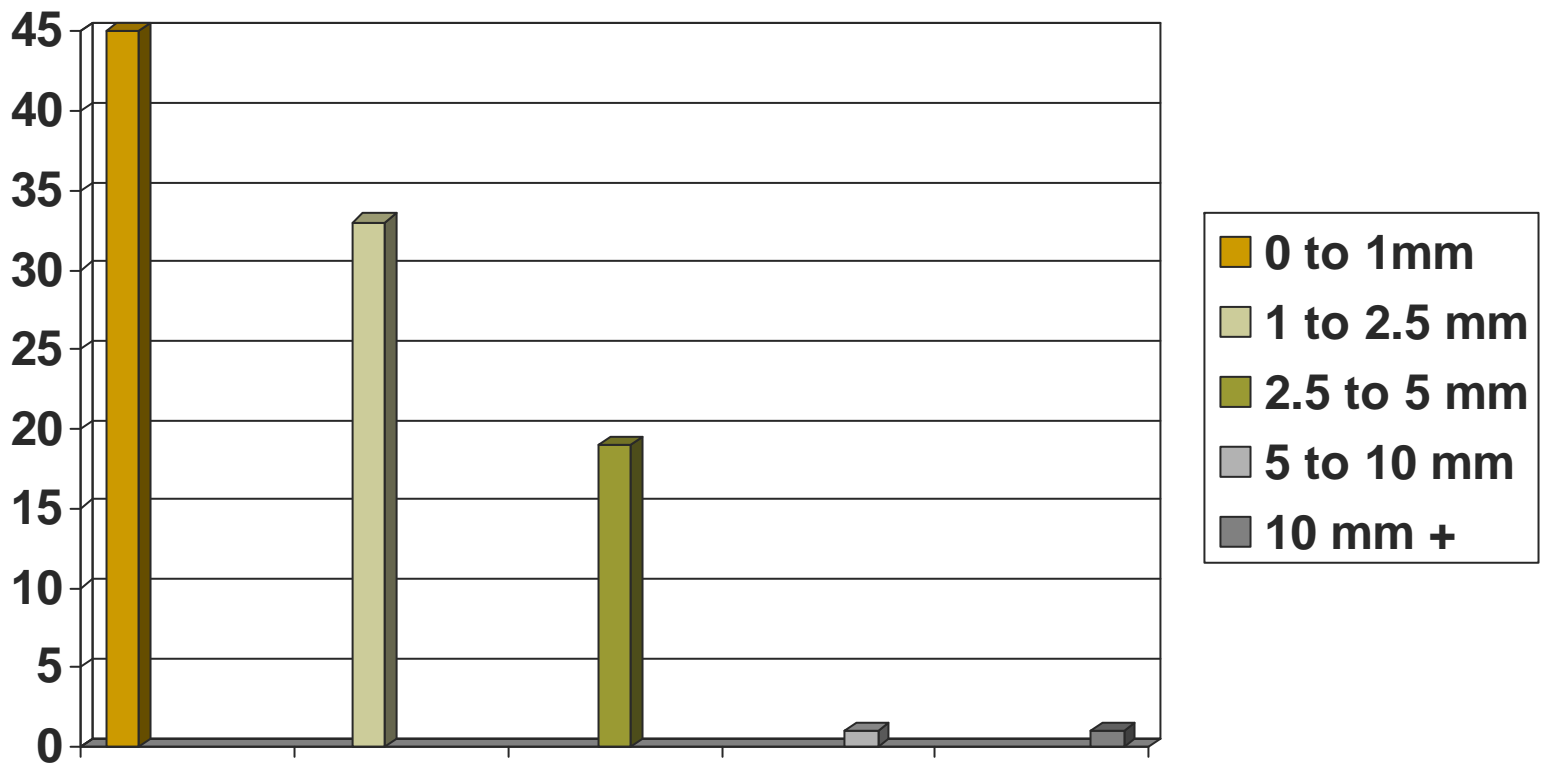




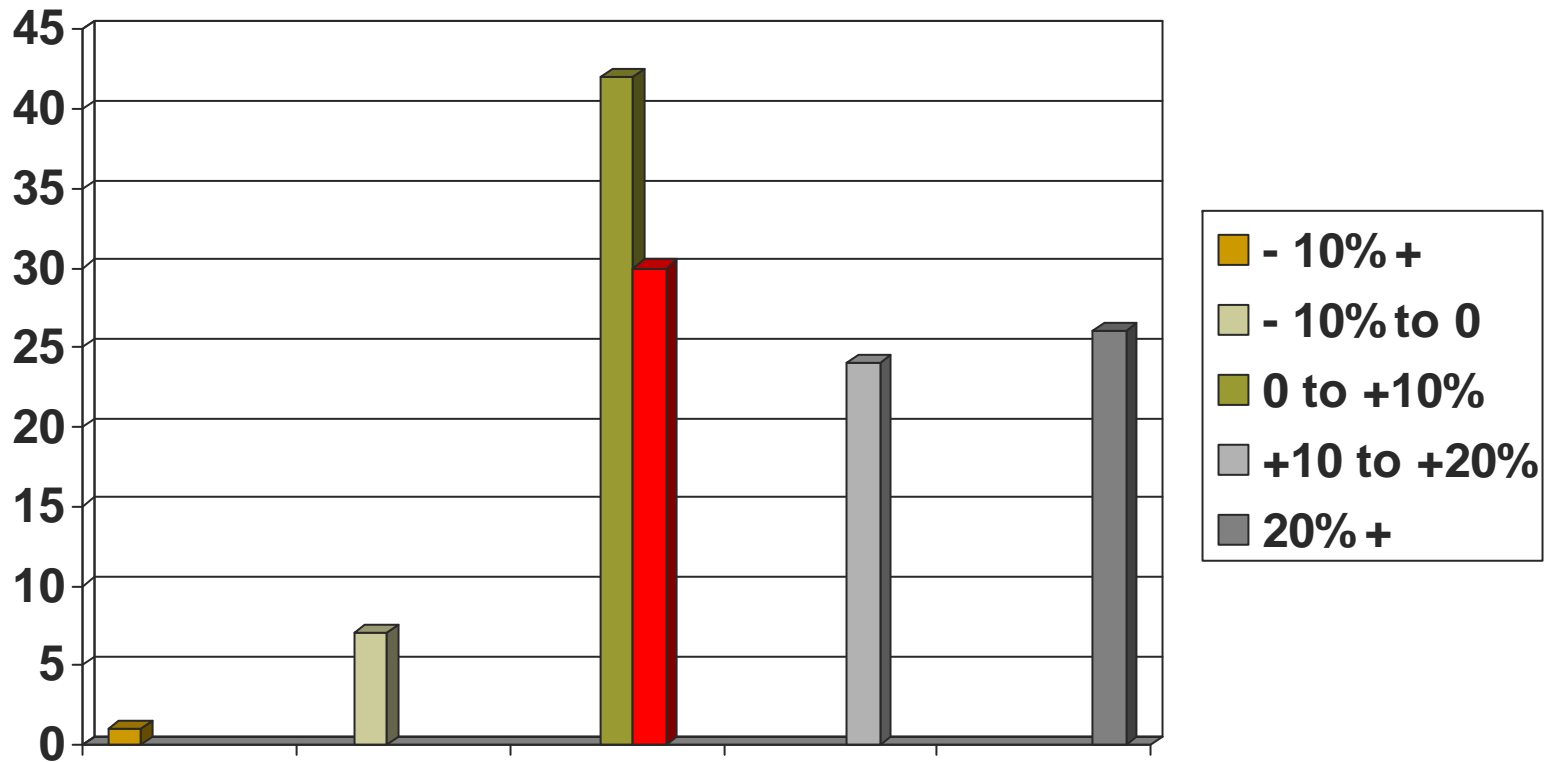
2009 Benchmarking Survey

Choose to Thrive in an
Economic Downturn

