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ROI Case Study: Paycom at Delivery Service Partner

ROI: 205%

Payback: 1.6 Years

ANALYST

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The Bottom Line

A Delivery Service Partner (DSP) for Amazon achieved a 205% ROI and a 1.6-year payback period upon extending its existing Paycom deployment with the vendor's applicant tracking system (ATS), onboarding, WOTC and ACA compliance reporting tools. Having used Paycom for payroll and time and attendance since 2021, the organization relied on manual processes for other areas of HR, including onboarding and reporting. Upon expanding its Paycom footprint with the addition of targeted reporting capabilities and Paycom's ATS, the DSP was able to take advantage of features that drove time savings and broader overall data visibility. For example, the organization was able to eliminate time spent on manual standard preboarding and onboarding processes, saving more than 85 percent of dedicated HR time. Additionally, access to targeted reporting capabilities saved time spent on its annual HR audit by 88 percent, and access to overtime reporting led to incremental annual reductions of 40 percent and 79 percent in associated overtime costs.

The Company

This organization is a certified Delivery Service Partner (DSP) in the Amazon Delivery Service Partner Program. Headquartered in Florida, the organization was founded in 2021 and has about 70 employees. However, headcount fluctuates based on delivery demand. For example, the DSP onboards approximately five new delivery drivers per week during its off-season and 15 per week during its peak season, from November through December.

The organization, a DSP in the Amazon Delivery Service Partner Program, has a fluctuating workforce based on the seasonality of its business.

The Challenge

The organization implemented Paycom at the time of its founding in 2021, but was primarily using the single-database system for time and attendance and payroll. At that time, it had about 25 employees. Without an ATS or onboarding functionality in place, manually onboarding new delivery driver hires became cumbersome, especially as the company experienced organic growth and faced higher volumes of hiring during the holiday season. Onboarding was heavily reliant on email and Docusign, which was unstandardized and required manual tracking of materials needed from and completed by individual hires.

Without targeted reporting capabilities, the HR lead had to spend time manually tracking things like Applicable Large Employer (ALE) qualification for the Affordable Care Act (ACA) and gathering information for the organization's annual audit. Additionally, gaining visibility into Work Opportunity Tax Credits (WOTC) and overtime costs was virtually impossible. Facing these barriers during a period of growth for the organization, leadership sought to expand its use of Paycom to reduce point solution costs, gain better visibility, and enable its HR lead to re-allocate time spent on manual processes to other pressing tasks.

Using Paycom for payroll and time and attendance since its founding, the organization saw opportunities to expand the platform and drive further value.

The Strategy

The organization had other suitors prior to deciding to expand its Paycom deployment. For example, leadership had floated the idea of transitioning to another HCM platform that is popular with DSPs. However, the HR lead noted that the high-quality support that the organization receives from Paycom shut down any plans to switch. Additionally, another vendor offered its ATS platform at no cost. Ultimately, the centralization of data within Paycom's single database and the subsequent streamlining of recruiting and onboarding processes made the organization confident in its decision to remain within a single-vendor HCM ecosystem. The DSP went live with

Paycom's ATS, onboarding, WOTC, and ACA compliance reporting tools in 2023. The vendor supplied a representative to assist with the rollout, who was familiar with the organization's needs, having been part of the initial deployment in 2021. The organization has since further grown its Paycom footprint and is currently rolling out the vendor's performance management capabilities to its workforce in phases. Additionally, the HR lead joins the vendor's webinars to understand how to best utilize software enhancements.

Primary Benefits

The primary benefits of the organization's expansion of its Paycom deployment include HR time savings and benefits achieved through more targeted reporting capabilities, such as increased visibility into tax credits and employees approaching overtime for compliance.

HR Time Savings

Upon implementing Paycom's ATS and gaining access to onboarding functionality with the vendor, the organization was able to retire its Docusign subscription, which was used for new hires to digitally sign documents. Aside from eliminating a point solution, the organization's HR team has also saved more than 85 percent of the time previously spent onboarding new hires. That process typically involved identifying candidates through Indeed, interviewing, drafting an offer letter, sending it to the new hire via email, and distributing forms via Docusign. Information from the forms would then need to be manually keyed into the HRIS to set the employee up in Paycom. The HR lead noted that the manual-intensiveness of preboarding and onboarding required multiple stakeholders from HR, but can now be managed alone due to Paycom's automation of workflows.

Taking advantage of add-on capabilities that included ALE reporting alongside benefits administration and ACA tracking enabled the HR lead to eliminate time spent manually tracking the data to identify if the organization was considered an ALE employer each year. Previously, this required the HR lead to gather and enter information into a spreadsheet. Additionally, the newfound wealth of information within a unified platform saved time spent on the organization's annual DSP auditing process by 88 percent.

