MANAGISTICS CLIENT SATISFACTION SURVEY

INPUT

About INPUT

INPUT provides planning information, analysis, and recommendations to managers and executives in the information processing industries. Through market research, technology forecasting, and competitive analysis, INPUT supports client management in making informed decisions. Continuing services are provided to users and vendors of computers, communications, and office products and services.

The company carries out (research. Working closely tant issues, INPUT's staf interpret the research da mendations and innovati

needs. Clients receive reports, presentations, access to data on which analyses are based, and continuous consulting.

Many of INPUT's professional staff members have nearly 20 years' experience in their areas of specialization. Most have held senior management positions in operations, marketing, or planning. This expertise enables INPUT to supply practical nplex business problems.

74, INPUT has become a leading anning services firm. Clients include e world's largest and most techni- panies.

OFFICES

Headquarters
1943 Landings Drive
Mountain View, CA 940
(415) 960-3990
Telex 171407

Detroit
220 E. Huron
Suite 209
Ann Arbor, MI 48104
(313) 971-0667

New York
Park 80 Plaza West-1
Saddle Brook, NJ 07662
(201) 368-9471
Telex 134630

United Kingdom
INPUT, Ltd.
Airwork House
35 Piccadilly
London, W1V 9PB
England
01-439-8985
Telex 23116

Shigetsu Building
No 12 – 7 Kita Aoyama
3–Chome Minato-ku
Tokyo, 107
Japan
(03) 400-7090
Telex 26487

Sweden
Athena Konsult
P.O. Persson & Co AB
Box 22114
S-104 22 Stockholm
Sweden
08-52 07 20
Telex 17041

INPUT
Planning Services for Management

MANAGISTICS CLIENT
SATISFACTION SURVEY

Prepared For:

BANK OF AMERICA

AUGUST 1983

MANAGISTICS CLIENT SATISFACTION SURVEY

CONTENTS

INPUT
Z-BOA-534

MANAGISTICS CLIENT SATISFACTION SURVEY

EXHIBITS

INPUT

INPU

INPUT

INPU

INPUT

I INTRODUCTION

I   INTRODUCTION

- This study of the Managistics payroll service in the New York, New Jersey, and Pennsylvania marketplace was approved at a meeting held at Bank of America on June 30, 1983.

- The interview questionnaire and respondent profile were approved by Bank of America on June 30, 1983.

- Interviews were conducted between July 5-12, 1983, via telephone. The interviews averaged 15 minutes.

- User respondents were advised they would not be identified by name. Respondents were not advised that the research was sponsored by Bank of America.

- The interview program shown in Exhibit 1-1 conforms to Bank of America specification by category.

- The distribution of respondents by payroll size shown in Exhibit 1-2 almost exactly conforms to Bank of America specification.

- The distribution of respondents by title/position shown in Exhibit 1-3 indicates that a full range of personnel including executives involved in using the Managistics payroll service were successfully interviewed. The cross section enhances the satisfaction survey analysis and findings presented in Chapter III.

EXHIBIT I-1

- 2 -

MANAGISTICS PAYROLL SERVICE INTERVIEW PROGRAM BY CATEGORY

INTERVIEW CATEGORY	NUMBER OF INTERVIEWS		
	OFFICE		TOTAL
	NEW YORK	PHILADELPHIA	
Current User	84	17	101
Cancelled Service	26	8	34
Non-Converts	15	0	15
Total	125	25	150

EXHIBIT I-2

DISTRIBUTION OF RESPONDENTS TO
MANAGISTICS PAYROLL SERVICE SURVEY BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS			
	OFFICE		TOTAL	PORTION
	NEW YORK	PHILADELPHIA		
< 20	33	5	38	25%
20-49	39	9	48	32
50-99	29	5	34	23
100-249	20	3	23	15
≥250	4	3	7	5
Total	125	25	150	100%

EXHIBIT I-3

DISTRIBUTION OF RESPONDENTS TO
MANAGISTICS PAYROLL SERVICE SURVEY BY TITLE/POSITION

	NUMBER OF RESPONDENTS		
	OFFICE		
TITLE/POSITION	NEW YORK	PHILADELPHIA	TOTAL
Owner/Officer	18	2	20
Controller/Accounting Manager	28	6	34
Office Manager	23	2	25
Payroll/Personnel Manager	21	7	28
Bookkeeper	18	6	24
Payroll Clerk	17	2	19
Total	125	25	150

- 4 -

- The distribution of respondents by length of service is shown in Exhibit I-4. Nearly half (47%) of the interviews covered clients using the Managistics payroll service for less than one year and just over half (53%) for one year or more, which closely conforms to Bank of America's specification.

- The Managistics payroll service client satisfaction survey questionnaire is found in Appendix A.

INPUT

EXHIBIT I-4

DISTRIBUTION OF RESPONDENTS TO
MANAGISTICS PAYROLL SERVICE SURVEY BY LENGTH OF SERVICE

LENGTH OF SERVICE	NUMBER OF RESPONDENTS		
	REGION		TOTAL
	NEW YORK	PHILADELPHIA	
< 4 Months	11	2	13
4-6 Months	8	7	15
7-12 Months	38	4	42
1-3 Years	47	11	58
3-5 Years	8	0	8
≥ 5 Years	13	1	14
Total	125	25	150

II EXECUTIVE SUMMARY

II   EXECUTIVE SUMMARY

A.   FINDINGS

- INPUT found that by and large users were very satisfied with virtually all aspects of the Managistics payroll service. This finding was consistent through the analysis of all questions in the client satisfaction survey as analyzed in Chapter III of this report.

- Current users were overall very satisfied with the Managistics payroll service, as shown in Exhibit II-1.

- Even those clients cancelling the service, and some of the clients reviewing or trying the payroll services for a short period of time, but deciding not to convert, expressed overall satisfaction with Managistics.

- Only 10% of total respondents, or even more impressively just 30% of total cancelled and non-converting clients, were dissastisfied with the payroll product and services.

- Current users consistently rated Managistics' standard pickup and delivery service above Paynet. Current users position on recommending the Managistics payroll service to others, as shown in Exhibit II-2, is typical of what INPUT found throughout the satisfaction survey.

