

Zenefits / ZenPayroll

July 7, 2015

What's the problem?

- **Human resources** in the United States is hard
- **Compliance** with laws and regulations is incredibly complicated

What exactly
does this mean?

Health Care Benefits

- In the United States, most health care is processed through private corporations
- Companies offer a set of insurance options to employees
 - Includes health, vision, and dental benefits

Labor Classification

- Two types of employees in the US – salaried (exempt) and hourly
 - If hourly, overtime needs to be tracked
 - Interns have different rules than others

Immigration

- Every foreign worker needs visa processing
 - Proof that jobs are not being eliminated
- 14 forms need to be filled

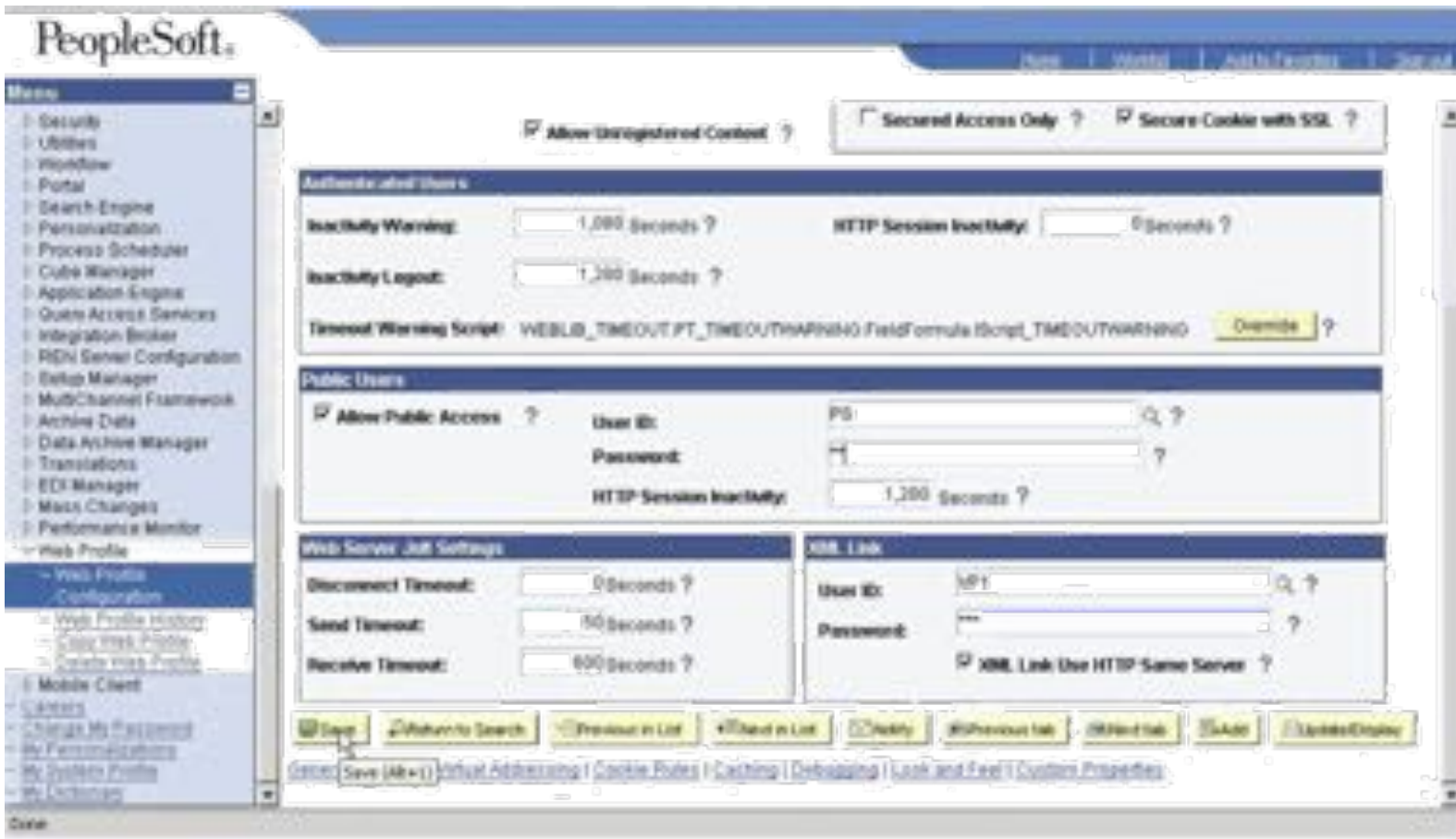
Taxes

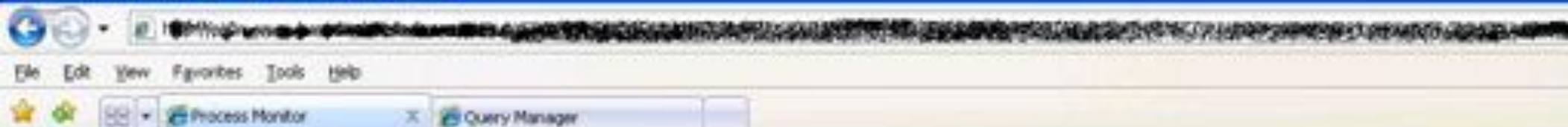
- **Tax withholding:** part of the salary is saved to be used for income taxes at the end of the year
- Company needs to send a summary of all taxes (known as a W2 form) at the end of the year
- Company needs to collect information from employees using a W9 form

Plus many more

Existing solutions are
terrible

Peoplesoft





ORACLE

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Menu

- Process Scheduler
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Process List Server List

View Processes Running For

User ID: Type: Last: Days
 Server: Name: Instance: to
 Run Status: Distribution Status: Save On Refresh

Process List

Customize | Find | View 100 | First 1-50 of 145 Last

Select	Instance	Seq.	Process Type	Process Name	User	Run Date/Time	Run Status	Distribution Status	Details
<input type="checkbox"/>	50735312		Application Engine	XX_RPT_40	Tidal_Admin	13/07/2011 07:15:11 BST	Processing	N/A	Details
<input type="checkbox"/>	50735309		PSJob	XX_PWP	Tidal_Admin	13/07/2011 07:13:25 BST	Processing	N/A	Details
<input type="checkbox"/>	50735308		Application Engine	XX_AR_BI_TXN	Tidal_Admin	13/07/2011 08:57:59 BST	Success	Posted	Details
<input type="checkbox"/>	50735307		SQL Report	XXBI001	Tidal_Admin	13/07/2011 08:57:47 BST	Processing	N/A	Details
<input type="checkbox"/>	50735305		Application Engine	XX_CUST_CRD	Tidal_Admin	13/07/2011 08:52:34 BST	Success	Posted	Details