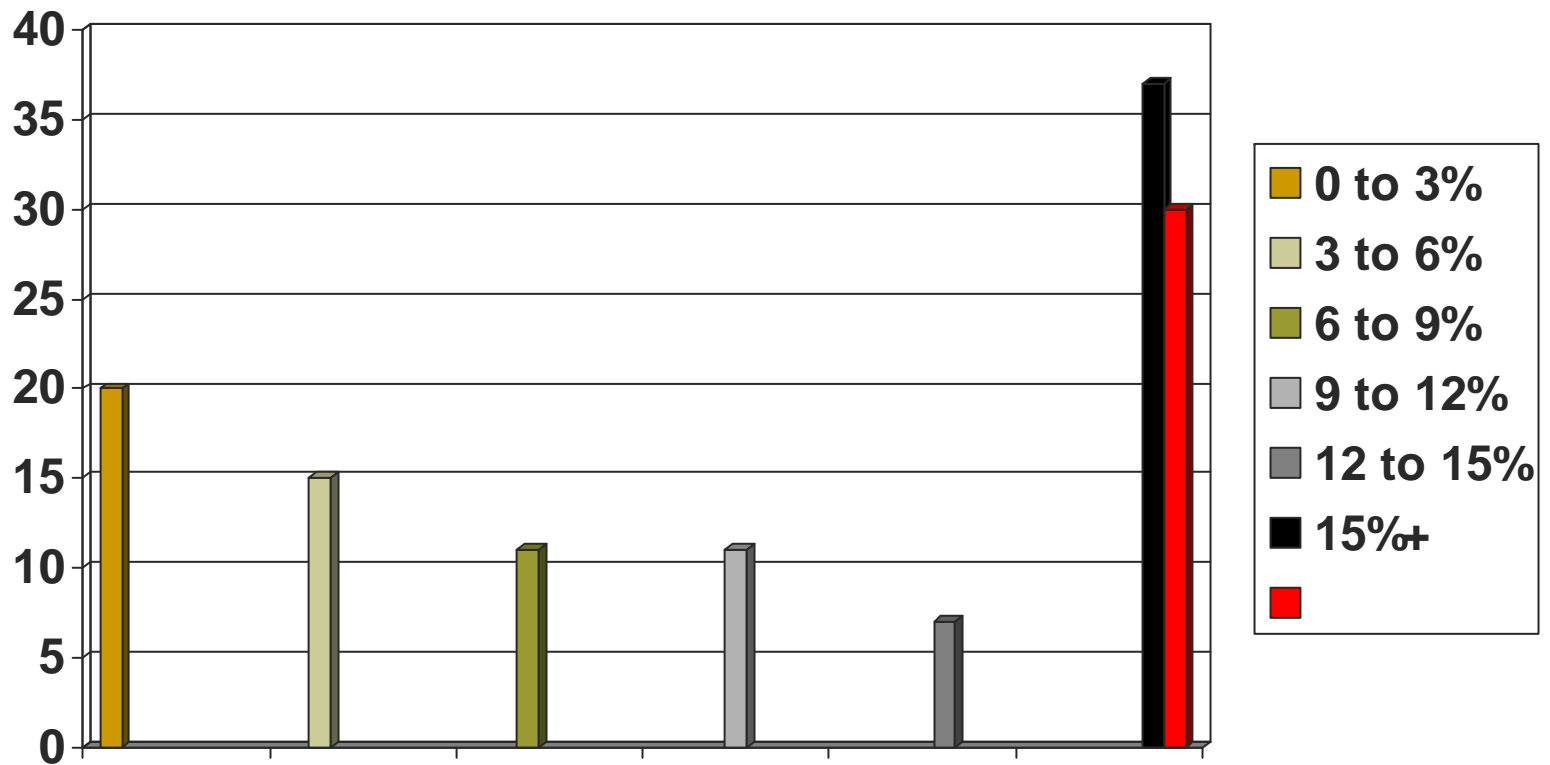
Total Revenue in 2008



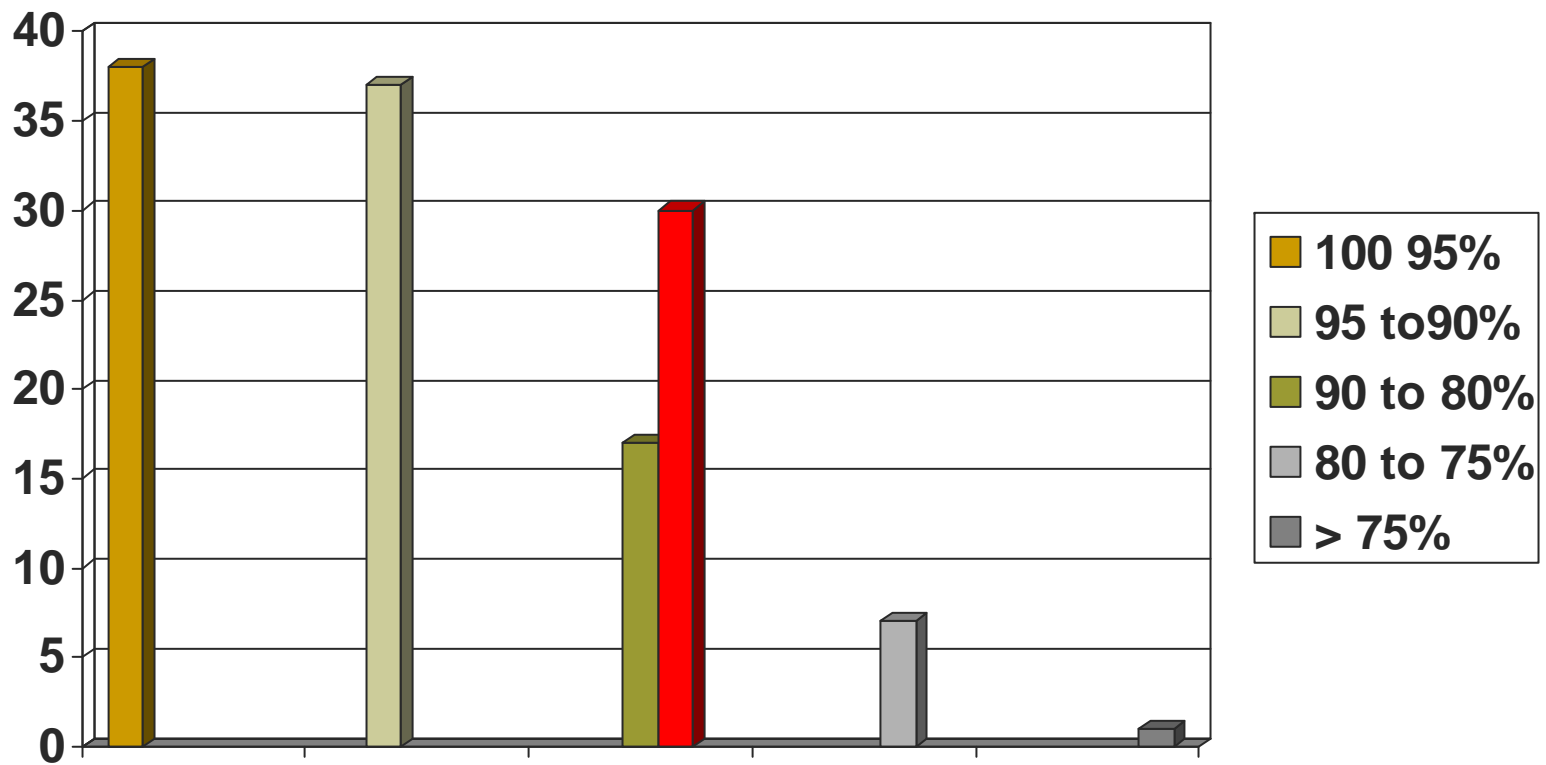
Change in Revenue '07 to '08



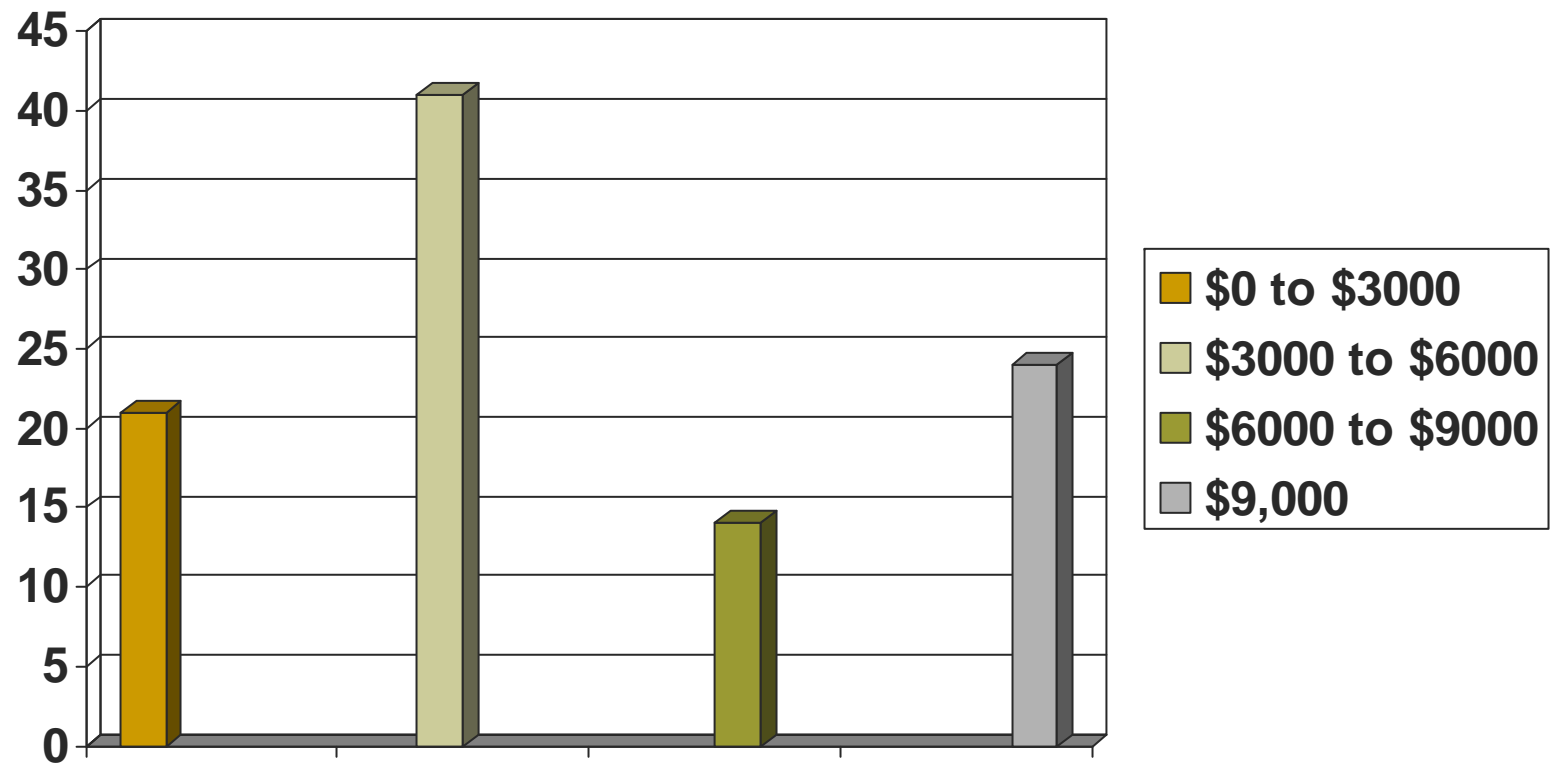