INPUT

EXHIBIT II-1

OVERALL SATISFACTION WITH MANAGISTICS PAYROLL SERVICE

Non-converts

Cancelled

Current

3%
3%
7%
20%
67%

☐ Very Satisfied: 67%

▨ Satisfied:　　23%
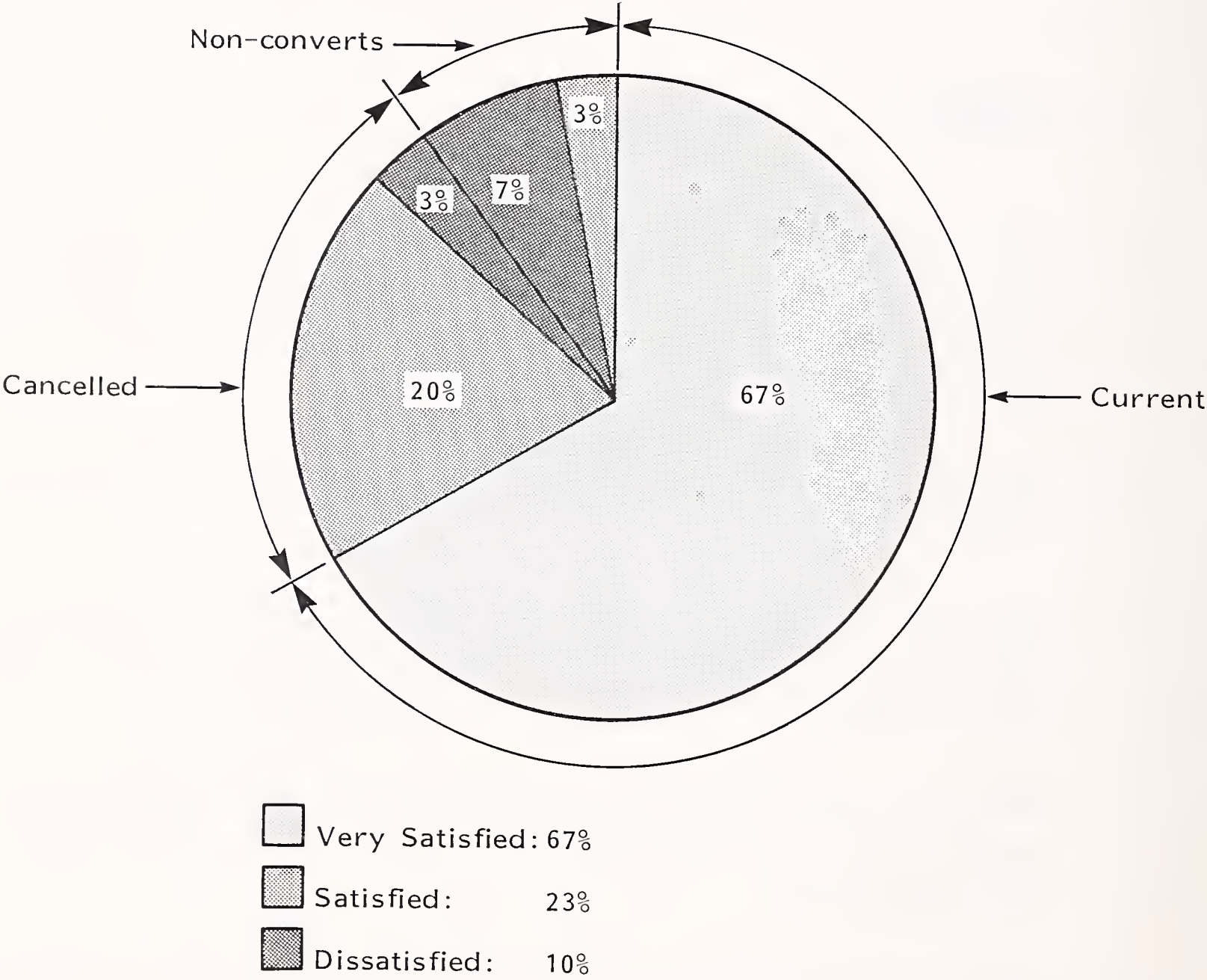
▨ Dissatisfied:　10%

EXHIBIT II-2

CURRENT USER POSITION ON
RECOMMENDING MANAGISTICS PAYROLL SERVICE
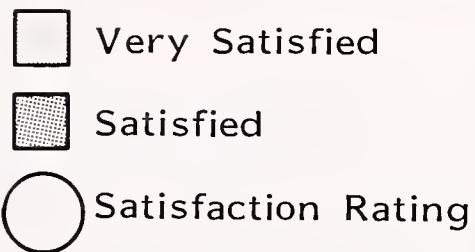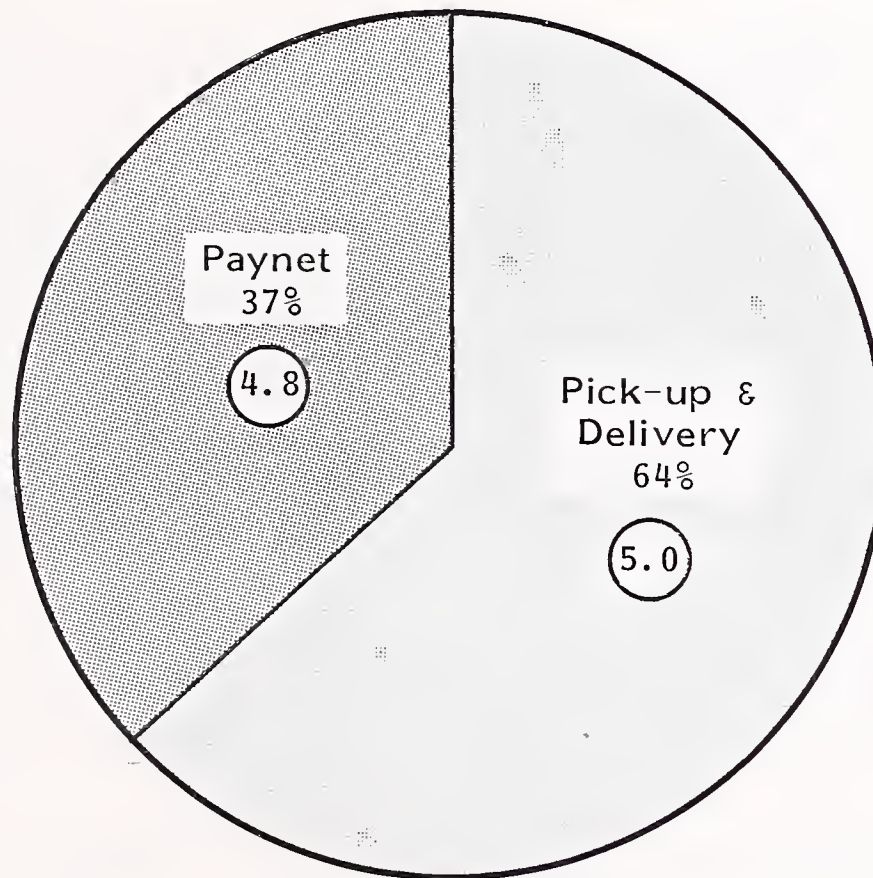
- ☐ Very Satisfied
- ▨ Satisfied
- ◯ Satisfaction Rating

*Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

- The sample size gives reliability to the finding that customers using the pickup and delivery service are very satisfied whereas users are at least satisfied with Paynet.

- The above finding is surprising in that Paynet offers both increased automation and inquiry capability. INPUT believes that perhaps Paynet clients are either not assigned specific customer support personnel, or don't receive the attention as those utilizing pickup and delivery.

- Current Philadelphia user satisfaction was found to be consistently greater, for those clients reported, as constrasted to the New York offices. User satisfaction with calling Managistics for assistance, as shown in Exhibit II-3, is typical of the finding throughout the study. This, together with other consistent findings in Chapter III, clearly point toward the need to increase customer support in the New York office.

- Managistics' ability to maintain corporate performance over time is typified in Exhibit II-4.

  - Here the data indicates at least maintaining, if not improving, user satisfaction with payroll product features over time.

  - With few exceptions this finding held throughout the survey of current users.

- INPUT found that Managistics' payroll products and services were both applicable and effective over the five size categories ranging from very small (less than 20 employees) to very large (greater than or equal to 250 employees).

- Exhibit II-5, user satisfaction with Managistics' payroll written communications is typical of findings with respect to size as analyzed in Chapter III.

INPl

EXHIBIT II-3

CURRENT USER SATISFACTION WITH
CALLING MANAGISTICS FOR ASSISTANCE
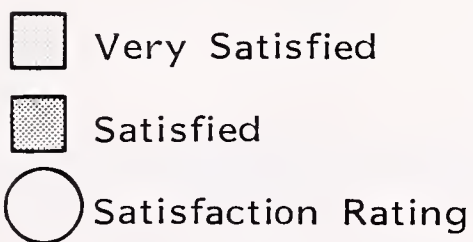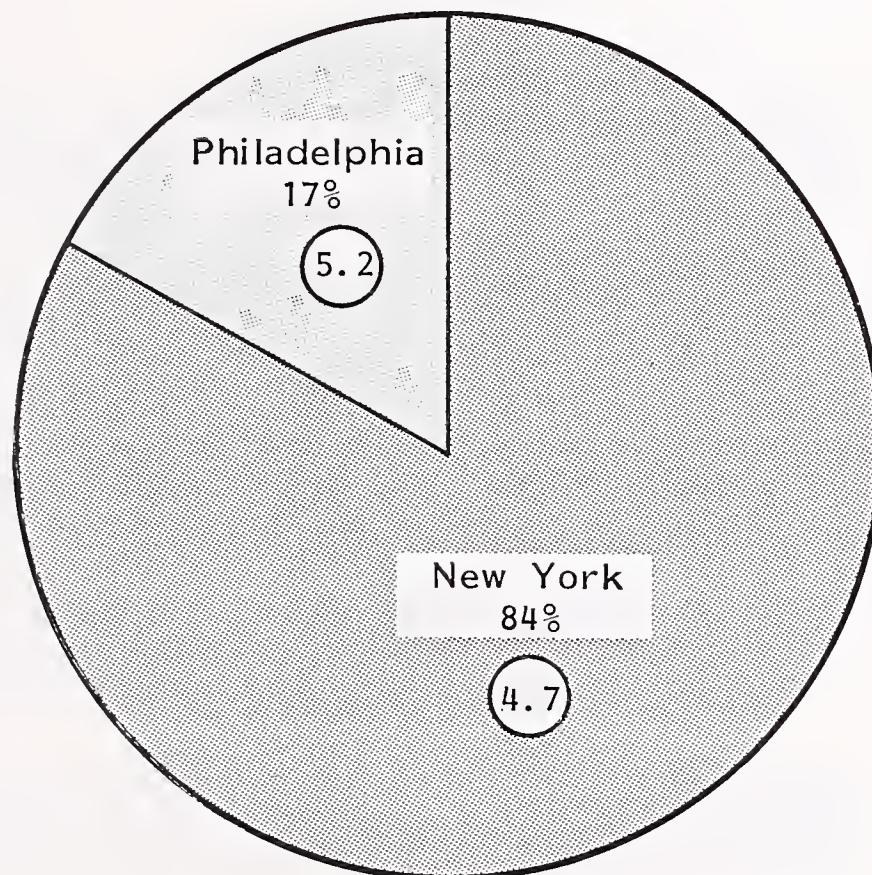
☐ Very Satisfied

▨ Satisfied

◯ Satisfaction Rating

*Rating: 1 - Very Dissatisfied   4 - Satisfied
               2 - Dissatisfied   5 - Very Satisfied
               3 - Average Satisfaction   6 - Satisfaction

INPUT
ZBOA

EXHIBIT II-4

CURRENT USER SATISFACTION WITH
MANAGISTICS' PAYROLL PRODUCT FEATURES
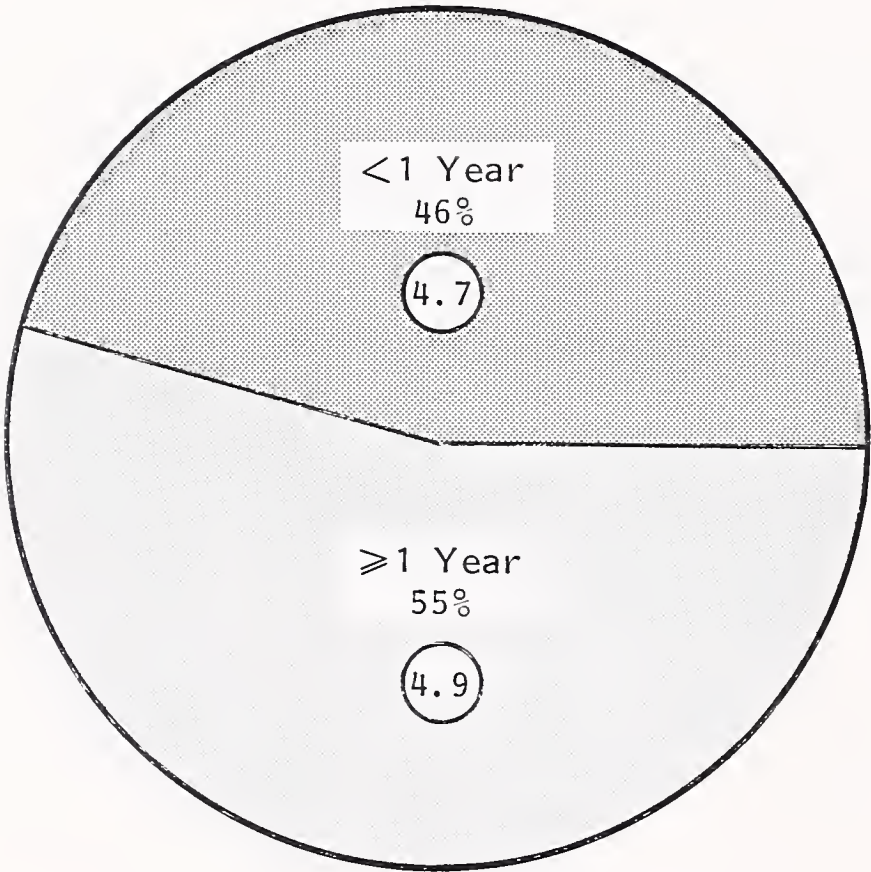
☐ Very Satisfied

▨ Satisfied

◯ Satisfaction Rating

*Rating:	1 - Very Dissatisfied	4 - Satisfied
	2 - Dissatisfied	5 - Very Satisfied
	3 - Average Satisfaction	6 - Satisfaction

