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Acclaimed New Business Book Names Paychex a ``Breakthrough Company''

Author Keith McFarland celebrates how Paychex captured the small-business payroll market; book cites nine companies that went from startup to standout

ROCHESTER, N.Y.--(BUSINESS WIRE)--

Character builds great companies. For 30 years after its founding, Paychex Inc. did not place titles on employee business cards, and still today, only expectant mothers can use reserved parking spaces in Paychex parking lots. Factors such as these, says author Keith McFarland, show the humility and impartiality that enabled Paychex to grow from a startup in 1971, to a public company capitalized at nearly \$12 billion.

B. Thomas Golisano founded Paychex with \$3,000 and a credit card. Today, the leading payroll and human resource service provider has over 561,000 clients in more than 100 locations and produces nearly \$2 billion in annual revenues.

In his newly released book, *The Breakthrough Company: How Everyday Companies Become Extraordinary Performers*, McFarland discusses some of the key factors he says fueled the growth of Paychex, including:

- The calculation by founder Tom Golisano that the market needed a provider to offer payroll services for small businesses
- The encouragement of "insultants"--employees who frankly speak their minds to improve company policies and procedures
- Waiting until the company owned its market before diversifying into new services such as payroll tax collection, 401(k) administration, and human resource services.

To identify the companies featured in his book, McFarland built and analyzed the world's largest growth-company performance database, applying his metrics to all 7,000 companies that ever appeared on Inc. magazine's annual list of the 500 fastest-growing companies. During more than five years of research, he interviewed 1,500 executives, looking for the secrets that allow a company to go from startup to extraordinary success.

"Paychex is incredibly proud to be chosen as one of the nine role model companies featured in this book. If you just look at the numbers themselves, you have to be pleased to be singled out in this way," said Jonathan J. Judge, president and CEO of Paychex. "And the concept of the book is great because our economy, our country, and a lot of successful businesses grow by learning from others," Judge added. "So, the notion of learning from those who developed and built credible, sustainable companies is an excellent one."

Along with Paychex, the book also profiles ADTRAN Inc., Chico's, Express Personnel, Fastenal, Intuit, Polaris, SAS, and The Staubach Company.

"The nine breakthrough companies identified in our study are truly remarkable - growing revenues from an average of \$14 million to more than \$700 million, and generating profits double and triple industry averages," said Keith McFarland.

"Paychex stands out in my mind for its proven ability to drive both growth and profitability over the long term. Its 'secret sauce' appears to go way behind inspired leaders like Tom Golisano and Jon Judge. The place is filled with legions of driven, creative, and committed people - many just beginning their careers, excited about the future of Paychex."

The book may be purchased at major book retailers, as well as from online bookstores.

About Keith McFarland

At the age of 26, Keith R. McFarland was named associate dean of one of the nation's leading business schools. He went on to serve as CEO of two top technology firms prior to establishing McFarland Strategy Partners, where he has advised hundreds of growth companies, as well as industry leaders like Microsoft, Motorola, Morgan Stanley, Vans, House of Blues, Prudential, and the Los Alamos National Laboratory. He writes a monthly online column for BusinessWeek, and is a contributing writer for Inc. magazine.

About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of payroll, human resource, and benefits outsourcing solutions for small- to medium-sized businesses. The company offers comprehensive payroll services, including payroll processing, payroll tax administration, and employee pay services, including direct deposit, check signing, and Readychex(R). Human resource services include 401(k) plan recordkeeping, health insurance, workers' compensation administration, section 125 plans, a professional employer organization, time and attendance solutions, and other administrative services for business. Paychex was founded in 1971. With headquarters in Rochester, New York, the company has more than 100 offices and serves over 561,000 payroll clients nationwide. For more information about Paychex and our products, visit www.paychex.com.

Source: Paychex, Inc.