<input type="checkbox"/>	50735303		Application Engine	PSQUERY	Tidal_Admin	13/07/2011 08:50:40 BST	Success	Posted	Details
<input type="checkbox"/>	50735302		Application Engine	XX_CUST_ORP	Tidal_Admin	13/07/2011 08:50:32 BST	Success	Posted	Details
<input type="checkbox"/>	50735301		Application Engine	XX_RPT_40	Tidal_Admin	13/07/2011 08:50:32 BST	Success	Posted	Details
<input type="checkbox"/>	50735300		Application Engine	XX_PERM_BILL	Tidal_Admin	13/07/2011 08:50:32 BST	Processing	N/A	Details

	Component License Price	Software Update License & Support	License Metric	Minimum
Human Capital Management (HCM)				
Absence Management	52	11.44	Employee	All Employees
Benefits Administration	85	18.70	Employee	All Employees
Directory Interface	12	2.64	Employee	All Employees
eCompensation	35	7.70	Employee	All Employees
ePerformance	105	23.10	Employee	All Employees
Human Resources	185	40.70	Employee	All Employees
In-Memory Labor Rules and Monitoring	30	6.60	Employee	All Employees
Payroll	225	49.50	Employee	All Employees
Payroll Interface	70	15.40	Employee	All Employees
Pension Administration	85	18.70	Employee	All Employees
Recruiting Solutions	75	16.50	Employee	All Employees
Succession Planning	70	15.40	Employee	All Employees
Time and Labor	110	24.20	Employee	All Employees
Enterprise Learning Management				
Enterprise Learning Management	105	23.10	Employee	All Employees
Campus Solutions				
Gradebook	12	2.64	FTE Student	All Students
Campus Self Service	42	9.24	FTE Student	All Students
Contributor Relations	1,350	297.00	Application User	5
Student Administration	185	40.70	FTE Student	All Students
Student Administration Integration Pack	6	1.32	FTE Student	All Students
Portals				
Interaction Hub	500	110.00	Application User	5
PeopleTools				
PeopleTools-Enterprise Development	1,150	253.00	Application User	5
PeopleTools-Enterprise Development Starter Kit	260	57.20	Application User	5

TriNet

A TriNet Company

Overview Expenses Time Receipts Reports Accounts Analytics Settings

Report Reconcile

Reconciliation compares approved reports to data downloaded from your credit card statement.