INP
ZBOA

EXHIBIT II-5

USER SATISFACTION WITH
MANAGISTICS' PAYROLL WRITTEN COMMUNICATIONS

*Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Satisfaction

INPUT
ZBOA
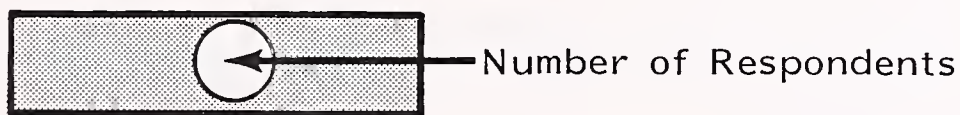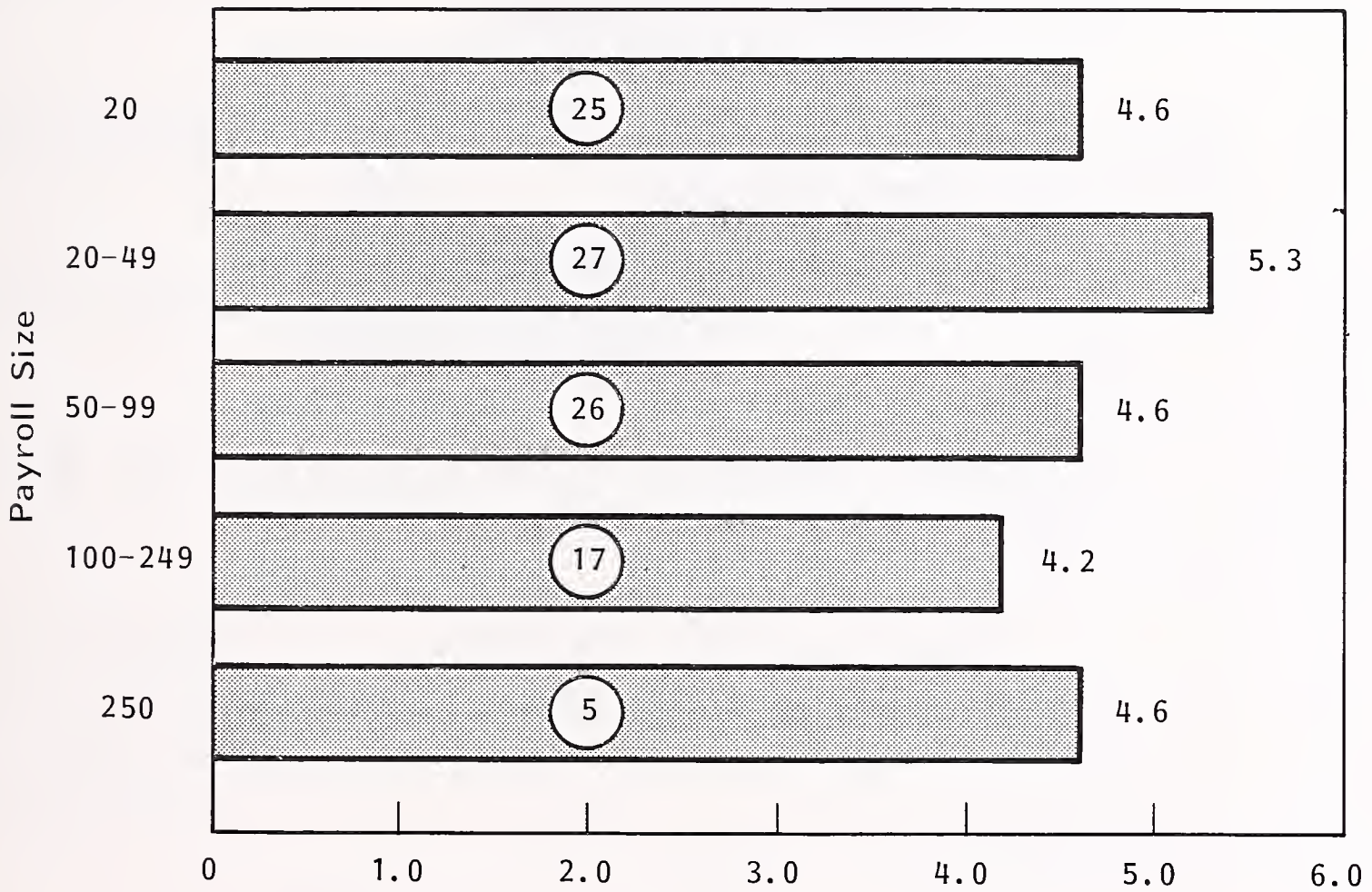
- Although some variation exists, users are at least satisfied, and in one size group very satisfied, with written communications concerning new or revised payroll features.

- The number of users in all but the largest size category give consistency to the findings.

- The number of dissastisfied users (four, or less than 4% of total users) was surprisingly low, a further testimonial to the quality and performance of the Managistics payroll service.

- INPUT found that the Managistics tax reporting and filing service was usually subscribed to by current users.

    - Exhibit II-6 illustrates that the Managistics tax reporting and filing service was used by half of the current clients.

    - Nearly 90% of customers from a Philadelphia office utilize the tax service.

    - In that banks, either directly or through private label, offer tax reporting and filing services (with or without payroll services) as part of their automated customer services, INPUT believes that the portion of Managistics' current clients using the tax reporting and filing services is quite high.

- The only relationship found between OMNIBUS users and tax service users is that they all (15) are serviced from the New York office, and are likely all Chase Manhattan clients.

    - An additional 27 current users, all but one in the New York office, utilize the OMNIBUS service.

EXHIBIT II-6

USE OF MANAGISTICS'
OMNIBUS AND TAX FILING SERVICES

Omnibus

NY 26%
PH 1%

Both

NY 15%

Neither

NY 23%
PH 1%

Tax

NY 20%
PH 15%
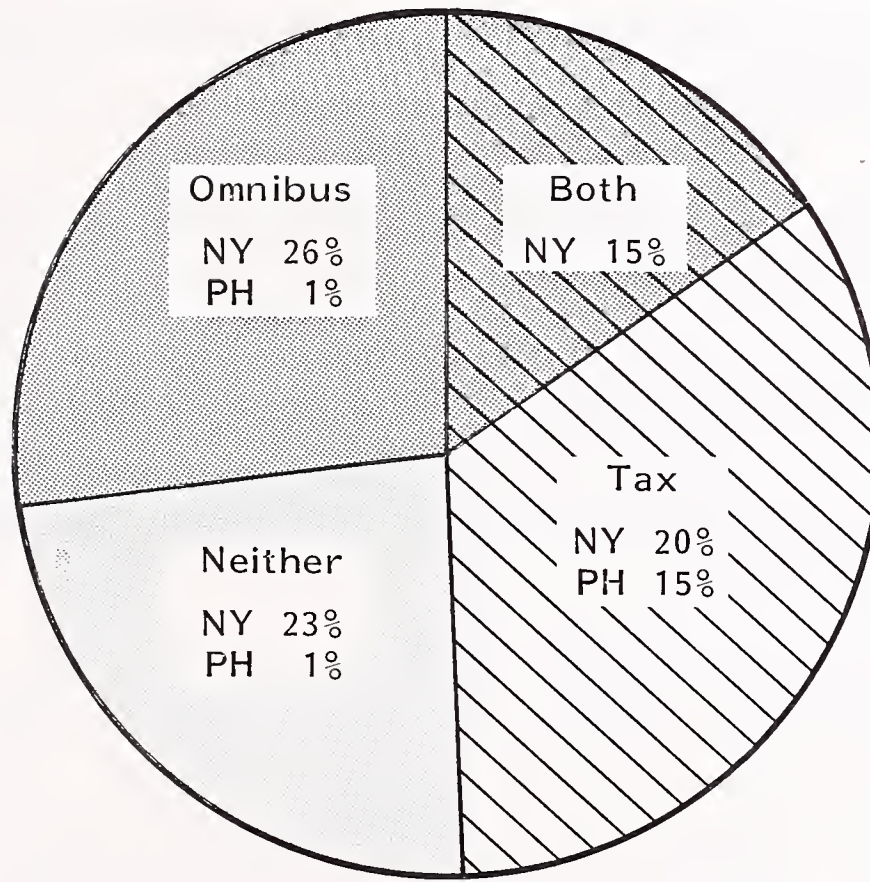
		Total
▨	Omnibus	42%
◩	Tax	50
☐	Neither	24

INPUT
ZBOA

- Only one OMNIBUS user is serviced by the Philadelphia office. The user reports being serviced by a New York bank.

• INPUT was not able to calculate the actual turnover rate (suggested as 30%) by the survey data. However, over 40% of those clients which cancelled or decided not to convert to the Managistics payroll service, would have done otherwise except for the following factors:

  - Economic recession resulting in a dissolution, merger, sale, or major reduction in the number of employees.

  - Financial considerations, e.g., changing banks to obtain loans, accounts receivable financing, etc.

  - On recommendation of outside accounting firms.

  - Becoming highly cost conscious or price conscious in a recessionary economy.

• The high customer turnover rate is attributable at least in part to conditions not directly related to inadequate product features and performance of the Managistics payroll service. With improved economic conditions, targeted marketing, additional customer support, and selected product feature improvements, Managistics can be expected to significantly decrease customer turnover in the currently expanding economy.

B.   RECOMMENDATIONS

- Communication with clients is a key issue, INPUT recommends that:

    - Managistics pay special attention to employee turnover with respect to the person in each client company handling the payroll.

    - Insure mailing lists remain current, particularly with respect to the person in each client company handling the payroll.

- Training is another key issue. The extremely low portion (11%) of current users receiving additional payroll training is a potential problem. area. INPUT's experience is that most of the "horror stories" between users and vendors of payroll services is usually the result of poor understanding, education and training, of how to prepare, update, change, and submit payroll data. INPUT recommends:

    - Training services, including seminars, to executive and accounting firms.

    - Education and training of new company personnel handling the payroll to compensate for employee turnover.

- Greater attention should be given to Paynet customers. INPUT recommends the following:

    - Assign support personnel to specific Paynet users.

    - Improve responding to phone calls for assistance from Paynet users.

    - Tailor output reports to Paynet users.

INPUT

-   Reduce duplication between data available for printout through inquiry and standard payroll user reports.

-   Increase customer support in the New York office.

-   Revise and improve quarterly and annual tax reporting.

-   Improve handling of customers who begin or end payroll services during the year.

-   Improve quarterly tax submission to the state of Pennsylvania.

-   Improve communications by scheduling company's services representatives meetings with companies on a periodic basis.

-   Head the problems off at the turn.

-   Pay particular attention to scheduling meetings with a company person responsible for the payroll newly on the job as a result of employee turnover.

    •   The low level (22%) of current users taking advantage of meetings indicates that meetings are used to correct problems not prevent them.

-   Implement a flexible job check system to increase market penetration of middle market size manufacturing companies.

