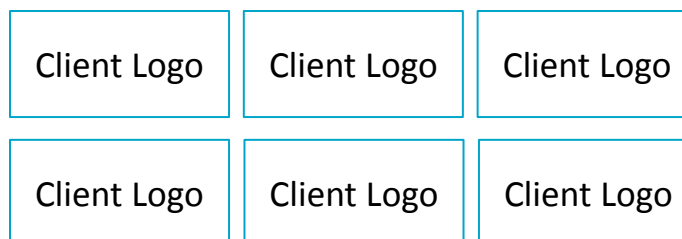
- XXX, (Firm A), together with its subsidiaries, provides technology-based outsourcing solutions to employers worldwide. The company operates through XXX and XXX Services segments
- The Employer Services segment offers a range of XXX and XXX solutions
- The XXX Services segment provides a human resources outsourcing solution through a co-employment model
- The company was incorporated on June XX, XXXX and is headquartered in Roseland, New Jersey
- Company has approx. 61,000 employees
- In 2013, Firm A spent USD XX million on Research & Development
- In June 2015, Firm A filed a lawsuit accusing Firm X of defamation

### Company Financials<sup>(2)</sup>

	2015	2014	2013
Revenue	XX	XX	XX
Net Income	XX	XX	XX
EBITDA	XX	XX	XX
EPS	XX	XX	XX

### Firm A's Clients<sup>(3)</sup>

- Firm A serves about 610,000 organizations in more than 100 countries. Over 80% of XXX companies and more than XXX use at least one of Firm A's services<sup>(4)</sup>. Some of the clients are:



Firm A's mission is to power organizations with insightful solutions that drive business success

Source:

1. Yahoo Finance
2. All figures are in millions of U.S. Dollars, except per share data

3. Company Website
4. Company Website

# Company Profile

## Firm A

COMPETITOR LOGO

### Partners<sup>(1)</sup>

- Firm A provides services to numerous types of partners. Some of the partners are:

- **Accounting Professionals:**

Client Logo

Client Logo

Client Logo

Client Logo

- **Franchise Partners:**

Client Logo

Client Logo

Client Logo

Client Logo

- **Financial Advisors:**

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Client Logo

- **Member Organization Partners:**

Client Logo

Client Logo

Client Logo

Client Logo

Source:

1. Company Website

# Company Profile

## Firm A

COMPETITOR LOGO

### Features<sup>(1)</sup>

#### ■ **Employer Services:**

- Human Capital Management
- Payroll Services
- Talent Management
- Human Resource Management
- Health Care Reform Management
- Benefits Administration
- Time and Attendance
- HR Business Process Outsourcing (HRBPO)
- Professional Employer Organization (PEO)
- Retirement Services
- Insurance Services
- Tax and Compliance
- Payment Solutions

- **Medical Practice Services:** Firm A provides billing and revenue cycle management for medical practitioners

#### ■ **Their Premier Product list is:**

- RUN Powered by Firm A: Small Business Payroll, Tax and Human Resources
- Firm A Resource: Small Business Administrative Services Organization (ASO)
- Firm A TotalSource: Small/Midsized Business Professional Employer Organization (PEO)
- Firm A Workforce Now: Midsized Business Human Capital Management
- Firm A Vantage HCM: Large Business Human Capital Management
- Firm A GlobalView: HCM Global Human Capital Management
- Firm A Streamline: Multinational Payroll
- Firm A Mobile Solutions: Mobile access for employees
- Firm A SmartCompliance: Tax and Payment Solutions for In-House and ERP Systems
- Firm A Health Compliance: Comprehensive solution to help manage all elements of ACA

Source:

1. Company Website



# Company Profile

## Firm A

COMPETITOR LOGO

## Comparison

Characteristics	Firm X	Firm A
<b>Device Compatibility</b>	Mac, Windows, Web-based, Mobile Web App	They provide Cloud-based solutions & Mobile Solutions App
<b>Clients</b>	Small and Mid size Companies	Businesses of all sizes
<b>Support options</b>	Subscription based, Free Trial and Phone Support	Provide Services
<b>Supported Countries</b>	United States	Global (104 Countries)
<b>Pricing</b>	<p>Firm X offers a range of pricing plans, all dependent on the Type of Insurance, State in US and the Insurance Carrier<sup>(1)</sup></p> <ul style="list-style-type: none"> <li>Pricing for health insurance packages can range from USD XX - USD XX+</li> </ul>	NA

### Sources:

1. Firm X Company Website

# Company Profile

## Firm A

COMPETITOR LOGO

### Comparative Study

Services	Firm X	Firm A
HR Solutions	✓	✓
Payroll	✓	✓
Benefits	✓	✓
Time and Attendance	✓	✓
Compliance	✓	✓
HR Outsourcing	✓	✓
Health Insurance	✓	✓
HR Software	✓	✓
Employee Onboarding	✓	✓