Growth in Customers in 2008



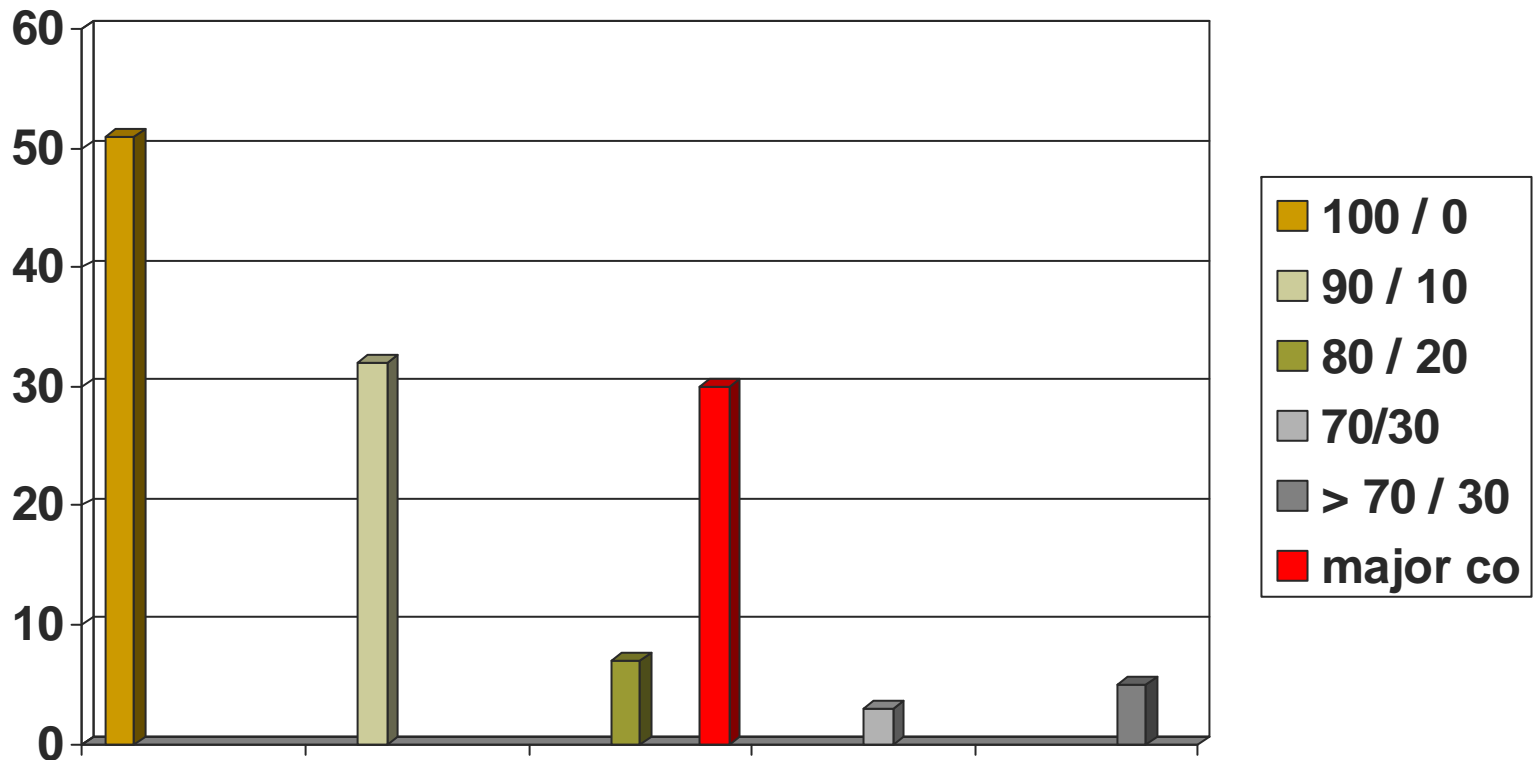
[Customer Retention Rate]



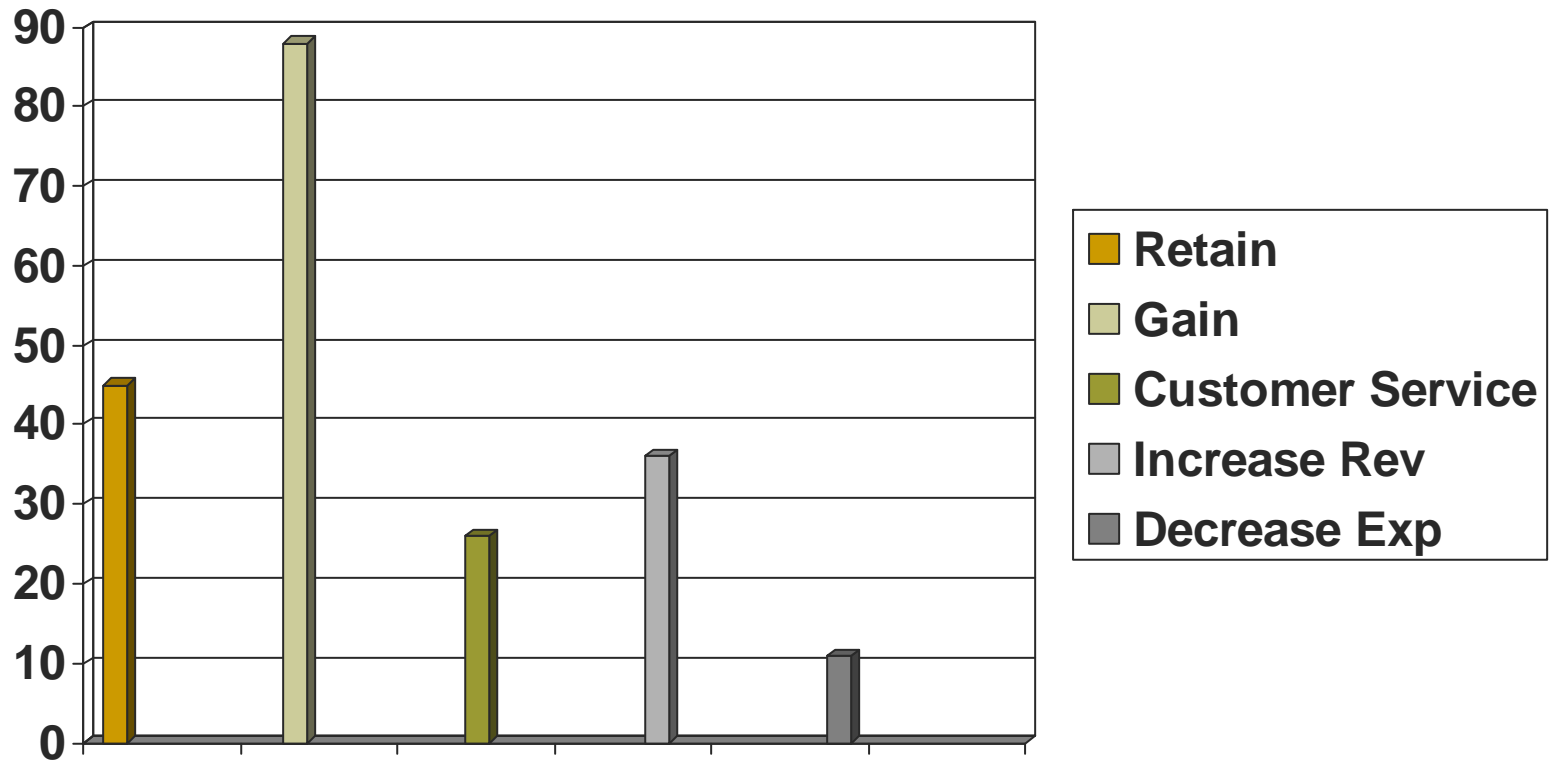
[Customer Deposits/Customer]