Want to Import Payment Transactions?

[VIEW MATCHED EXPENSES](#) [FINALIZE](#)

APPROVED EXPENSES

Date Range: to

Employee:

<input type="checkbox"/>	Date	Expense Name	Amount
<input type="checkbox"/>	May 14 13	mile	9.72 USD
<input type="checkbox"/>	May 13 13	CHEVRON LINCOLN PETRSANTA...	52.38 USD
<input type="checkbox"/>	May 13 13	PHARMACA INTEGRATIVEPACIFL...	33.97 USD
<input type="checkbox"/>	May 13 13	UNION 76 10096376 PACIFIC PAL	28.33 USD
<input type="checkbox"/>	Apr 24 13	mile	15.01 USD
<input type="checkbox"/>	Apr 23 13	X Bakery K Bakery Los Angeles	59.00 USD
<input type="checkbox"/>	Apr 17 13	mile	15.25 USD

CREDIT CARD TRANSACTIONS

File Name:

Card Holder:

<input type="checkbox"/>	Date	Transaction Name	Amount
<input type="checkbox"/>	May 01 13	Mamott	543.00
<input type="checkbox"/>	May 01 13	SouthWest Air	198.00

HR Stock Financials

Direct Competitor Comparison					
	TNET	ADP	NSP	PAYX	Industry
Market Cap:	1.80B	37.95B	1.33B	17.50B	556.55M
Employees:	2,057	61,000	2,300	13,100	1.07K
Qtrly Rev Growth (yoy):	0.23	0.07	0.10	0.08	0.14
Revenue (ttm):	2.31B	12.79B	2.42B	2.69B	219.07M
Gross Margin (ttm):	0.17	0.43	0.18	0.70	0.37
EBITDA (ttm):	165.87M	2.74B	85.24M	1.14B	19.65M
Operating Margin (ttm):	0.04	0.19	0.03	0.38	0.07
Net Income (ttm):	28.61M	1.61B	30.15M	659.60M	N/A
EPS (ttm):	0.40	2.94	1.22	1.81	0.09
P/E (ttm):	64.53	27.54	42.79	26.61	26.19
PEG (5 yr expected):	0.82	2.65	1.58	2.49	1.35
P/S (ttm):	0.78	2.97	0.54	6.44	2.62

TriNet

ADP

Insperity

Paychex

Summary of Problems

- Expensive solutions
- Bad design
- Inflexible pricing
- Lack of scaling
- General customer unhappiness

Two Solutions

Zenefits



Funding Received

\$583.6 Million in **4 Rounds** from **26 Investors**

Most Recent Funding

\$500 Million Series C on **May 6, 2015**

Headquarters: **San Francisco, CA**

Description: **Manage all your HR—payroll, benefits, compliance, and more—online, in one beautiful dashboard. For free!**

Founders: **Parker Conrad, Laks Srin**

Categories: **Health and Insurance, Human Resources, Enterprise Software**

Website: **<http://www.zenefits.com>**

UPDATE ▾



Company Details

UPDATE 

Founded: 2013
Contact: support@zenefits.com
Employees: 11 - 50 | [5 in CrunchBase](#)

Manage all your HR—payroll, benefits, compliance, and more—online, in one beautiful dashboard.

Seamlessly connect your company's payroll, health insurance, paid time off, and other HR systems with Zenefits in just a few seconds without having to change vendors, plans, or pricing. And if your business doesn't have these things yet, Zenefits can give you quotes and set you up in just a couple of minutes.

See how 10,000+ companies better manage 100,000+ employees with Zenefits:
<http://www.zenefits.com>

[See More](#)

Zenefits Video

<https://www.youtube.com/watch?v=E-0EpztLz0c>

Founder: Parker Conrad

- Multi-time Entrepreneur
 - SigFig
 - Wikinvest
- Bachelor's Degree from Harvard in Chemistry



[Upload Logo](#)**zenefits test**San Francisco, CA 94114
234567890**Settings** [Employees](#) [Company Info](#)**Manage HR****Payroll**[ADD EMPLOYEES](#)**Hire & Terminate**[SEE EMPLOYEES](#)**Manage Benefits****Medical**[ADD EMPLOYEES](#)[SEE EMPLOYEES](#)**Dental**

Available after you add or buy Medical.

**Vision**

Available after you add or buy Medical.