INPU

III SATISFACTION SURVEY ANALYSIS AND FINDING

III   SATISFACTION SURVEY ANALYSIS AND FINDING

A.   METHODOLOGY

- Satisfaction survey data presented in this chapter has been analyzed by four major variables:

    - Interview category: current, cancelled and non-converts by region, New York and Philadelphia. The sample sizes and ratings are the averages for all questions in each of the chapter subsections.

    - By service type: Paynet, pickup and delivery, by region, New York and Philadelphia. The sample size and rating are the averages of the survey questions in each chapter subsection.

    - Length of service: less than one year, greater than one year, by region, New York and Philadelphia. The sample size and rating are averages of the survey questions in each chapter subsection.

    - By payroll size: in five size categories, for all current respondents. The data represents the average and range for each survey question in each of the chapter subsections.

B.   PAYROLL SERVICE ACCURACY AND COMPLETENESS

- Data analysis, as shown in Exhibit III-1, indicates that the current customers are very satisfied with the accuracy and completeness of the Managistics payroll service.

- Those respondents who cancelled the payroll service were analyzed in two categories: those who were satisfied and would recommend the service to others, and those dissastisfied for more than one reason who would not recommend the service to others.

  - Over 40% of those cancelling the service were still satisfied with payroll accuracy and report completeness.

  - Cancellation resulted from merger, dissolution, changing banks, and on recommendation of accountants.

- Again, nearly 30% of respondents not converting to the Managistics payroll service, reported, after a brief trial, average satisfaction.

  - Only 7% of the entire interview sample were very dissastisfied with the payroll accuracy and completeness, indicating significant respondent satisfaction in this area.

- Analysis of the data as shown in Exhibit III-2 indicates the current users of the Paynet and the pickup and delivery services were very satisfied with payroll accuracy and completeness.

  - Users serviced from the Philadelphia office, particularly those using the pickup and delivery service, were slightly more satisfied than users supported out of the New York office.

EXHIBIT III-1

RESPONDENT SATISFACTION WITH
ACCURACY AND COMPLETENESS OF MANAGISTICS PAYROLL SERVICE
BY INTERVIEW CATEGORY

| INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	84	5.0	17	5.4	101	·5.1
Cancelled						
• Satisified	10	4.8	4	4.5	14	4.7
• Dissatisfied	16	2.8	4	2.3	20	2.7
Non-Converts						
• Satisfied	4	3.4	–	–	4	3.4
• Dissatisfied	10	1.6	–	–	10	1.6

* Rating: 1 - Very Dissatisfied 4 - Satisfied
          2 - Dissatisfied 5 - Very Satisfied
          3 - Average Satisfaction 6 - Outstanding Satisfaction

EXHIBIT III-2

CURRENT USER SATISFACTION WITH THE ACCURACY AND
COMPLETENESS OF MANAGISTICS PAYROLL SERVICE BY SERVICE TYPE

TYPE OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	5.0	6	5.1	37	5.0
Pick-up and Delivery	53	5.1	11	5.5	64	5.2
Total	84	5.1	17	5.4	101	5.2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
            2 - Dissatisfied   5 - Very Satisfied
            3 - Average Satisfaction   6 - Outstanding Satisfaction

INP
ZBOA

- The data as shown in Exhibit III-3 indicate that current users as a group maintain their level of satisfaction with payroll accuracy and report completeness.

    - Clients who have used the service more than a year are still very satisfied.

    - Clients serviced out of the Philadelphia office show a statistically significant higher level of satisfaction with payroll accuracy and report completeness than those current users serviced from the New York office.

1. ACCURACY

- There is little difference in current user satisfaction with the accuracy of Managistics' payroll processing between payroll size categories as shown in Exhibit III-4.

    - Only three current users, or less than 3% of total respondents, reported dissatisfaction with accuracy, indicating that current users are very satisfied with this product feature.

2. COMPLETENESS

- Analysis of the data, as shown in Exhibit III-5, indicates that although as a group current users are very satisfied with the completeness of Managistics' scheduled reports and services, larger users (100 employees and above) are somewhat less satisfied than smaller (less than 100 employees) users.

    - The data indicates that greater attention needs to be given to report features for larger payroll customers.

INPUT

EXHIBIT III-3

CURRENT USER SATISFACTION WITH ACCURACY AND COMPLETENESS
OF MANAGISTICS PAYROLL SERVICE BY LENGTH OF SERVICE

| | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
LENGTH OF SERVICE	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	37	5.0	9	5.7	46	5.1
Greater Than One Year	47	5.1	8	5.5	55	5.2
Total	84	5.0	17	5.6	101	5.1

* Rating: 1 - Very Dissatisfied   4 - Satisfied

        2 - Dissatisfied   5 - Very Satisfied

        3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-4

CURRENT USER SATISFACTION WITH ACCURACY OF
MANAGISTICS' PAYROLL PROCESSING BY PAYROLL SIZE

| NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.9	2-6	1
20-49	27	5.0	2-6	1
50-99	27	5.0	4-6	-
100-249	17	4.6	2-6	1
≥ 250	5	5.1	4-5	-
Total	101	5.1	2-6	3

* Rating: 1 - Very Dissatisfied   4 - Satisfied
            2 - Dissatisfied   5 - Very Satisfied
            3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-5

CURRENT USER SATISFACTION WITH COMPLETENESS OF
MANAGISTICS' SCHEDULED REPORTS AND SERVICES BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	5.3	4-6	–
20-49	27	5.2	2-6	1
50-99	27	5.4	4-6	–
100-249	17	4.8	2-6	1
≥ 250	5	4.3	1-4	1
Total	101	5.2	1-6	3

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INP
ZBOA

C. DATA SUBMISSION AND DELIVERY

• The distribution of the current respondent method of payroll data submission and delivery is shown in Exhibit III-6.

- Over one-third (36%) of users serviced by both the New York and Philadelphia offices used the Paynet telecommunications service.

- The Paynet service was used primarily by smaller companies. Only 14% of larger companies (100 employees and greater) used Paynet.

- Just over 43% of smaller companies (under 100 employees) were Paynet users.

• Analysis of the data as shown in Exhibit III-7 indicates that no customer category was really dissatisfied with Managistics' payroll data submission and delivery services.

- Current customers were very satisfied.

- Nearly 40% of respondents who cancelled the service were still very satisfied with Managistics' performance with respect to data submission and delivery.

- Well over half of customers not converting were still satisfied with Managistics' performance for data submission and delivery.

• Analysis of the data as shown in Exhibit III-8 indicates that current users of Paynet and the standard pickup and delivery services are equally satisfied with Managistics' performance with this aspect of their payroll service.

INPUT

EXHIBIT III-6

CURRENT USER METHOD OF PAYROLL DATA SUBMISSION
AND DELIVERY SERVICE BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS USING						
	REGION				TOTALS		
	NEW YORK		PHILADELPHIA				
	PAYNET	PICKUP/ DELIVERY	PAYNET	PICKUP/ DELIVERY	PAYNET	PICKUP/ DELIVERY	TOTAL
<20	10	12	1	2	11	14	25
20–49	10	12	3	2	13	14	27
50–99	8	14	2	3	10	17	27
100–249	3	12	0	2	3	14	17
≥250	0	3	0	2	0	5	5
Total	31	53	6	11	37	64	101

- 28 -

EXHIBIT III-7

RESPONDENT SATISFACTION WITH MANAGISTICS'
PAYROLL DATA SUBMISSION AND DELIVERY SERVICE
BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	75	5.0	16	5.3	91	·5.1
Cancelled						
● Satisified	7	5.3	3	5.7	10	5.4
● Dissatisfied	11	4.0	3	3.2	14	3.8
Non-Converts						
● Satisfied	4	4.0	–	–	4	4.0
● Dissatisfied	3	3.0	–	–	3	3.0

* Rating: 1 - Very Dissatisfied   4 - Satisfied
            2 - Dissatisfied   5 - Very Satisfied
            3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-8

CURRENT USER SATISFACTION WITH MANAGISTICS'
PAYROLL DATA SUBMISSION AND DELIVERY SERVICE BY INTERVIEW TYPE

| TYPE OF SERVICE | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	28	4.8	6	5.3	34	4.9
Pick-up and Delivery	47	5.0	10	5.3	5.7	5.1
Total	75	5.0	16	5.3	91	5.0

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction 6 - Outstanding Satisfaction

- Current users serviced by the Philadelphia office are consistently more satisfied with Managistics' performance than are those serviced from the New York office.

• Analysis of the data, as shown in Exhibit III-9, indicates that current user satisfaction with Managistics' payroll data submission and delivery services does not decrease as a function of length of service.

- The data suggests that Managistics has been able to maintain very satisfactory data submission and delivery services over time.

I. PAYNET SERVICE

• Analysis of the data as shown in Exhibit III-10 indicates that there is no significant difference in the level of satisfaction (very satisfied) among current users of all company sizes.

- Only two or less than 10% of current Paynet users were dissatisfied with some aspect of Paynet data submission or delivery.

2. STANDARD SERVICE

• Data analysis, as shown in Exhibit III-11, indicates that as a group current customers were very satisfied with the schedule/timeliness of Managistics' payroll data pickup service.

- Except for the very largest size payrolls (250 employees and greater) all other size payroll categories were very satisfied with Managistics' performance in this area.

- Only one, or less than 2% of current customers, was dissatisfied, an impressive statistic attesting to Managistics' performance.

INPUT

EXHIBIT III-9

CURRENT USER SATISFACTION WITH MANAGISTICS' PAYROLL
DATA SUBMISSION AND DELIVERY SERVICE BY LENGTH OF SERVICE

| | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
LENGTH OF SERVICE	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	20	5.0	9	4.8	29	4.9
Greater Than One Year	26	4.9	6	5.1	35	4.9
Total	46	4.9	15	4.9	61	4.9

* Rating: 1 - Very Dissatisfied   4 - Satisfied
         2 - Dissatisfied   5 - Very Satisfied
         3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-10

CURRENT USER SATISFACTION WITH
MANAGISTICS' PAYNET SERVICES BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	9	5.2	4-6	-
20-49	12	4.6	1-6	2
50-99	10	5.0	4-6	-
100-249	3	4.3	4-5	-
≥ 250	-	-	-	-
Total	34	4.8	1-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
              2 - Dissatisfied   5 - Very Satisfied
              3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-11

CURRENT USER SATISFACTION WITH SCHEDULE/TIMELINESS OF MANAGISTICS' PAYROLL DATA PICK-UP SERVICE BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	6	5.7	4-6	-
20-49	14	5.4	5-6	-
50-99	12	4.8	2-6	1
100-249	16	4.8	3-6	-
≥ 250	4	4.0	-	-
Total	52	5.0	2-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

- Analysis of the data, as shown in Exhibit III-12, indicates that as a group current users are very satisfied with the courtesy of Managistics' payroll pickup services personnel.