**Firm B**

# Company Profile

## Firm B

COMPETITOR LOGO

### Company Overview

- Firm B, Inc. provides management platform for small and medium sized companies
- The Company provides these solutions using a management platform integrates an approach from the management consulting industry with the tools from the human resource outsourcing industry
- The Company provides two categories of services:
  - Professional Employer Services: Enabling clients to outsource the management of HR, employee benefits, payroll and workers' compensation
  - Staffing: A process of acquiring, deploying, and retaining a workforce
- As of December 31, XXXX, the company served XX PEO clients and XX staffing customers <sup>(1)</sup>
- The company has client retention rate of XX%<sup>(2)</sup>
- Firm B was incorporated on July 1, XX (HQ-Vancouver, Washington)<sup>(1)</sup>

### Company Financials

	2015 (Q3)	2014	2013	2012
Revenue	XX	XX	XX	XX
Net Income	XX	XX	XX	XX
EBITDA	XX	XX	XX	XX
EPS	XX	XX	XX	XX

### Clients

- The clients Firm B caters to are generally Small and Mid-Sized Companies. Some of the Clients are:

Client Logo

Client Logo

Client Logo

Client Logo

Client Logo

Client Logo

Firm B aims to help clients run business effectively by leveraging human capital

Source: Company Website

1. Reuters Website
2. Company 10K

# Company Profile

## Firm B

COMPETITOR LOGO

### Features

- **Human Capital Management**
  - Analyze current personnel policies and procedures, and identify any gaps in compliance
  - Identify more efficient ways to handle important details including
    - Payroll,
    - Taxes,
    - Employee benefits,
    - Health insurance,
    - Workers' compensation coverage,
    - Workplace safety programs,
    - Compliance with federal and state employment laws,
    - Labor and workplace
- regulatory administrative responsibilities
- **Payroll**
  - Complete payroll service handles:
    - Deductions,
    - Tax payments,
    - Wage garnishments,
    - Tax levies, liens and W-2s
- **Staffing**
  - Identify who are the right people the business
    - On-demand or Short Term Staffing,
    - On-Site Management,
    - Contract Staffing and
    - Master-Vendor Programs

### Services Provided with Partners

- **Insurance**

Client Logo

- Firm B Inc. has workers' compensation insurance arrangement with ACE Group
- ACE bears the economic burden for all costs in excess of USD 5 mm per claim

# Company Profile

## Firm B

COMPETITOR LOGO

## Comparison

Characteristics	Firm X	Firm B
<b>Device Compatibility</b>	Mac, Windows, Web-based, Mobile Web App	Web-based
<b>Clients</b>	Small and Mid sized Companies	Small and Mid sized Companies
<b>Support options</b>	Subscription based, Free Trial and Phone Support	Subscription based
<b>Supported Countries / States</b>	United States (50 states)	California, Oregon, Washington, Idaho, Arizona, Nevada, Utah, Colorado, Maryland, Delaware and North Carolina
<b>Pricing</b>	<p>Firm X offers a range of pricing plans, all dependent on the Type of Insurance, State in US and the Insurance Carrier<sup>(1)</sup></p> <ul style="list-style-type: none"> <li>•Pricing for health insurance packages can range from USD XX - USD XX+</li> </ul>	The services offered are agreement based and are renewed annually. The prices are available only on demand. The quotes are given on basis of the size of the company, number of employees and type of service selected

# Company Profile

## Firm B

COMPETITOR LOGO

### Comparative Study

Services	Firm X	Firm B
HR Solutions	✓	✓
Payroll	✓	✓
Benefits	✓	✓
Time and Attendance	✓	✓
Compliance	✓	✓
HR Outsourcing	✓	✓
Health Insurance	✓	✓
HR Software	✓	✗
Employee Onboarding	✓	✓
Tax and Legal Filing	✗	✓



## **Competitors - Private Companies**





**Firm P**

# Company Profile

## Firm P

COMPETITOR LOGO

### Company Overview

- Firm P is the online payroll service offering a secure web payroll solution for small business, enterprise class business and household payroll processing
- Firm P supports outsourcing and payroll management, including paycheck printing, payroll tax calculations, direct deposit, payroll tax forms and free e-file for Federal and State taxes
- Firm P is a secure web based solution (ASP model)

### Features

- Conversion to XXX at any time during the year
- Local paycheck printing
- Direct deposit (ACH)
- Payroll tax calculations
- Payroll tax forms
- Automatic Free tax e-File for Federal and State taxes
- Year-end W2
- Customized timecard items
- Online account balance and history

### Clients

- The clients Firm P caters to are generally Small and Mid-Sized Companies

### Partners

- C&S develops eSmart Forms for income tax, payroll tax returns and provide e-File services