**401(k) Plans (BETA)**[ADD EMPLOYEES](#)

Want to talk? 1-888-249-3263

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[Personal Info](#)[Employment Info](#)[Bank & Tax Info](#)[Documents/W-4/I-9](#)[Emergency Contacts](#)

Doe, Jane Full Time, Salaried

Documents		EDIT DETAILS
Offer Letter	View & Download	
IP Assignment	View & Download	
Employee Handbook	View & Download	
I-9	View & Download	
W-4	View & Download	
Options Agreement	View & Download	
Laptop Serial #	222111330444	
License #	H12345T	
Employee #	99	

PTO Tracking •

- ✓ Setup Policy
- ✓ Import Existing Data
- **Setup Holiday Calendar**

Setup Your PTO Holiday Calendar

Employee PTO hours will not be deducted on the company holidays listed below. Private companies are not required to close for holidays. In addition, if the company closes for a holiday, they are not required to pay workers holiday pay for working on a holiday. However, companies may have policies that provide for holiday pay or paid time off.

Calendar 2013 • + ADD HOLIDAY		
Holiday Name	Date	Type
New Year Edit • Remove	01/01/2013	Federal
Martin Luther King, Jr. Day and Inauguration Day Edit • Remove	01/21/2013	Federal
George Washington's Birthday Edit • Remove	02/18/2013	Federal
Memorial Day Edit • Remove	05/27/2013	Federal
Independence Day Edit • Remove	07/04/2013	Federal

Key Trend

Rise in **high-growth middle-sized**
companies (30-1000 employees)

ZenPayroll



Funding Received

\$86.1 Million in 4 Rounds from **35 Investors**

Most Recent Funding

\$60 Million Series B on April 6, 2015

Headquarters: [San Francisco, CA](#)

Description: ZenPayroll is a comprehensive payroll service enabling businesses to set up and run payroll from any web enabled device.

Founders: [Edward Kim](#), [Tomer London](#), [Joshua Reeves](#)

Categories: [Personal Finance](#), [Financial Services](#), [Software](#)

Website: <http://www.zenpayroll.com>

UPDATE



Company Details

UPDATE 

Founded: 2011
Contact: hello@zenpayroll.com | (800) 936-0383
Employees: 101 - 250 | [6 in CrunchBase](#)

ZenPayroll is Delightful, Modern Payroll. Their comprehensive payroll service enables businesses to set up and run payroll in minutes, from any web enabled device. All government payroll taxes and reporting are taken care of automatically and paperlessly. ZenPayroll has processed millions of dollars in payroll and their customers span a wide variety of businesses, from flower shops to technology start-ups.

ZenPayroll's mission is to make payroll as simple and intuitive as possible using the principles and tools of modern software. The payroll market today is filled with unnecessary layers of complexity, manual tasks and numerous fees. ZenPayroll was built to fix this.

ZenPayroll was founded by entrepreneurs from Stanford University and they are proudly based in San Francisco, CA.

[See More](#)

ZenPayroll Video

<https://help.zenpayroll.com/customer/portal/articles/1479406-zenpayroll-demo>



run payroll

03/16/2014 - 04/01/2014

adjust salaries

vacation & sick days

write checks

finish & review

- dashboard
- run payroll**
- pay contractors
- employees
- contractors
- payroll history
- company
- locations
- benefits
- forms
- settings

Please complete this payroll by **03/25/2014**. Your employees will be paid on 04/01/2014.

Employees (4)	Regular Hours (RH) Overtime (OT/DOT)	Additional Earnings	Gross Pay (GP) Reimbursement (R) Payment Method
Brinson, David Salaried Employee \$104,000.00/yr	86.67 hrs	Add Bonus Add Commission Additional Earnings	\$4,333.33 Add Reimbursement Direct Deposit Check
O'Grady, Carrie Salaried Employee \$87,360.00/yr	86.67 hrs	<input type="text" value="B"/> <input type="text" value="500"/> Add Commission Additional Earnings	\$4,140.00 <input type="text" value="R"/> <input type="text" value="87.43"/> Direct Deposit Check
Strauss, Michael Hourly Employee \$25.00/hr	<input type="text" value="RH"/> <input type="text" value="20.0 hr"/> Add Overtime	Add Bonus Add Commission Additional Earnings	\$500.00 Add Reimbursement Check Check
White, Jessie Hourly Employee \$40.00/hr	<input type="text" value="RH"/> <input type="text" value="40.0 hr"/> <input type="text" value="OT"/> <input type="text" value="10.0 hr"/> <input type="text" value="DOT"/> <input type="text" value="0.0 hr"/>	Add Bonus Add Commission <input type="text" value="AE"/> <input type="text" value="246.00"/>	\$2,996.00 Add Reimbursement Direct Deposit Check

