



PAYMENTEVOLUTION

Payroll & Benefits | Mississauga, ON | Founded: 2008 | Employees: 22¹ | <https://www.paymentevolution.com>

PHONE: 1 647-776-7600

LINKEDIN: <https://www.linkedin.com/company/paymentevolution>

COMPANY OVERVIEW

PaymentEvolution provides payroll solutions to small to medium sized businesses using a SaaS model. Although small, PaymentEvolution has been around for ten years and has a seamless user experience. They pride themselves on the employee's experience and their use of cloud based technologies. Through their experience, they have been able to create meaningful relationships with benefit providers which is a competitive advantage.

SENIOR MANAGEMENT

Sam Vassa: Co-Founder, and CEO (2008-Present). Previously: Director - Global Alliances, Microsoft (1998-2009); Medic, Canadian Forces (1994-1999); Channel Sales, Digital Equipment (1996-1998). Education: BSc, (1995), BioChem, McMaster; MBA, (1983), The Wharton School at University of Pennsylvania.

Ameet Mehta: Co-Founder and Chief Technology Officer (2008-Present). Previously: IT Manager, Endless Communications Inc. (2000-Present); Director of Technology, Telecompute Integrated Systems Inc. (2005-2011); Education: University of Toronto.

Nirav Mehta: Chief Operations Officer (2008-Present). Previously: Vice President, Telecompute Integrated Systems Inc. (2001-Present); Director, Naida Corporation. (1999-Present).

HISTORY

Starting a business during one of our biggest financial crises in the history of the world is a tall task but Sam and Ameet managed to do it. The group started by getting small companies to get on board during the development stages. Once they had users, Ameet was able to lead the charge in the development of the software. Through feedback they grew the company and its software to become a real value add to their clients. One of their key goals when starting up was garnering fans that would allow them to gain a foothold in a company. With a seamless user experience they got people to care about what most think is a very trivial part of owning a business. As well they took advantage of the high employee churn rates their clients had because their previous users would promote the technology to new employers. Although they relied on early adopters to build the platform, featurism became an issue and they had to present these early customers with limitations on the work they would do. This lost them some business but allowed them to model their business in a sustainable manner that would allow for future growth with new clients.

FUNDING

There is no evidence of funding history for PaymentEvolution and employees refuse to answer the question. This leads me to believe they have self-funded and relied on customer payments to fund before growing large.

KEY CORPORATE DEVELOPMENTS

Press releases: <https://blog.paymentevolution.com/tag/news/>

May 17, 2016: [PaymentEvolution looks back on garnering 7000 clients](#)

Jan 31, 2017: [VersaBank and majority stakeholder and parent company PWC Capital Inc. complete merger](#)

Aug 6, 2016: [PaymentEvolution looks back on garnering 7000 clients](#)

Technology

The technology that this company uses is proprietary and unavailable to the public according to employees. They primarily rely on a native desktop application. They hold the use of cloud technologies in the highest regard and believe that it is the reason for their ability to gain market share. They also heavily rely on direct deposit which means they have connections with big banks.

¹ <https://www.linkedin.com/company/paymentevolution/>

BUSINESS HIGHLIGHTS

STRATEGY

PaymentEvolution's SaaS is an easy to use software in an industry that does not need much specification. They focus on small to mid-sized businesses, specifically financial institutions. As well they gear their values towards a great experience for both employers and employees using their unique payslip feature. The final advantage they possess is their history of working with benefits and providers.

Products / Pricing

The Paymentevolution software has two clients who are priced and marketed to using different techniques. These segments are then further distilled into groups based on volume. There are far too many features to say which offering has what, however there is a great graphic on the pricing page of the website to clarify that information. The important features are listed when relevant below.

- **Accountants:** The group who use the software to do payroll and adjacent services for their own clients.²
- **Regular:** 14\$ per client per month. Accountants can manage all their clients separately on this one software.
- **White Label:** this pricing is undisclosed and likely dependent on the usage. White label allows the clients to see that the accountant developed their payslips not PaymentEvolution. Also, there are additional features.
- **Businesses:** Those who use the software for internal employees. They employ a freemium model.³
- **Green:** free. Very simple and lean. Only payroll, T4 slips, and tax summaries. Up to 3 employees.
- **Business:** 22\$ per month. This includes more rules being relayed to employees and the ability to print cheques if that is preferred to 50 cent direct deposits. Up to 25 employees.
- **Business Plus:** 1.50\$ per employee per run, minimum 50\$ per month. This includes timesheet importing, benefit management, project costing and employee imports. Up to 500 employees.

DISTRIBUTION / Logistics

PaymentEvolution is based in in the Greater Toronto Area and has only one office. As well, most of their client are based in Canada, and more specifically Ontario. This allows them to work closely with regulators and ensure that the work they do is legally proficient.

Marketing

When it comes to marketing, PaymentEvolution utilizes a mix of both outbound and inbound marketing schemes. In their early days, the company relied almost solely on outbound sales to gain their first bits of revenue. Now, they tend to focus on inbound as they are an internet reliant company and they believe they are market leaders. They employ marketing specialists to help them meet goals.

- **Outbound:** this can include advertisement and interviews done with tech magazines and influencers. This also includes outbound calls to business owners they see as primary targets
- **Inbound:** inbound is very likely to include pay per clicks, well placed ads and appearances at conferences.

COMPETITORS

The payroll and accounting software industry is rife with competition from companies with many distinct value propositions. While PaymentEvolution was one of the first digital payroll services there are some key competitors, both direct and adjacent, for example:

1. **Bamboo HR** – (Lindon, Utah) Bamboo relies on their large offering to win clients. They are able to go from recruiting the employees, to paying them, all the way to offering benefits.
2. **Zoho** – (Pleasanton, CA) Zoho has the competitive advantage of being larger than HR. they have multiple offerings including CRMs and help desks. They employ a freemium model and are open source
3. **Zenefits** – (San Francisco, CA) Zenefits relies on their agreements with benefit suppliers to provide a competitive advantage in the market.

² <https://www.paymentevolution.com/AccountantPlans>

³ <https://www.paymentevolution.com/BusinessPlans>