  - Except for the very largest payroll category (250 employees and greater) all other payroll size categories were very satisfied with pickup service personnel courtesy.

  - Only one, or less than 2% of current users, had any dissatisfaction, an impressive statistic with respect to the courtesy of pickup services personnel.

- Analysis of data indicates that as a group current users were very satisfied with Managistics' meeting payroll delivery schedules, as shown in Exhibit III-13.

  - Only two, or 3% of current users, had any dissatisfaction, an impressive statistic with respect to Managistics' performance in meeting delivery schedules.

- As shown in Exhibit III-14, current users as a group as well as for each payroll size category were very satisfied with the courtesy of Managistics' payroll delivery services personnel. Only one, or less than 2% of current users, expressed any dissatisfaction with Managistics' performance in this area.

D.   WRITTEN COMMUNICATIONS

- Respondents as a group were satisfied with Managistics' payroll written communications, but were not as satisfied with this as opposed to other features of their payroll service.

INPUT

EXHIBIT III-12

CURRENT USER SATISFACTION WITH COURTESY OF
MANAGISTICS' PAYROLL PICK-UP SERVICE PERSONNEL BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		NUMBER DISSATISFIED (1-2)
		AVERAGE	RANGE	
< 20	6	5.7	4-6	−
20-49	14	5.4	5-6	−
50-99	11	4.8	2-6	1
100-249	16	5.4	3-6	−
≥ 250	4	4.0	−	−
Total	51	5.0	2-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

INI
ZBO

EXHIBIT III-13

CURRENT USER SATISFACTION WITH MANAGISTICS' MEETING PAYROLL DELIVERY SCHEDULES BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	10	5.4	4-6	-
20-49	14	5.3	2-6	1
50-99	17	5.1	2-6	1
100-249	17	4.9	3-6	-
≥ 250	4	4.5	-	-
Total	62	5.1	2-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
            2 - Dissatisfied   5 - Very Satisfied
            3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-14

CURRENT USER SATISFACTION WITH COURTESY OF
MANAGISTICS' PAYROLL DELIVERY SERVICE PERSONNEL
BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		NUMBER DISSATISFIED (1-2)
		AVERAGE	RANGE	
< 20	10	5.4	4-6	–
20-49	14	5.4	4-6	–
50-99	16	5.0	2-6	1
100-249	17	4.8	3-6	–
≥ 250	4	4.5	4-5	–
Total	61	5.2	2-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction 6 - Outstanding Satisfaction

INF
ZBOA

- As shown in Exhibit III-15, current users serviced by both the New York and Philadelphia offices were satisfied with Managistics' payroll communications.

- Respondents which had cancelled the payroll service experienced at least average satisfaction with payroll communications, nearly 40% as satisfied as current customers.

- Even 30% of customers not converting were not dissatisfied with Managistics' performance in this area.

- The data suggests that Managistics could increase user satisfaction by taking more effort to address written communication to payroll user personnel directly responsible for interacting with Managistics' payroll personnel.

- Analysis of the data, as shown in Exhibit III-16, indicates that there is no significant difference between the level of satisfaction with Managistics' payroll written communications between current Paynet customers and customers using the standard pickup and delivery service.

- Analysis of the data indicates that current users remain as satisfied over time with Managistics' payroll written communications, as shown in Exhibit III-17.

    - The data indicates that Managistics is able to sustain a level of satisfactory performance with regard to the written communications feature of their payroll service.

I. QUALITY

- Current users are generally satisfied with the quality of Managistics' written specific payroll information, as is shown in Exhibit III-18.

    - Users in the 20-49 employee size category are significantly more satisfied (very satisfied) than in all other size categories.

EXHIBIT III-15

RESPONDENT SATISFACTION WITH MANAGISTICS' PAYROLL
WRITTEN COMMUNICATIONS BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	~ RATING*
Current	84	4.4	17	4.6	101	.4.4
Cancelled						
● Satisified	10	4.6	4	4.3	14	4.5
● Dissatisfied	16	3.3	4	2.3	20	3.1
Non-Converts						
● Satisfied	4	3.8	–	–	4	3.8
● Dissatisfied	9	2.5	–	–	9	2.5

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-16

CURRENT USER SATISFACTION WITH MANAGISTICS'
PAYROLL WRITTEN COMMUNICATIONS BY SERVICE TYPE

| | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
TYPE OF SERVICE	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	4.3	6	4.9	37	4.4
Pick-up and Delivery	51	4.7	11	4.4	62	4.6
Total	82	4.5	17	4.6	99	4.6

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction 6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-17

CURRENT USER SATISFACTION WITH MANAGISTICS'
PAYROLL WRITTEN COMMUNICATIONS BY LENGTH OF SERVICE

LENGTH OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	37	4.3	9	4.8	46	4.4
Greater Than One Year	47	4.4	8	4.1	55	4.4
Total	84	4.4	17	4.5	101	4.4

* Rating: 1 - Very Dissatisfied   4 - Satisfied
         2 - Dissatisfied   5 - Very Satisfied
         3 - Average Satisfaction   6 - Outstanding Satisfaction

INR
ZBO

EXHIBIT III-18

CURRENT USER SATISFACTION WITH THE QUALITY OF
MANAGISTICS' WRITTEN PAYROLL SPECIFIC INFORMATION
CUMMUNICATIONS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.6	1-6	3
20-49	27	5.3	4-6	-
50-99	26	4.6	3-6	-
100-249	17	4.2	2-6	1
⩾ 250	5	4.6	3-6	-
Total	101	4.8	1-6	4

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

- 43 -

-    Only four, or 4% of total current respondents, were dissatisfied with this feature of the Managistics payroll service.

2.   NEW FEATURES

●   Current users as a group were satisfied with Managistics' communication of new payroll product improvements, features, and services, as shown in Exhibit III-19.

-    With the exception of the 100-249 employee cell, all other size categories were uniform in their level of satisfaction.

-    Only four, or just over 4% of the total current respondents, indicated dissatisfaction with this aspect of the Managistics payroll service.

3.   GENERAL INFORMATION

●   Current users as a group were satisfied with the quality of Managistics' general written communications, as shown in Exhibit III-20.

-    Users in smaller payroll size categories (less than 100 employees) were significantly more satisfied than those in larger (100 employees and above) payroll size categories.

-    Only three, or 3% of the respondents, were dissatisfied with general written communication quality.

●   Typical comments concerning Managistics' written communications about payroll services are shown in Exhibit III-21.

●   The above data and comments indicates that Managistics could improve the level of satisfaction of their written communications by insuring that they

IN

EXHIBIT III-19

CURRENT USER SATISFACTION WITH
MANAGISTICS' COMMUNICATION OF NEW PAYROLL PRODUCT IMPROVEMENTS,
FEATURES, AND SERVICES BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.2	1-6	1
20-49	26	4.4	2-6	1
50-99	25	4.2	3-6	-
100-249	17	3.9	1-5	2
≥ 250	5	4.4	4-6	-
Total	98	4.3	1-6	4

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-20

CURRENT USER SATISFACTION WITH THE QUALITY OF
MANAGISTICS' GENERAL WRITTEN COMMUNICATIONS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.3	1-6	1
20-49	27	4.3	2-6	1
50-99	26	4.5	3-6	−
100-249	17	3.9	2-5	1
⩾ 250	5	3.6	3-5	−
Total	100	4.3	1-6	3

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INI
ZBO

EXHIBIT III-21

TYPICAL COMMENTS CONCERNING
MANAGISTICS' WRITTEN COMMUNICATIONS ABOUT PAYROLL SERVICES

- Not really receiving (P 50-00, P 50-99, N 50-99, N 20-49).

- Want tax changes sent to us right away (N 20-49).

- Don't know about them (N 50-99).

- Havent seen any so far (P 20-49).

- Received 3 or 4 before which were great (N < 20).

- Please add our name to mail list (P < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

reach the person in the using company currently involved in interfacing with the Managistics payroll service.

E.   CALLS FOR ASSISTANCE

- Current customers were very satisfied with payroll assistance, both those served by the New York and Philadelphia offices, as shown in Exhibit III-22.

- Even a significant portion of cancelled (40%) and non-converts (30%) were at least satisfied with their experience of calling Managistics for payroll assistance.

- Data analysis indicates that as a group current users were at least satisfied when calling Managistics for payroll assistance, as shown in Exhibit III-23.

    - Customers on pickup and delivery service were consistently more satisfied than those utilizing the Paynet service, indicating that Managistics could improve user satisfaction to the less frequent but equally important calls from Paynet users.

    - Users serviced by the Philadelphia office were consistently more satisfied than were those supported by the New York office when calling for payroll assistance, indicating that perhaps increased staffing is necessary in the New York office.

- Users currently using the Managistics payroll service for more than one year, though satisfied, as shown in Exhibit III-24, are less satisfied than more recent customers.

    - Current users serviced by the Philadelphia office are consistently better satisfied when calling Managistics for assistance than are those supported by the New York office.

- 48 -

EXHIBIT III-22

- 49 -

RESPONDENT SATISFACTION WITH CALLING MANAGISTICS
FOR PAYROLL ASSISTANCE BY INTERVIEW CATEGORY

| | OFFICE | | | | | |
| | NEW YORK | | PHILADELPHIA | | TOTAL | |
INTERVIEW CATEGORY	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	84	4.8	17	5.1	101	4.9
Cancelled						
● Satisified	10	4.9	4	4.8	14	4.9
● Dissatisfied	15	3.3	4	1.5	19	2.9
Non-Converts						
● Satisfied	4	4.0	–	–	4	4.0
● Dissatisfied	10	2.2	–	–	10	2.2

* Rating: 1 - Very Dissatisfied 4 - Satisfied
2 - Dissatisfied 5 - Very Satisfied
3 - Average Satisfaction 6 - Outstanding Satisfaction

EXHIBIT III-23

CURRENT USER SATISFACTION WITH CALLING MANAGISTICS FOR PAYROLL ASSISTANCE BY SERVICE TYPE

	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
TYPE OF SERVICE	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	4.4	6	4.6	37	4.4
Pick-up and Delivery	53	4.9	11	5.5	64	5.0
Total	84	4.7	17	5.2	101	4.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

IN
ZB

EXHIBIT III-24

CURRENT USER SATISFACTION WITH CALLING MANAGISTICS
FOR PAYROLL ASSISTANCE BY LENGTH OF SERVICE

TYPE OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	37	4.8	9	5.4	46	4.9
Pick-up and Delivery	47	4.6	8	4.9	55	4.6
Total	84	4.7	17	5.2	101	4.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction 6 - Outstanding Satisfaction

- The data suggests that service representatives perhaps neglect older customers, or are inadequately able to service the costs of giving greater attention to them.