Revenue Segment Distribution Payroll / Benefits & Retirement



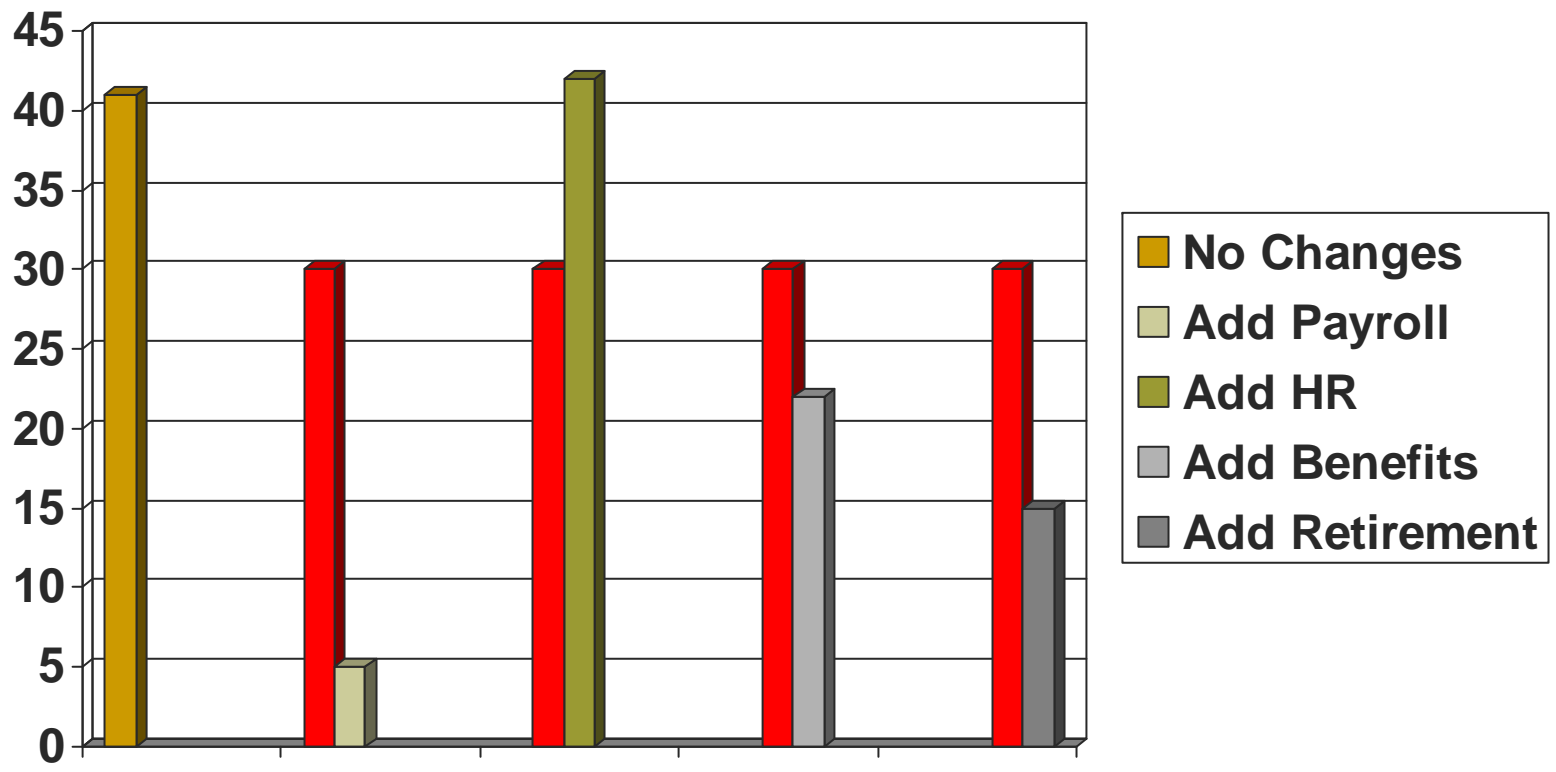
Primary Marketing Focus



Major Payroll Company Outlook for 2009

	Range
■ Payroll Service Rev	7% to 8%
■ H R Service Rev	19% to 22%
■ Total Service Rev	9 % to 11%
■ Interest Cust Funds	-30% to -25%
■ Total Revenue	7% to 9%