Client Logo

Firm P's mission is to provide simple, convenient, fast and accurate tools

# Company Profile

## Firm P

COMPETITOR LOGO

## Comparison

Characteristics	Firm X	Firm P
<b>Device Compatibility</b>	Mac, Windows, Web-based, Mobile Web App	Web-based
<b>Clients</b>	Small and Mid sized Companies	Small and Mid sized Companies
<b>Support options</b>	Subscription based, Free Trial and Phone Support	Subscription based
<b>Supported Countries / States</b>	United States	United States
<b>Pricing</b>	<p>Firm X offers a range of pricing plans, all dependent on the Type of Insurance, State in US and the Insurance Carrier<sup>(2)</sup></p> <ul style="list-style-type: none"> <li>•Pricing for health insurance packages can range from USD 30 - USD 15,000+</li> </ul>	<p>The fee for XXX is USD 5 employee/payroll plus USD XX/check<sup>(1)</sup></p> <ul style="list-style-type: none"> <li>• No payroll setup charges, no hidden fees for payroll software services such as adding new employees or quarterly reporting</li> </ul>

(1) Company Website

(2) Zenefits Company Website

# Company Profile

## Firm P

COMPETITOR LOGO

### Comparative Study

Services	Firm X	Firm P
HR Solutions	✓	✗
Payroll	✓	✓
Benefits	✓	✗
Time and Attendance	✓	✓
Compliance	✓	✓
HR Outsourcing	✓	✗
Health Insurance	✓	✗
HR Software	✓	✗
Employee Onboarding	✓	✗



Firm Q

# Company Profile

## Firm Q

COMPETITOR LOGO

### Company Overview

- Firm Q provides services related to company payroll, benefits, and contractor payments for startup businesses
- Firm Q is industry's XX technology-based "co-employment" (PEO) company. It allows growing businesses to band together to secure the same low-cost benefits that larger companies enjoy in the market
- It provides services to approximately XXX small businesses currently <sup>(3)</sup>
- From 2012-2014, Firm Q has increased its revenue by XX% and its user base by XX% <sup>(1)</sup>
- The company can file over XX different types of taxes at the federal, state and local levels and is licensed in 43 states in United States<sup>(2)</sup>
- The company was founded in 2012 (HQ- New York)

### Funding

- Firm Q raised a total of USD XX mm in funding from XXX, XXX, XXX and others<sup>(4)</sup>
- Firm Q had 3 rounds of funding and raised USD XX mm from B round on 19<sup>th</sup> May, XXXX lead by XXXX

### Clients

- The clients Firm Q caters to are generally Small, Mid-Sized or Large Companies. Some of the Clients are:

Client Logo

Client Logo

Client Logo

Client Logo

Client Logo

Client Logo

Firm Q aims to provide an All-in-One Platform for all kinds of Businesses

# Company Profile

## Firm Q

COMPETITOR LOGO

### Features

- **HR Tools**
  - Company Dashboard
  - Company Calendar
  - HR Concierge
  - Document Center
  - Time Off
  - Company Directory
- **Payroll and Payments**
  - Automatic Direct-Deposit Payroll
  - Reporting
  - One-Off Payments
  - Vendor and Contractor Payments
  - Automatic Tax Calculation & Filing
- **Benefits**
  - Medical, Dental, & Vision Insurance
  - 401(K)Plans and Voluntary Benefits
  - Commuter Benefits
- **Compliance**
  - EPLI
  - Unemployment insurance
  - New Hire Reporting

### Services Offered by Partners

#### ■ Insurance

(For Group Medical, Dental and Vision Coverage)

- Firm Q' partnership enables clients to achieve health benefits at lower rates that would normally be reserved for much larger organizations

Client Logo

Client Logo

Client Logo

Client Logo

Client Logo

# Company Profile

## Firm Q

COMPETITOR LOGO

## Comparison

Characteristics	Firm X	Firm Q
<b>Device Compatibility</b>	Mac, Windows, Web-based, Mobile Web App	Mac, Web-based, Windows
<b>Clients</b>	Small and Mid sized Companies	Small sized, Mid and Large Companies
<b>Support options</b>	Subscription based, Free Trial and Phone Support	Subscription based, Free Demo
<b>Supported Countries / States</b>	United States (50 states)	United States (43 states)
<b>Pricing</b>	<p>Firm X offers a range of pricing plans, all dependent on the Type of Insurance, State in US and the Insurance Carrier<sup>(2)</sup></p> <ul style="list-style-type: none"> <li>•Pricing for health insurance packages can range from USD XX - USD XX+</li> </ul>	<p>Firm Q offers two packages for companies:<sup>(1)</sup></p> <ul style="list-style-type: none"> <li>• The free “Starter” package allows customers to manage 1099 filing, expense reimbursements, and contractor payments</li> <li>• The “Premier” package, offered at USD XX per month per employee, that provides the company’s full suite of benefits, including 401(k), HR Concierge, and workers’ comp coverage</li> </ul>

Source: Company Website, Firm Q, XX

(1) XX Website

(2) Firm X Company Website



# Company Profile

## Firm Q

COMPETITOR LOGO

### Comparative Study

Services	Firm X	Firm Q
HR Solutions	✓	✓
Payroll	✓	✓
Benefits	✓	✓
Time and Attendance	✓	✓
Compliance	✓	✓
HR Outsourcing	✓	✓
Health Insurance	✓	✓
HR Software	✓	✓
Employee Onboarding	✓	✓
Tax and Legal Filing	✗	✓