- Data analysis indicates that current users as a group, and in each payroll size category, are satisfied with the ease in reaching Managistics when they have a payroll problem, as shown in Exhibit III-25.

  - Although satisfied, current users are not as satisfied with the assistance service than with other functions of the Managistics payroll service.

  - Only two, or 2% of current respondents, were dissatisfied when they tried to reach Managistics with a problem.

- As shown in Exhibit III-26, current users as a group were at least satisfied with Managistics' responsiveness in returning problem calls.

  - Only three, or less than 3% of total current respondents, were dissatisfied with Managistics' responsiveness.

  - The data suggests the dedication of the customer representatives in supporting Managistics payroll clients.

- Analysis of Exhibit III-27 indicates that current users as a group were at least satisfied with the information accuracy of Managistics' responses to payroll problem calls.

  - The level of satisfaction was uniformly high (within significance) among different payroll size categories.

INF

EXHIBIT III-25

CURRENT USER SATISFACTION IN THE EASE OF
REACHING MANAGISTICS WITH A PAYROLL PROBLEM BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	3	5. 3	5-6	−
20-49	5	4. 4	3-6	−
50-99	5	5. 0	4-6	−
100-249	2	6. 5	−	−
⩾ 250	2	4. 5	4-5	−
Total	17	4. 9	3-6	−

* Rating: 1 - Very Dissatisfied   4 - Satisfied
             2 - Dissatisfied   5 - Very Satisfied
             3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-26

CURRENT USER SATISFACTION WITH THE RESPONSIVENESS OF MANAGISTICS TO PAYROLL PROBLEM CALLS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	3	5.7	3-6	–
20-49	5	4.4	3-6	–
50-99	5	4.8	4-6	–
100-249	2	5.5	5-6	–
⩾ 250	2	5.5	5-6	–
Total	17	4.8	3-6	–

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-27

CURRENT USER SATISFACTION WITH THE INFORMATION ACCURACY OF
MANAGISTICS' RESPONSES TO PAYROLL PROBLEM CALLS BY
PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	3	5.0	3-6	-
20-49	5	5.2	4-6	-
50-99	5	5.0	4-6	-
100-249	2	6.0	-	-
⩾ 250	2	5.0	4-6	-
Total	17	5.0	3-6	-

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

- Only one, or 1% of current users, was dissatisfied with the information accuracy, a truly impressive statistic with respect to the knowledge and experience of Managistics' customer representative personnel.

● Current users as a group were very satisfied with the courtesy and profession-alism of Managistics personnel in responding to payroll problems, as shown in Exhibit III-28.

- This level of satisfaction held among the payroll size categories (with insignificance).

- No current user was dissatisfied with the courtesy and professionalism of Managistics personnel, an impressive statistic with respect to the quality of the customer services representatives.

● Typical comments concerning calls for assistance in using the Managistics payroll service are shown in Exhibit III-29.

● The data and comments suggest that Managistics could improve the level of user satisfaction when calling for assistance by giving more attention to Paynet and older customers and increasing the number of customer represent-atives in the New York office.

F.   PROBLEM RESOLUTION

● Surprisingly few respondents reported having questions or problems requiring meetings with a Managistics services representative.

- Only 20% of all respondents required such meetings, as shown in Exhibit III-30.

INP

EXHIBIT III-28

CURRENT USER SATISFACTION WITH THE COURTESY AND PROFESSIONALISM OF MANAGISTICS' PERSONNEL IN RESPONDING TO PAYROLL PROBLEM CALLS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	3	5.7		-
20-49	5	5.4	4-6	-
50-99	5	5.4	5-6	-
100-249	2	6.0	-	-
≥ 250	2	5.0	4-6	-
Total	17	5.5	4-6	-

* Rating: 1 - Very Dissatisfied   4 - Satisfied
         2 - Dissatisfied   5 - Very Satisfied
         3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-29

TYPICAL COMMENTS CONCERNING CALLS FOR
ASSISTANCE IN USING MANAGISTICS PAYROLL SERVICE

- Real problem getting assistance sometimes (N 100-249).

- Always have to wait for call back (P 20-49, P 50-99).

- No problems (P 20-49, N <20).

- Excellent services (P <20, P <20, N 20-49,
  N 100-249).

- Put on hold too long (N 50-99).

- Excellent service rep (N <20, N 50-99, N 20-49,
  P < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

EXHIBIT III-30

RESPONDENTS HAVING QUESTIONS
OR PROBLEMS REQUIRING MEETINGS WITH
SERVICES REPRESENTATIVES BY CATEGORY

INTERVIEW CATEGORY	INTERVIEW SAMPLE	RESPONDENTS HAVING PROBLEMS	
		NUMBER	PORTION (percent)
Current User	101	22	22%
Cancelled Service	34	7	21
Non-converts	15	1	7
Total	150	30	20%

- The data suggests one of two possibilities: (1) Managistics discourages meetings unless absolutely necessary or (2) the comprehensiveness of the payroll service permits all but the most severe problems to be handled via telephone.

- Data analysis, as shown in Exhibit III-31, indicates that the current users when requiring meetings, are satisfied with Managistics' ability to resolve their problems.

  - Some 30% of cancelled customers and 50% of non-convert customers report equal satisfaction.

  - Some 30% of respondents requiring meetings were dissatisfied with problem resolution.

- The data suggests that Managistics could raise respondent satisfaction by scheduling meetings with customers on a periodic basis, particularly with those having a number of phone-in problems.

- Paynet users' satisfaction with problem resolution at meetings is significantly less than current customers using pickup and delivery services, as shown in Exhibit III-32.

  - Customers serviced by the Philadelphia office appeared more satisified than those serviced by the New York office.

  - The data suggests that customer satisfaction could be increased by providing additional user support personnel in the New York office.

- Data analysis, as shown in Exhibit III-33, indicates that there is no significant difference in user satisfaction with problem resolution at meetings as a function of length of service.

INPL

EXHIBIT III-31

RESPONDENT SATISFACTION WITH RESOLVING PROBLEMS
WITH MANAGISTICS AT MEETINGS BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	15	4.3	6	4.6	21	4.4
Cancelled						
● Satisified	2	4.5	–	–	2	4.5
● Dissatisfied	5	2.0	2	1.0	7	1.7
Non-Converts						
● Satisfied	3	4.0	–	–	3	4.0
● Dissatisfied	3	2.7	–	–	3	2.7

* Rating: 1 - Very Dissatisfied 4 - Satisfied
2 - Dissatisfied 5 - Very Satisfied
3 - Average Satisfaction 6 - Outstanding Satisfaction

EXHIBIT III-32

CURRENT USER SATISFACTION WITH RESOLVING PROBLEMS
WITH MANAGISTICS AT MEETINGS BY SERVICE TYPE

TYPE OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	2	3.5	3	4.2	5	3.9
Pick-up and Delivery	13	4.4	3	5.0	16	4.5
Total	15	4.3	6	4.6	21	4.4

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INF
ZBOA

EXHIBIT III-33

CURRENT USER SATISFACTION WITH RESOLVING PROBLEMS WITH MANAGISTICS AT MEETINGS BY LENGTH OF SERVICE

LENGTH OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	4	4.0	3	4.9	7	4.4
Greater Than One Year	11	4.4	3	4.3	14	4.4
Total	15	4.3	6	4.6	21	4.4

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

- Current users requiring meetings, expressed satisfaction in client representative availability, as shown in Exhibit III-34.

    - Average satisfaction appeared in only one size group (20-49 employees).

    - Only one, or 5% of the respondents, was dissatisfied with client representative availability.

- Current users requiring meetings were marginally satisfied in the ability of Managistics' service representatives to resolve payroll problems, as shown in Exhibit III-35.

    - Two, or 10% of current respondents, were dissatisfied.

- Typical comments concerning problem resolution in meetings with Managistics' service representatives are shown in Exhibit III-36.

- The data and comments suggest that user satisfaction can be increased by scheduling periodic meetings with users, particularly new customers and those having a high level of phone-in questions.

G.   TRAINING

- Only 8% of total respondents, as shown in Exhibit III-37, utilized additional Managistics payroll training.

    - Only 10% of current users were involved in additional training. The figure is even lower (6%) for those later cancelling the service.

IN

EXHIBIT III-34

CURRENT USER SATISFACTION WITH THE AVAILABILITY OF
CLIENT REPRESENTATIVES FOR MEETING TO RESOLVE
PAYROLL PROBLEMS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	1	3.0	–	–
20-49	4	3.5	3-4	–
50-99	5	5.4	4-6	–
100-249	9	4.4	2-5	1
≥ 250	2	4.0	3-5	–
Total	21	4.5	2-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-35

CURRENT USER SATISFACTION WITH THE ABILITY OF
MANAGISTICS' SERVICE REPRESENTATIVES TO RESOLVE
PAYROLL PROBLEMS AT USER MEETINGS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	1	5.0	-	-
20-49	4	3.8	2-6	1
50-99	5	5.4	4-6	-
100-249	9	4.0	2-5	1
≥ 250	2	3.0	-	-
Total	21	4.2	2-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
  2 - Dissatisfied   5 - Very Satisfied
  3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-36

TYPICAL COMMENTS CONCERNING PROBLEM RESOLUTION IN MEETINGS WITH MANAGISTICS' SERVICE REPRESENTATIVES

- Got help in void check problem (N 50-99).

- I'm new. How do I arrange meeting with them (P 50-99).

- At beginning but not now (P 20-49, N 50-99, N 20-49).

- Service reps are excellent (N 50-99, N 20-49).

- Our only problems were in conversion (N 50-99).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

EXHIBIT III-37

RESPONDENTS REQUIRING ADDITIONAL MANAGISTICS PAYROLL TRAINING
OR INSTRUCTION BY CATEGORY

INTERVIEW CATEGORY	INTERVIEW SAMPLE	RESPONDENTS HAVING PROBLEMS	
		NUMBER	PORTION (percent)
Current User	101	11	11%
Cancelled Service	34	2	6
Non-converts	15	0	0
Total	150	13	9%

- No additional training was understandably utilized by companies considering, or for a short period trying, but not converting to the Managistics payroll service.

- Except for isolated instances current users, to the extent they did use additional training, were satisfied with the additional amount of Managistics' supplied payroll training, as shown in Exhibit III-38.

  - Nearly 20% of those current users taking such training were dissatisfied with the amount of training received.

- Current user satisfaction with the quality of additional Managistics payroll training is shown in Exhibit III-39.

  - Satisfactory training, where occurring, was reported in three of the five size categories.