The organization continues to seek new ways to improve operations through Paycom, most recently rolling out the vendor's AI engine, IWant, for quick answers to questions about employee data without having to navigate into the software.

"One of the things I thought was really great are the types of webinars and resources [Paycom] has. They are great learning tools that help you utilize and take advantage of the product."

- HR Lead, DSP

Upon implementing Paycom, the DSP cut time spent onboarding new hires by an average of 85%. This process was previously extremely manual and involved multiple HR staff.

The annual DSP auditing process previously took 8 hours a day for 4-5 days and has been reduced by 88% through reporting capabilities in Paycom.

Improved Data Visibility

Beyond time savings, the addition of specific reporting capabilities also led to visibility that drove direct benefits. For example, the ability to track WOTC eligibility led to the identification and securing of thousands of dollars in federal tax credits. Additionally, the organization had not previously had the means to track when employees were approaching overtime. The availability of this information in Paycom enabled the HR lead to notify the scheduler when employees were approaching overtime so that adjustments could be made accordingly. This led to a 40 percent decrease in overtime between 2023 and 2024, and a 79 percent decrease from 2024 to 2025. Nucleus found this translated to savings of more than \$55,550 and \$66,620, respectively.

"[WOTC eligibility] is something that we weren't tracking whatsoever, so tracking that now, we can see the amounts we receive and where we can file for tax credits."

- HR Lead, DSP

Key Cost Areas

The primary costs of the DSP's Paycom expansion included the annual cost of the solution, a one-time implementation fee for the vendor's ATS, and ongoing time spent training new employees on the system and deploying updates.

Lessons Learned

This project highlights the value of scaling up an existing technology implementation to drive positive incremental ROI while maintaining vendor partnerships and avoiding additional point solution costs. In this case, because Paycom offers a broad range of functionality, the organization's approach of starting with foundational areas, such as payroll and time and attendance, before scaling up with additional capabilities ensured that there was sufficient bandwidth to properly introduce new features and ensure benefit realization.

"We can be identified as a company that likes to be more hands-on, but things like [GONE for automated time-off request decisions] are pretty cool. We would almost have to do nothing."

- HR Lead, DSP

The HR lead noted that, having worked with several different HCM solutions, Paycom is very streamlined and easy to use. Acknowledging that the organization's HR function is one that prefers to be more hands-on and keep many manual reconciliation processes in place, the automation that Paycom offers through tools and features like GONE for automated time-off request decisions and IWANT for quick answers on employee data can drive substantial benefits for organizations. Webinars and other learning resources were touted as great opportunities to lower the learning curve for HR and end-users alike.

Calculating the ROI

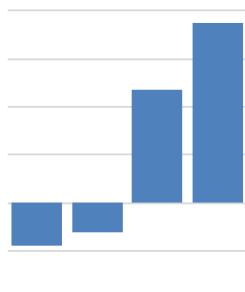
Nucleus Research calculated the costs of software, personnel, and training over a three-year period to quantify the organization's total investment in expanding its Paycom deployment. Direct benefits included the retired annual cost of DocuSign, newly identified tax credits, and reduced overtime. Indirect benefits include HR time savings on reporting, auditing, and onboarding processes. The indirect benefit is multiplied by a correction factor to account for the inefficient transfer of time between time saved and additional time spent working.

Detailed Analysis

Benefits	Pre-start	Year 1	Year 2	Year 3	Time to Value
Direct	0	3,480	62,657	73,728	19.7 Months
Indirect	0	4,557	4,557	4,557	
Total	0	8,037	67,214	78,284	

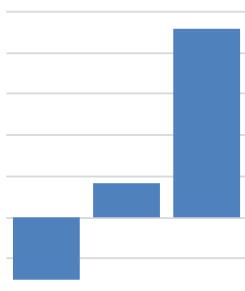
Costs	Pre-start	Year 1	Year 2	Year 3
Software	17,401	16,901	16,901	0
Hardware	0	0	0	0
Consulting	0	0	0	0
Personnel	350	584	584	584
Training	0	2,889	2,889	2,889
Other	0	0	0	0
Total	17,751	20,375	20,375	3,474

Net Cash Flows



Net Benefit	Pre-start	Year 1	Year 2	Year 3
Net	(17,751)	(12,338)	46,839	74,811
Cumulative	(17,751)	(30,089)	16,750	91,561

Cumulative Benefit



Financial Calculations

Annual ROI	205%
Payback (months)	19.7
Benefit to cost ratio	2.5 : 1
Net Present Value (NPV)	39,983
Average Annual Cost of Ownership	20,658
Average Annual Benefit	51,178
3-Year IRR	89%
Assumed cost of capital	7.0%

In the first three years the project returns 2.5 for every 1 invested.