Planning to Add Services



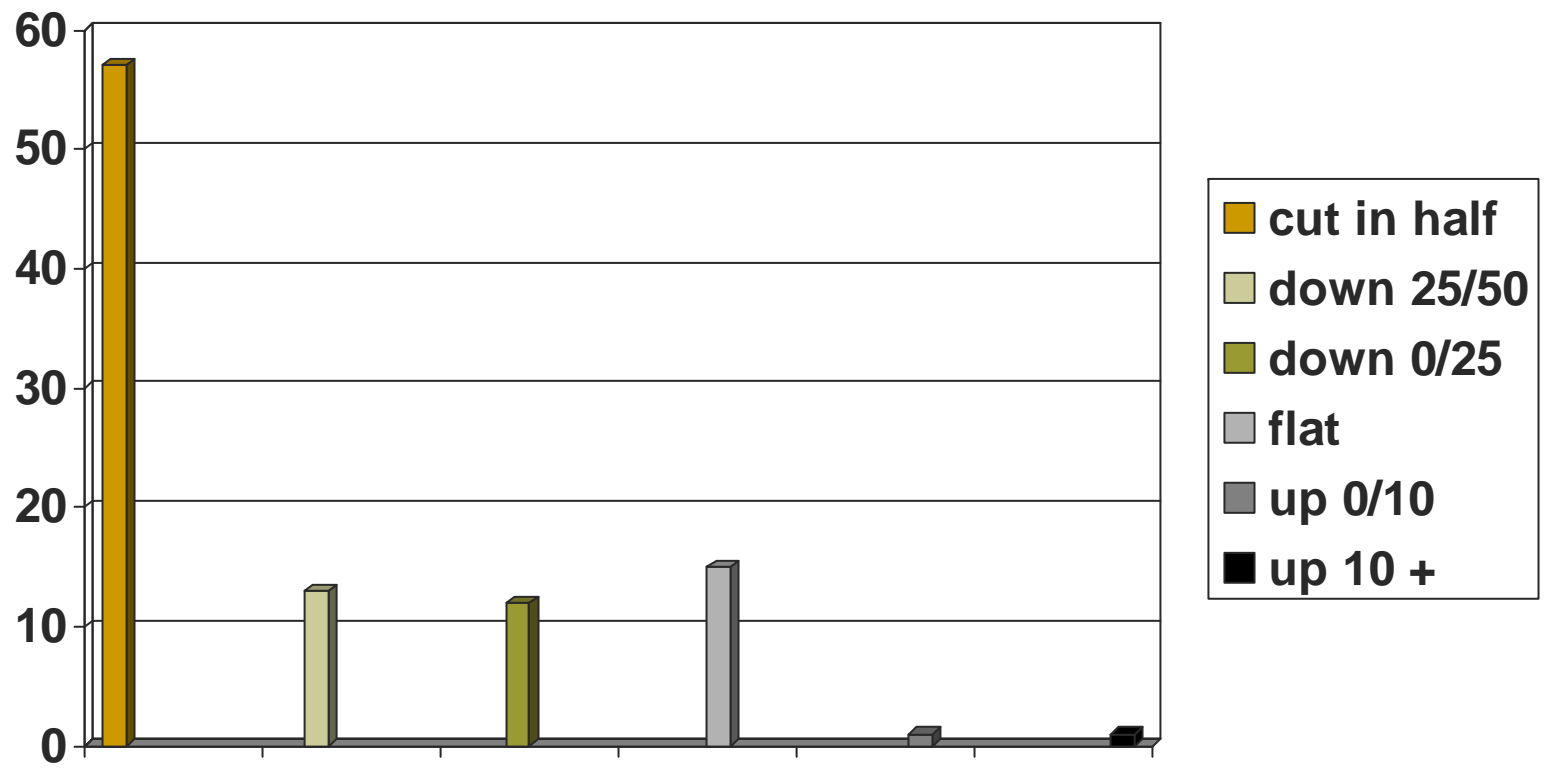
Adding HR Services/Provider

- Employee Self Serve
 - Operating Systems Provider
- HR Support Center
 - HRanswerlink
- HR Forms, Policies, Job Descriptions
 - HRanswerlink
- Legal & Regulatory
 - Local Attorneys
- Employee Handbooks
 - HRanswerlink
- HR Best Practices
 - HRanswerlink

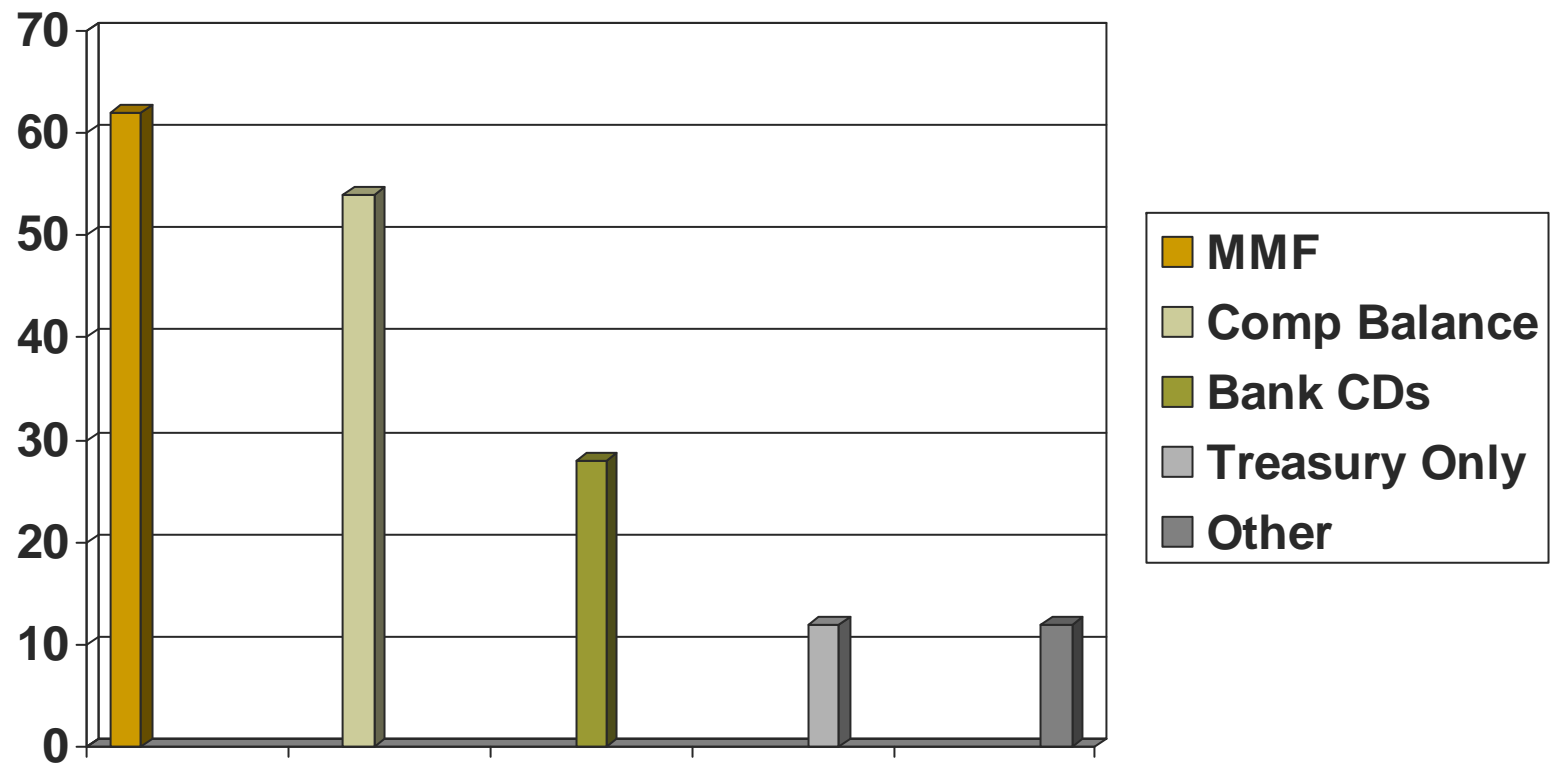
Adding Benefits & Retirement

- Workers' Comp
 - Hartford INTEGO
- COBRA
 - Advance Benefits Management, Infinisource, eFlex
- Healthcare
 - Local Brokers
- Life
 - AFLAC
- AD&D
 - AFLAC
- 401(k)
 - OnLine 401(k) Expert Plan

[Change in Interest Income]



[Investment Vehicles]