  - Some 20% of current users were dissatisfied with the quality of the additional Managistics payroll training.

- Current users in each payroll category where used, were at least satisfied with the courtesy and professionalism of Managistics personnel conducting additional payroll training, as shown in Exhibit III-40.

  - The data attests to the quality and dedication of Managistics training personnel.

- Typical comments concerning training for using the Managistics payroll service are shown in Exhibit III-41.

- The data and comments suggest that additional payroll training, particularly where user payroll personnel turnover is high, will significantly increase user satisfaction with the Managistics payroll service.

INPUT

EXHIBIT III-38

CURRENT USER SATISFACTION WITH THE ADDITIONAL AMOUNT
OF MANAGISTICS PAYROLL TRAINING AS REQUIRED BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	-	-	-	-
20-49	4	4.5	2-6	1
50-99	3	5.3	4-6	-
100-249	3	4.7	3.5	-
≥ 250	1	2.0	-	1
Total	11	4.3	2-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INI
ZBO

EXHIBIT III-39

CURRENT USER SATISFACTION WITH THE QUALITY OF
ADDITIONAL MANAGISTICS PAYROLL TRAINING AS REQUIRED BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	–	–	–	–
20-49	4	4.5	2-6	1
50-99	3	5.0	4-6	–
100-249	3	4.7	3-6	–
≥ 250	1	2.0	–	1
Total	11	4.4	2-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-40

CURRENT USER SATISFACTION WITH THE COURTESY AND PROFESSIONALISM OF MANAGISTICS PERSONNEL CONDUCTING ADDITIONAL TRAINING AS REQUIRED BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	–	–	–	–
20-49	4	4.8	3-6	–
50-99	3	5.0	4-6	–
100-249	3	4.7	3-6	–
≥ 250	1	4.0	–	–
Total	11	4.8	3-6	–

* Rating: 1 - Very Dissatisfied   4 - Satisfied
              2 - Dissatisfied   5 - Very Satisfied
              3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-41

- 73 -

TYPICAL COMMENTS CONCERNING TRAINING FOR USING MANAGISTICS PAYROLL SERVICE

- We didn't take advantage of it (N 50-99).

- Would like some training. None received. (N 50-99).

- Want training for bank statement reconciliation (N 50-99).

- Have had no training but very interested (P $\geqslant$250).

- Did not get training. Requested it, but still waiting (N $\geqslant$250).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INPUT
ZBOA

H. PRODUCT COMPLETENESS

1. PAYROLL PRODUCT

- Current respondents from both the New York and Philadelphia offices were more than satisfied with the completeness of Managistics payroll product features, as shown in Exhibit III-42.

  - Nearly 90% of cancelled clients and 40% of those not converting reported at least average satisfaction.

  - Only 14 cancelled and non-convert clients, about one-third in these categories, were dissatisfied with the completeness of the payroll product features.

- The data suggests that on the whole the Managistics payroll product is well received.

- As shown in Exhibit III-43, customers currently using the standard Managistics pickup and delivery service are consistently more satisfied with the completeness of the Managistics payroll product features than are those utilizing the Paynet service. The data suggests that user satisfaction could be increased through selected improvements in the Paynet payroll service.

- User satisfaction with the completeness of Managistics payroll product features remains consistently high, approaching a very satisfied rating over time, as shown in Exhibit III-44.

- The data supports the ability of Managistics to supply a consistently high quality payroll product on a year to year basis.

EXHIBIT III-42

- 75 -

RESPONDENT SATISFACTION WITH COMPLETENESS OF MANAGISTICS' PAYROLL PRODUCT FEATURES BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	84	4.8	17	4.7	101	·4.8
Cancelled						
● Satisified	10	4.6	4	4.5	14	4.6
● Dissatisfied	15	3.4	4	2.3	19	3.2
Non-Converts						
● Satisfied	4	4.0	–	–	4	4.0
● Dissatisfied	10	1.8	–	–	10	1.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-43

CURRENT USER SATISFACTION WITH COMPLETENESS
OF MANAGISTICS' PAYROLL PRODUCT FEATURES BY SERVICE TYPE

TYPE OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	4.6	6	4.6	37	4.6
Pick-up and Delivery	53	4.9	11	4.9	64	4.9
Total	84	4.8	17	4.8	101	4.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INP
ZBOA

EXHIBIT III-44

CURRENT USER SATISFACTION WITH COMPLETENESS OF
MANAGISTICS' PAYROLL PRODUCT FEATURES BY LENGTH OF SERVICE

| LENGTH OF SERVICE | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	37	4.7	9	4.8	46	4.7
Greater Than One Year	47	4.9	8	5.1	55	4.9
Total	84	4.8	17	4.9	101	4.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

- Data analysis, as shown in Exhibit III-45, indicates the current users as a group are very satisfied with the calculations of earnings and deductions features of the Managistics payroll product.

    - The level of satisfaction holds through all payroll size groups.

    - Only one, or 1% of current users, was dissatisfied, an indication as to the comprehensiveness of this payroll product feature.

- Data analysis, as shown in Exhibit III-46, indicates that current users as a group were more than satisfied with the tax calculations feature of the Managistics payroll product.

    - Only three, or less than 3% of total current users, reported dissatisfaction with the tax calculation features.

    - The level of satisfaction was consistent over all payroll size groups.

- Current users were more than satisfied with the savings in clerical time by using the Managistics payroll product, as shown in Exhibit III-47.

    - The level of satisfaction with respect to significance remained consistent for all but the largest (250 employees and greater) payroll size groups.

    - Only three, or less than 3% of total current users, were dissatisfied with respect to saving clerical time.

- The data suggests that the Managistics payroll product can be marketed on the basis of increased productivity.

- Data analysis, as shown in Exhibit III-48, indicates that current users as a group are more than satisfied with the input forms features of the Managistics payroll product.

INP

EXHIBIT III-45

- 79 -

CURRENT USER SATISFACTION WITH MANAGISTICS' PAYROLL PRODUCT
WITH RESPECT TO CALCULATIONS OF EARNINGS
AND DEDUCTIONS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	5.1	4-6	-
20-49	27	4.7	1-6	1
50-99	27	5.0	3-6	-
100-249	17	4.9	3-6	-
≥ 250	5	5.2	5-6	-
Total	101	5.0	1-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

- 79 -

EXHIBIT III-46

CURRENT USER SATISFACTION WITH MANAGESTICS' PAYROLL PRODUCT
WITH RESPECT TO TAX CALCULATIONS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1–2)
< 20	25	5.0	3–6	–
20–49	27	4.8	2–6	1
50–99	27	4.9	3–6	–
100–249	17	4.6	2–6	2
≥ 250	5	5.4	4–6	–
Total	101	4.8	2–6	3

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

INP
ZBOA

EXHIBIT III-47

CURRENT USER SATISFACTION WITH MANAGISTICS' PAYROLL PRODUCT WITH RESPECT TO SAVING CLERICAL TIME BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.9	3-6	-
20-49	27	4.9	1-6	1
50-99	27	4.4	3-6	-
100-249	17	4.4	2-6	1
≥ 250	5	3.8	2-6	1
Total	101	4.8	1-6	3

* Rating: 1 - Very Dissatisfied   4 - Satisfied
            2 - Dissatisfied   5 - Very Satisfied
            3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-48

CURRENT USER SATISFACTION WITH
MANAGISTICS' PAYROLL PRODUCT WITH RESPECT TO
SIMPLICITY AND EASE OF USE OF INPUT FORMS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	14	5.5	5-6	–
20-49	22	4.8	3-6	–
50-99	21	4.8	3-6	–
100-249	16	4.5	2-6	1
≥ 250	5	4.4	3-6	–
Total	78	4.9	2-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction 6 - Outstanding Satisfaction

INP
ZBOA

- Satisfaction was greater for smaller size (under 99 employees) groups.

- Only one, or just over 1% of total respondents, was dissatisfied with the input forms features.

● The data suggests that user satisfaction could be increased through greater attention to the input form for clients having larger (probably more complex) payrolls.

● Analysis of the data shown in Exhibit III-49 indicates that current users as a group are more than satisfied with the reports features of the Managistics payroll product.

- With insignificance, the level of satisfaction holds for all but the largest (250 employees and above) payroll size group.

- Only one, or less than 1% of current users, was dissatisfied, attesting to the completeness of the reports features of the Managistics payroll product.

2. MEETING SPECIFIC NEEDS

● Current customers serviced by both the New York and Philadelphia offices were, as shown in Exhibit III-50, more than satisfied with the ability of the Managistics payroll reports to meet their specific needs.

- All customers who cancelled the service and some 30% of customers deciding not to convert still felt that they were satisfied that the reports met their needs.

- Only 25% of those customers cancelling or non-converting were dissatisfied.

INPUT

EXHIBIT III-49

CURRENT USER SATISFACTION WITH MANAGISTICS' PAYROLL PRODUCT
WITH RESPECT TO SIMPLICITY AND EASE OF USE OF REPORTS BY PAYROLL SIZ

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.8	1-6	1
20-49	27	5.0	3-6	-
50-99	27	4.9	4-6	-
100-249	17	4.8	4-6	-
≥ 250	5	4.6	3-6	-
Total	101	4.8	1-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
               2 - Dissatisfied   5 - Very Satisfied
               3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-50

RESPONDENT SATISFACTION WITH ABILITY OF MANAGISTICS' PAYROLL REPORTS TO MEET SPECIFIC NEEDS BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	84	4.9	17	5.0	101	4.9
Cancelled						
● Satisified	10	4.6	4	5.0	14	4.7
● Dissatisfied	14	3.9	4	1.8	18	3.4
Non-Converts						
● Satisfied	4	4.0	–	–	4	4.0
● Dissatisfied	10	2.0	–	–	10	2.0

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

- The data indicates the completeness of the Managistics payroll product reports feature in meeting clients' specific needs.

- Data analysis, shown in Exhibit III-51, indicates that clients serviced from both the New York and Philadelphia offices utilizing the standard pickup and delivery payroll services were consistently more satisfied with the ability of the payroll reports to meet their specific needs than were current users of the Paynet service.

- The data suggests that the satisfaction level of the payroll reports feature could be increased by selected improvements in the report features of the Paynet service.

- Analysis of the data, as shown in Exhibit III-52, indicates that user satisfaction with the ability of Managistics payroll reports to meet their specific needs remains high, approaching the very satisfied rating over length of service.

- The data support the finding that Managistics is able to offer consistently high quality payroll reports services on a year-to-year basis.

- Data analysis, as shown in Exhibit III-53, indicates that current users as a group and within each payroll size category are more than satisfied with the ability of Managistics payroll reports to meet their specific needs.