Save Data & Complete Payroll Later

Founders



Joshua Reeves

- Strategy, Context
Optional
- Co-Founder, unwrap
- Product Manager,
Zazzle
- Stanford B.S., M.S.
Electrical Engineering

Founders



Edward Kim

- Co-founder Picwing (YCombinator)
- Engineer, Volkswagen
- Stanford B.S., M.S. Electrical Engineering


zenpayroll earnings statement
company

Acme Corporation
 1234 Main St.
 Suite 2000
 San Francisco, CA 94107

employee

Jessie White
 800-80-1111
 3333 Milky Way
 San Francisco, CA 94107

pay period

May 3, 2013 - May 18, 2013
 Pay Date: Jan 30, 2013
 Check Amount: \$2,340.00

Employee Earnings


Description	Rate	Hours	Current	Year To Date
Regular Hours / Hourly	\$40.00	400	\$1,600.00	\$6,400.00
Bonus			\$0.00	\$0.00
Total Cash Earnings			\$1,600.00	\$6,400.00
Total Taxable Gross			\$1,600.00	\$6,400.00

Employee Taxes Withheld

Employee Tax	Current	Year To Date
Social Security	\$104.80	\$394.80
Medicare	\$46.40	\$171.80
Federal Income Tax	\$166.80	\$1,123.64
CA State Income Tax	\$106.00	\$392.74
CA SDI	\$32.00	\$64.00

Employer Taxes

Company Tax	Current	Year To Date
Social Security	\$104.80	\$394.80
Medicare	\$46.40	\$171.80
FUTA	\$38.40	\$156.80
CA SUI	\$108.80	\$317.40
CA EIT	\$1.00	\$4.40

dashboard details payslips giving forms 

"Households and individuals gave an average of 1.9% of their income after taxes in 2012."
- Giving USA Annual Report



Make The World A Better Place

Nothing feels better than helping others. Make charitable donations to causes you believe in, straight from your paycheck. Your contributions are 100% tax deductible, and are automatically tracked and reported. It's the easiest way to give.

[♥ Choose a Charity](#)[Manage My Donations](#)

Make payday more meaningful

Your employees have never been paid like this before. Paystubs now show more than just a few numbers and employees can make donations to their favorite charities.



EMAIL PAYSTUBS WITH EXPLANATIONS

A beautiful paystub shows employees exactly where their money is going. They will have a better understanding of what their paycheck means.



EASY CHARITABLE DONATIONS

ZenPayroll Giving lets employees contribute to nonprofit organizations directly from their paycheck. It's easy to donate once or on a recurring basis.



WEB & MOBILE ACCESS 24/7

Employees can easily access their paystubs from any device, anywhere, anytime.



Simple, monthly pricing

$$\begin{array}{c} \$25 \text{ BASE PRICE} + \$4 \text{ PER PERSON} \\ \text{PER MONTH} \end{array}$$

DRAG TO CALCULATE PRICE

1 person

\$25 base price
\$4/person x 1 person

Zenefits has grown
extraordinarily rapidly -
why?

Business Model

Zenefits is Free. Really. Free.

So how do we keep the lights on?

If you choose to manage your benefits through Zenefits, we get paid by the benefits providers—for example, your health insurance carrier. Your current benefits pricing isn't impacted in any way, shape, or form. Even if you choose not to add your benefits, Zenefits' core features are absolutely free to every employer.

Why are we the only free service in town?

Unlike PEOs, HR outsourcers, and HR software providers, our technology enables us to operate profitably on the revenue share paid to us by the benefits providers on our system, which allows us to keep Zenefits free for you! No hidden fees, contracts, or surprises.

Are there any contracts or agreements?

Nope! Because we don't rely on admin fees to be profitable, we're happy to work with you for as long as you like. With Zenefits, cancelling your account is as simple as clicking a button. (Not that you'd ever want to.)

Zenefits Model

- In the US, insurance agents get a commission for every dollar of health insurance they sell
- Zenefits becomes the insurance agent for the business, making revenue from your use of the product
- Far more lucrative for Zenefits, free for users

Zenefits Model

- **Intermediation Strategy** - sit in the middle of other platforms
- Owns the customer over the long period of time