Investment Vehicles

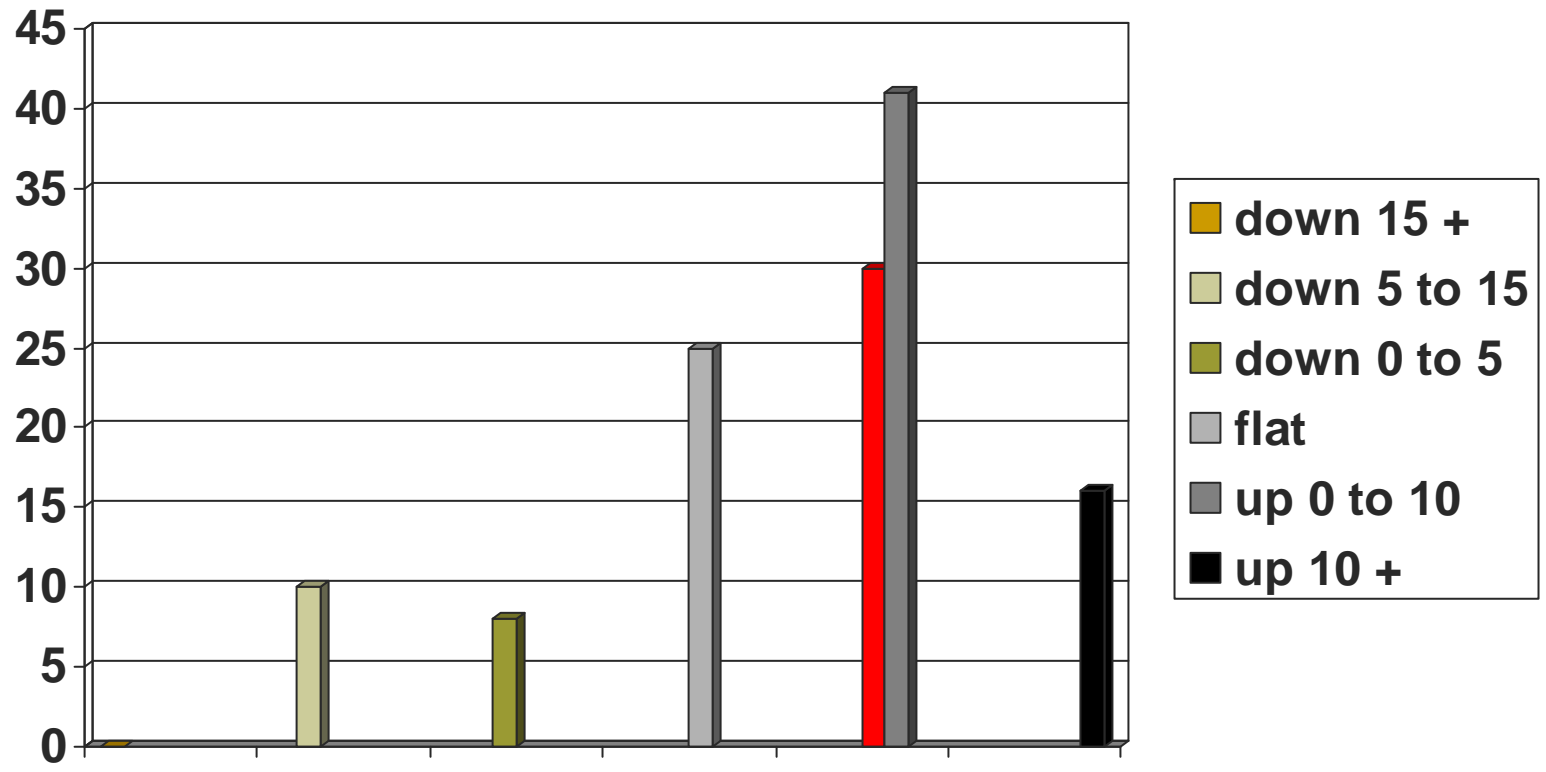
■ Other Vehicles

- AAA Bonds (must mean Investment Grade)
- Muni Bonds (stick to top rate, none with any insurance since insurance was largely worthless)
- Large Cap Equities (inappropriate)
- Repos with Our Bank (counterparty risk)

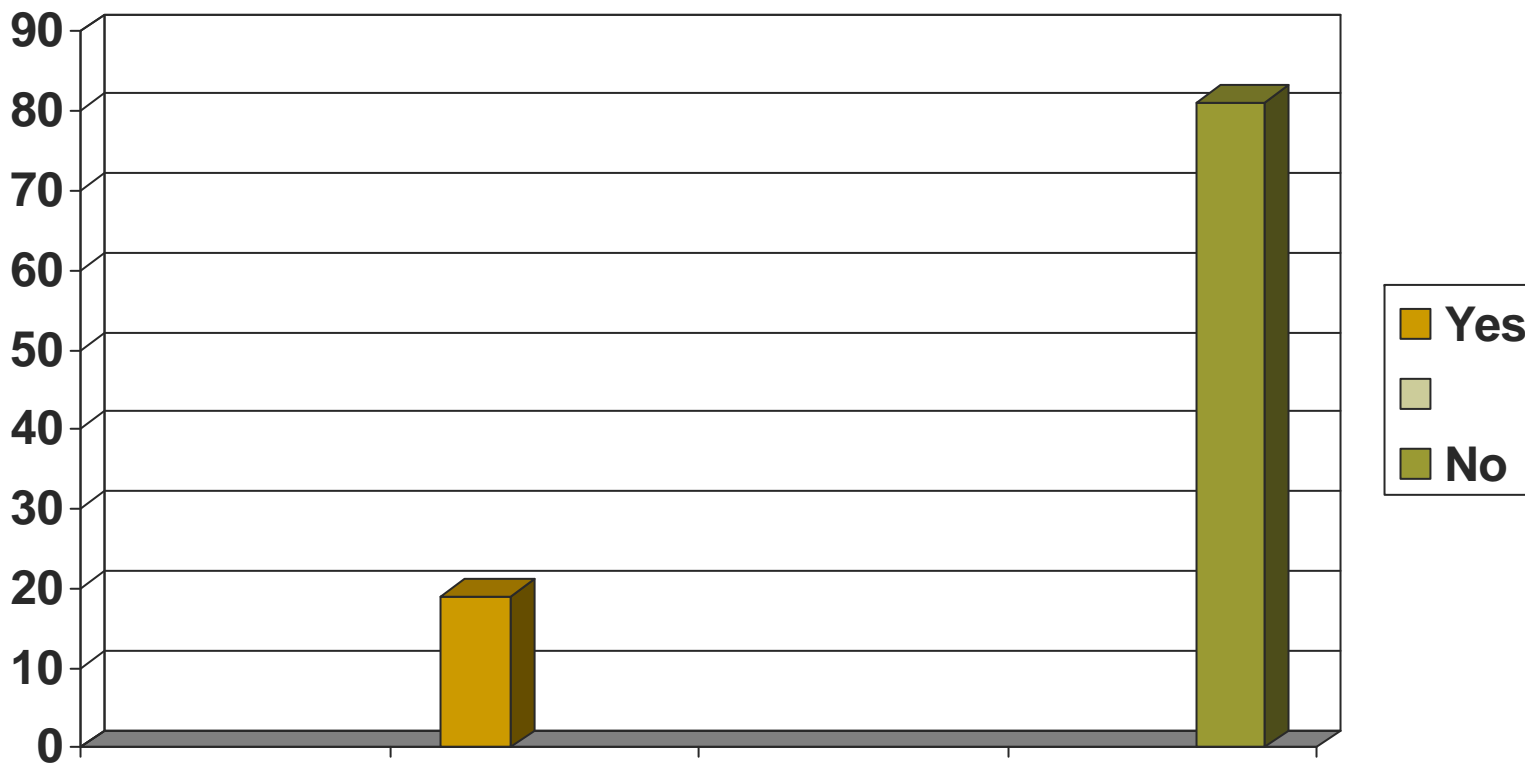
Investment Vehicles

- Investment Considerations
 - Stand Alone Asset Quality (cash flows)
 - Complexity
 - Liquidity
 - Maturity and Duration
 - Concentration Risk
 - Rating

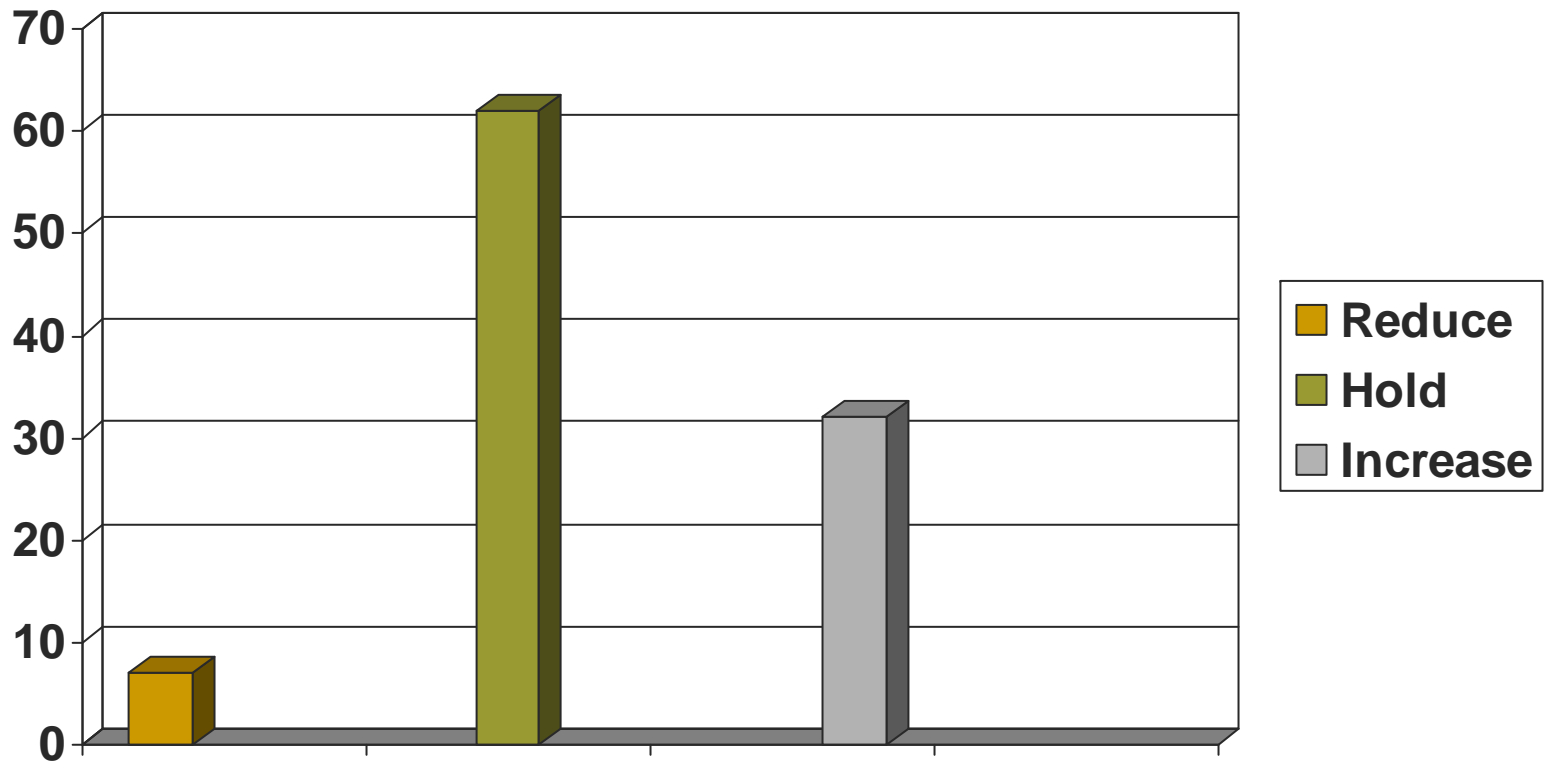
[Managing Costs]



