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Paylocity Joins Prestigious “Inc. 500” List

Elk Grove Village, Illinois – October 7, 2003 – Steve Sarowitz, president and founder of Paylocity Corporation, is in good company. Like Microsoft's Bill Gates, Oracle's Larry Ellison, and Morningstar's Joe Manueto before him, he is now the founder and president of an Inc. 500 company.

The Inc. 500 is an elite group of America's fastest-growing private companies. In just over five years, Paylocity has grown from a home-based business to America's largest independent payroll service, with 60 employees and nearly \$6,000,000 in revenues.

Paylocity provides payroll processing services for employers, including corporations, municipalities, associations, and not-for-profits. Paylocity not only produces those all-important paychecks and direct deposits, but also helps employers integrate payroll with their general ledger, retirement and benefit plans. It provides custom reports for employers and provides a complete tax filing service on their behalf.

Paylocity now has 1,400 clients, including over 1,000 he has lured away from industry giants. What's the secret of their success?

“It's two-fold,” says Sarowitz. “We blend state-of-the-art technology with good old-fashioned service. And our prices are generally 25% lower than our national competitors.”

Although Paylocity already utilizes the most advanced payroll system available, Sarowitz—a firm believer of plowing profits back into the business—is investing millions of dollars in the development of new web-based payroll and human resource software.

And because poor customer service is his nemesis, Sarowitz has gone great lengths to insure his service is top-notch. When a customer calls, they are invariably greeted by a live person—not a recording. While competitors of similar size may allocate a single person to tech support, Paylocity boasts a highly trained, six-person team.

“Sometimes, our national competitors maximize stock prices at the expense of their clients. And their service is generally impersonal—that's unacceptable.” Smaller competitors, on the other hand, don't have our infrastructure and financial stability. They also often lack technical capabilities in areas such as writing custom interfaces and reports.”

Sarowitz recently created a dedicated Small Business Division...and quickly gained an additional 200 clients.

“We realized our small clients do things differently. While big companies transfer payrolls by computer, small ones would rather phone or fax us. So we set up a unit just for them.”

In addition, because Paylocity collects and pays quarterly taxes on behalf of corporate clients, Sarowitz has developed a meticulous, proprietary system for managing their multi-million dollar tax fund.

“Some independent payroll providers are shockingly casual about their tax funds and don't balance their accounts regularly. Working with our bank, we developed software that balances our fund to the penny, every single day.”

The energetic entrepreneur—who is 37 and 6' 6"—is a fast mover in many ways. A passionate runner, Sarowitz is ranked 2nd in his Chicago Area Runners' Association Clydesdale Division. And he's a veteran short order cook, at least when it comes to Chinese food.

While working by day as a sales manager for another payroll service early in his career, he owned and ran a Chinese food delivery restaurant, Ying Yang's Orient Express in Evanston for three years.

After achieving rapid success as an employee at three different payroll services, his accountant advised Sarowitz to stop making money for others...and start his own business. Thus, in 1997, Paylocity was born in his home's basement.

Sarowitz asserts that trust is key to any organization. As a result, he has hired several close friends and also employs his mother-in-law. His wife also worked at Paylocity, but now holds another very big job—that of mom to eight-month old twins.

Sarowitz believes in treating his employees well. He awards ongoing bonuses, sponsors social events, and provides extensive in-house training.

The office dress code and atmosphere are casual and that's just fine with Sarowitz.

"But don't let the casual atmosphere fool you," says Sarowitz, "We have very high standards."

No wonder Paylocity was named the 2003 Service Bureau of the Year by the Independent Payroll Providers Association (IPPA), and has a client list that includes the Lincoln Park Zoo, Bob Chinn's, The Salvation Army, Lou Malnati's, Greater Chicagoland Food Depository, and the Illinois CPA Society.

Paylocity currently processes over 250,000 checks per month, a number that is constantly increasing. Sarowitz is expanding Paylocity to a regional operation and recently opened a Milwaukee office in September.

"The way I see it," he says, "We have one of the most important jobs around—we make sure people get their paychecks."