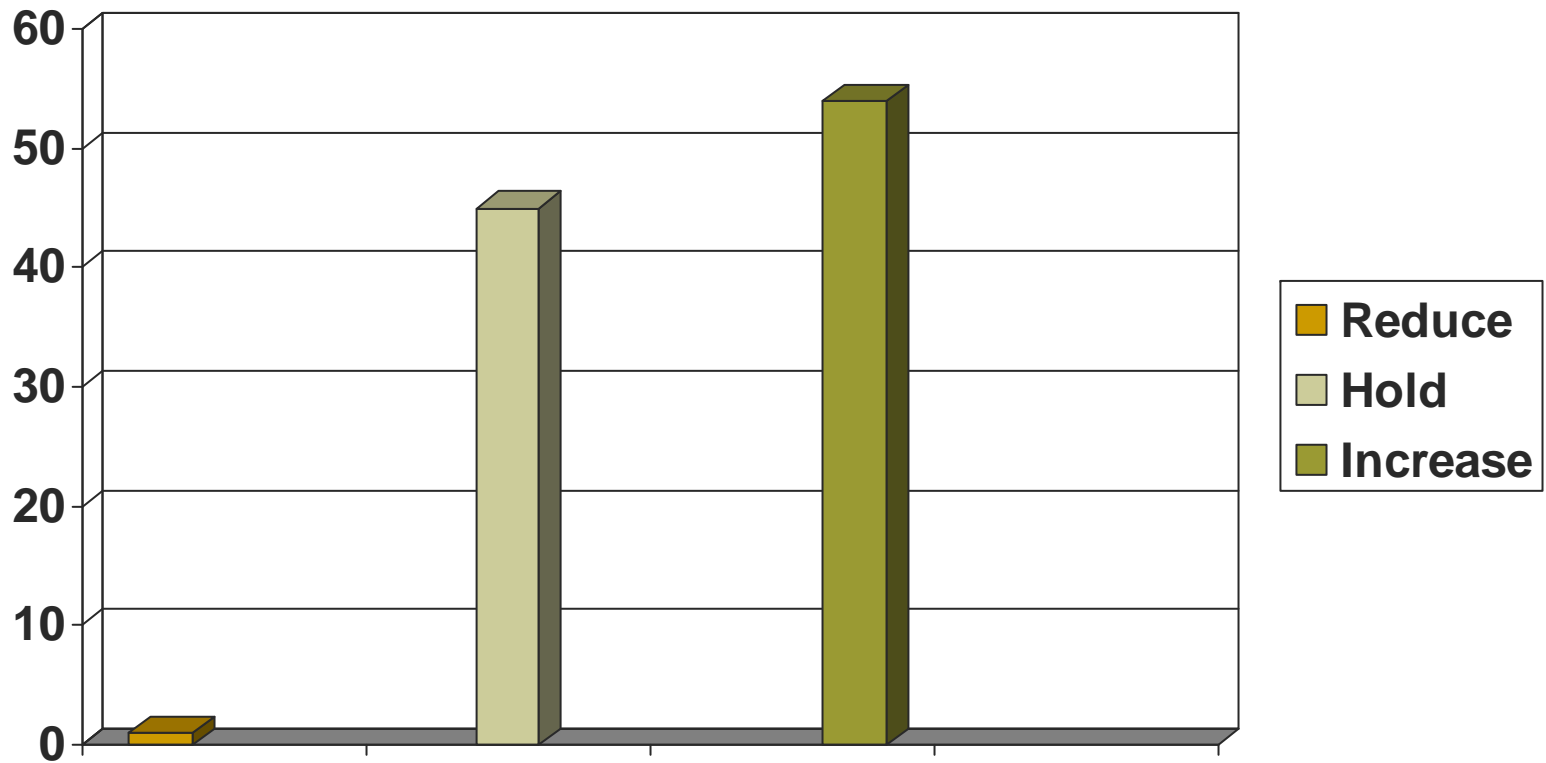
Reduced Non-Sales Staff Last Year



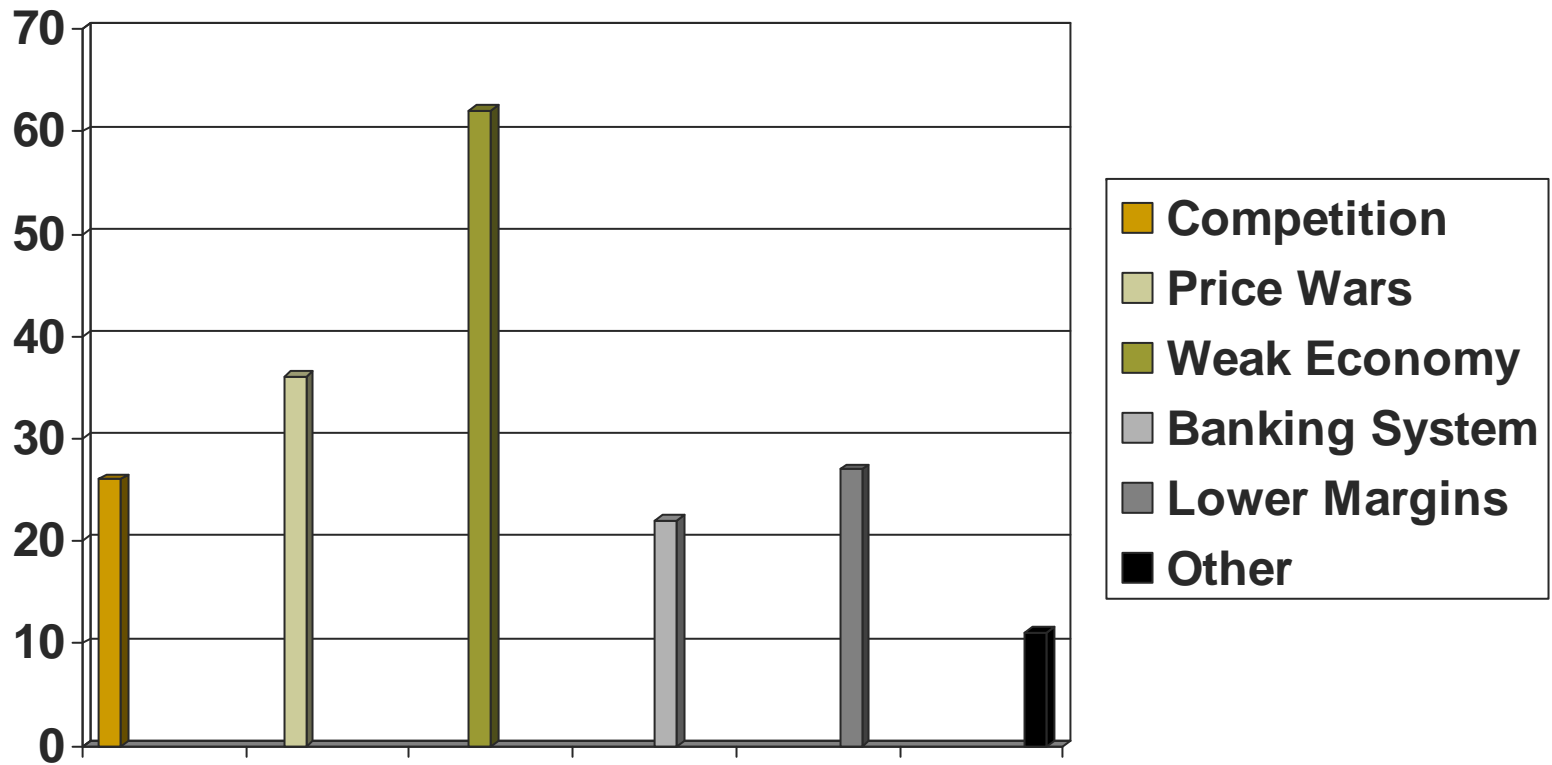
Plan for Non-Sales Staff This Year



[Plans for Sales Staff]



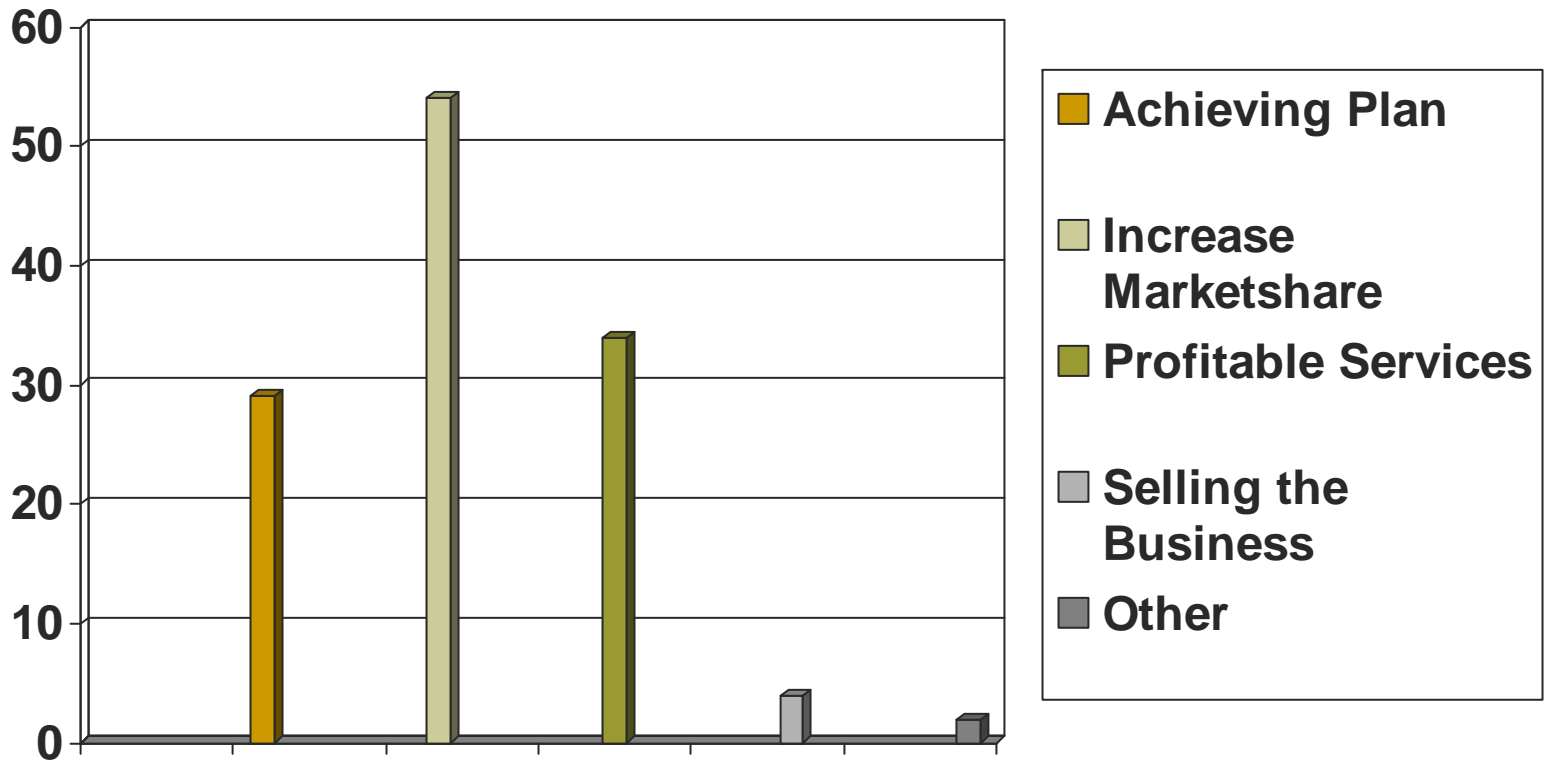
Greatest Risks -- Bureaus



Greatest Risks – General

- Consumer Demand
- Credit Markets/Interest Rates
- Ability to Forecast Results
- Maintaining Morale
- Balance Sheet Weakness
- Data Security

[Greatest Opportunity]



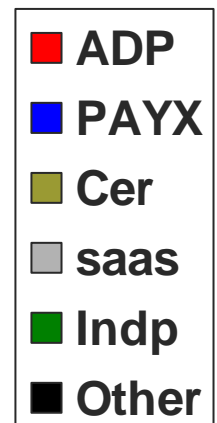
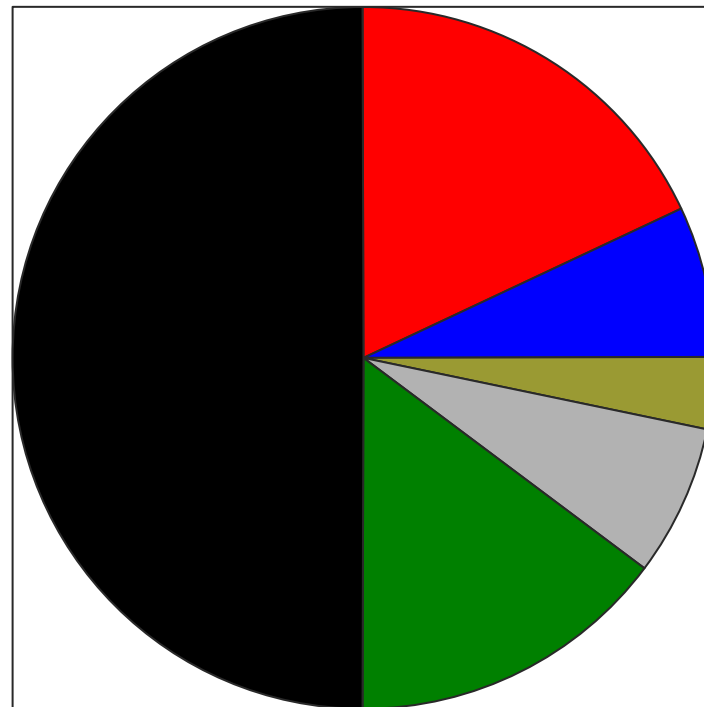
[Choose to Thrive]

- The Market/Environment
- The Risks
- The Opportunities

[The Market / Environment]

- Payroll recovery is a late cycle event
 - Policy Driven Low Interest Rates
 - Unemployment
- Small Business Sector: Best
 - \$30 to \$33 B market for payroll services

[Payroll Market Share]



[The Market / Environment]

- Current Market
 - Unstable Markets
 - Pricing Pressure
 - Pressure to Retain Customers and Sell New Accounts
- What to Watch for
 - Health of Small Business
 - Improved Margins
 - Access to Credit

[The Risks in this Environment]

- To You
 - Lack of Cost Controls
 - Customer Credit Risk
 - Investment Risk
- To Your Customers
 - Loss of Revenues
 - Loss of Access to Credit

[The Opportunities]

- Survivors Get Market Share
- Market for HR Services, Benefits Administration, and Retirement Services Administration is as large as the market for payroll services.
- Goal in this next business cycle: 2x your revenue from your current customer base.

[The Opportunities]

- Where to start
 - Workers' Compensation
 - Health Care
 - Retirement Administration

[The Opportunities]

- Develop a consulting capacity
- Get licensed
- Build Relationships
 - How you get paid
 - Marketing Fees
 - Brokerage Fees
 - Underwriting Fees

[The Opportunities]

- No Free Lunch
 - The Risks
 - Lack of Focus
 - Lack of Expertise
 - Fraud
 - Get Big or Get Out
 - Fierce Competition
 - Payroll Leads or Payroll is given away

[The Opportunities]

- You have the customer relationships
- You have the data
- You have the payment system knowledge



Choose to Thrive

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