- The data supports the completeness of the Managistics payroll report features to satisfy customers for virtually all size payrolls.

- Current users on the whole are satisfied with the ability of Managistics quarterly and annual tax reports to meet their specific needs, as shown in Exhibit III-54.

INF

EXHIBIT III-51

CURRENT USER SATISFACTION WITH ABILITY OF
MANAGISTICS' PAYROLL REPORTS TO MEET SPECIFIC NEEDS BY SERVICE TYPE

TYPE OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	4.7	6	4.7	37	4.7
Pick-up and Delivery	53	4.9	11	5.2	64	5.0
Total	84	4.8	17	5.0	101	4.9

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-52

CURRENT USER SATISFACTION WITH ABILITY OF
MANAGISTICS' PAYROLL REPORTS TO MEET
SPECIFIC NEEDS BY LENGTH OF SERVICE

| | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
LENGTH OF SERVICE	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	37	4.6	9	4.8	46	4.6
Greater Than One Year	47	5.0	8	5.0	55	5.0
Total	84	4.8	17	4.9	101	4.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-53

CURRENT USER SATISFACTION WITH
ABILITY OF MANAGISTICS' PAYROLL REPORTS TO
MEET SPECIFIC NEEDS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	5.1	3-6	-
20-49	27	5.0	3-6	-
50-99	27	5.0	3-6	-
100-249	17	4.8	4-6	-
≥ 250	5	4.9	4-6	-
Total	101	4.9	3-6	-

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction 6 - Outstanding Satisfaction

EXHIBIT III-54

CURRENT USER SATISFACTION WITH ABILITY OF MANAGISTICS' QUARTERLY
AND ANNUAL TAX REPORTS TO MEET SPECIFIC NEEDS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	24	4. 6	2-6	2
20-49	26	4. 8	2-6	3
50-99	27	4. 8	3-6	–
100-249	17	4. 9	4-6	–
≥ 250	5	4. 9	4-6	–
Total	99	4. 8	2-6	5

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction 6 - Outstanding Satisfaction

- The data holds, with insignificance, for all payroll size groups.

- Five respondents reported dissatisfaction (5% of total).

● The data suggests that satisfaction level could be increased by improving annual tax reports and quarterly tax reports, at least for Pennsylvania.

● Current user satisfaction with the ability of Managistics' bank related services to meet specific needs is shown in Exhibit III-55.

- The interview sample resulted in responses for clients supported by only the New York office.

- Less than 30% of New York respondents used bank related services.

- Only one, or 4% of total respondents, reported dissatisfaction.

● The data suggests that clients were more than satisfied with the services provided by Chase Manhattan Bank.

● Typical comments concerning completeness of the Managistics payroll product are shown in Exhibit III-56.

● The data and comments suggest that customer satisfaction level could be increased by improvements in the quarterly and annual tax report features of the Managistics payroll product.

● Current respondent use of OMNIBUS and tax reporting is shown in Exhibit III-57.

● A significant number of current respondents (50%) utilized the tax payment and filing service.

EXHIBIT III-55

CURRENT USER SATISFACTION WITH THE ABILITY OF MANAGISTICS' BANK RELATED SERVICES TO MEET SPECIFIC NEEDS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	5	4.2	2-6	1
20-49	7	4.9	4-6	–
50-99	6	4.8	3-6	–
100-249	5	4.6	4-5	–
≥ 250	1	5.0	–	–
Total	24	4.7	2-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-56

TYPICAL COMMENTS CONCERNING COMPLETENESS OF
MANAGISTICS' PAYROLL PRODUCT

- Training needed on input forms (N ⩾ 250).

- We have problem with FICA and taxes (N < 20, N 50-99).

- Recent revisions of forms saves time (P 20-49).

- System very convenient to use (N 20-49, P 20-49).

- Could not get together on tax reports (N 50-99).

- Everything is outstanding (N 50-99, P < 20, P 20-49).

- Some changes needed on tax reports (P 50-99).

- Quarterly and annual tax reports not received on time (N 50-99).

- Problems not knowing current balance in bank (N 50-99, P ⩾ 250)

- End of year calculations are not reliable (N 50-99, N 100-249).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

EXHIBIT III-57

CURRENT RESPONDENTS' USE OF

OMNIBUS AND TAX REPORTING SERVICES BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	CURRENT USER SAMPLE			NUMBER USING								
				OMNIBUS			TAX REPORTING			OMNIBUS AND TAX REPORTING		
	NY	PH	T	NY	PH	T	NY	PH	T	NY	PH	T
< 20	22	3	25	4	0	4	4	3	7	7	0	7
20-49	22	5	27	7	0	7	6	4	10	0	0	0
50-99	22	5	27	7	0	7	4	5	9	6	0	6
100-249	15	2	17	5	0	5	5	2	7	2	0	2
≥ 250	3	2	5	3	1	4	1	1	2	0	0	0
Total	84	17	101	26	1	27	20	15	35	15	0	15

- Others use their accounting firm and their bank of record.

- Eighty-eight percent of current users serviced from the Philadelphia office utilize the tax service.

- Over 40% serviced from the New York office subscribed to the tax payment and filing service.

- OMNIBUS service is used almost exclusively by clients serviced by the New York office.

  - Nearly half of current clients serviced from the New York office utilize the OMNIBUS service.

  - Less than 20% of current users, all serviced by the New York office, use both the OMNIBUS and tax payment and filing service.

- The data suggests that the tax service is usually subscribed to by clients of the payroll service, particularly those serviced by the Philadelphia office.

  - Considering that Chase Manhattan is not the bank of record of the major portion of current respondents and that commercial banks and accounting firms traditionally offer such services, the number of current customers utilizing the tax and filing services is considered high.

- The data suggests that those clients serviced by the New York office which utilize Chase Manhattan as their bank of record have the highest probability of utilizing both the OMNIBUS and tax reporting services.

INPUT

I.   OVERALL SATISFACTION

- Data analysis, as shown in Exhibit III-58, indicates that current users serviced from both the New York and Philadelphia offices are more than satisfied with the overall quality and performance of the Managistics payroll service.

    - Over 70% of those customers which cancelled or decided not to convert to the Managistics payroll service expressed at least average satisfaction in an overall sense.   Only 14 cancelled and non-converting customers were dissatisfied with Managistics' overall performance.

- The data supports the high level of customer satisfaction with the Managistics payroll service operating from both the New York and Philadelphia offices.

- Current users supported by both the New York and Philadelphia offices were consistently more satisfied with the standard pickup and delivery service than they were with Paynet, as shown in Exhibit III-59.

    - Current users supported from the Philadelphia office as a group were consistently more satisfied with the Managistics payroll service than those supported by the New York office.

- The data suggests that overall user satisfaction can be increased by adding additional support personnel to the New York office and improving selected Paynet features, as outlined in prior sections.

- Analysis of data, as shown in Exhibit III-60, indicates that current users maintain their overall satisfaction with Managistics payroll service over time.

    - The overall satisfaction data is consistent with satisfaction data for selected features and services outlined in previous sections.

EXHIBIT III-58

RESPONDENT OVERALL SATISFACTION WITH MANAGISTICS PAYROLL SERVICE BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	84	4.8	17	5.3	101	.4.9
Cancelled						
• Satisified	10	4.0	4	4.8	14	4.3
• Dissatisfied	16	3.3	4	2.3	20	3.1
Non-Converts						
• Satisfied	4	3.8	–	–	4	3.8
• Dissatisfied	10	1.8	–	–	10	1.8

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-59

CURRENT USER SATISFACTION WITH MANAGISTICS
PAYROLL SERVICE BY SERVICE TYPE

TYPE OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	4.7	6	5.1	37	4.8
Pick-up and Delivery	53	4.9	11	5.4	64	5.0
Total	84	4.8	17	5.3	101	4.9

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INF
ZBOA

EXHIBIT III-60

CURRENT USER OVERALL SATISFACTION WITH MANAGISTICS PAYROLL SERVICE BY LENGTH OF SERVICE

LENGTH OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	37	4.7	9	5.3	46	4.8
Greater Than One Year	47	4.9	8	5.4	55	5.0
Total	84	4.8	17	5.3	101	4.9

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

- Current users were very satisfied with the quality of Managistics payroll service, as shown in Exhibit III-61.

  - This finding is consistent, with insignificance, for each payroll size category.

- Data analysis, as shown in Exhibit III-62, indicates that current users as a group are more than satisfied with Managistics payroll service product features.

  - The satisfaction data is consistent for all payroll size categories.

  - Only two, or 2% of current users, expressed any dissatisfaction with respect to product features.

- Current users as a group are more than satisfied with the cost effectiveness of the Managistics payroll service, as shown in Exhibit III-63.

  - Only two, or just over 2% of current respondents, reported dissatisfaction.

  - The data suggests that the Managistics payroll service can be marketed on the basis of improved productivity.

- Typical comments by clients who have cancelled and those who have decided not to convert to the Managistics payroll service are shown in Exhibits III-64 and III-65, respectively.

  - The comments suggest that nearly 30% of former customers in these two categories terminated the payroll service for reasons not related to the quality and performance of the payroll service itself.

INP

EXHIBIT III-61

CURRENT USER SATISFACTION WITH
THE QUALITY OF MANAGISTICS' PAYROLL SERVICE BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	5.2	4-6	-
20-49	27	4.9	3-6	-
50-99	27	5.1	4-6	-
100-249	17	4.9	3-6	-
≥ 250	5	4.9	4-6	-
Total	101	5.1	3-6	-

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-62

CURRENT USER SATISFACTION WITH MANAGISTICS' PAYROLL SERVICE
PRODUCT FEATURES AND REPORTS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.8	1-6	2
20-49	27	4.9	3-6	–
50-99	27	4.9	3-6	–
100-249	17	4.7	3-6	–
≥ 250	5	4.9	4-6	–
Total	101	4.9	1-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
          2 - Dissatisfied   5 - Very Satisfied
          3 - Average Satisfaction   6 - Outstanding Satisfaction

INP
ZBOA

EXHIBIT III-63

CURRENT USER SATISFACTION WITH THE COST/EFFECTIVENESS OF MANAGISTICS' PAYROLL SERVICE BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	24	4.8	2-6	1
20-49	27	4.7	2-6	1
50-99	25	5.0	4-6	–
100-249	17	4.5	3-6	–
≥ 250	4	4.3	4-5	–
Total	97	4.8	2-6	2

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

INPUT
ZBOA

EXHIBIT III-64

TYPICAL COMMENTS BY CANCELLED CLIENTS
SATISFIED WITH MANAGISTICS PAYROLL SERVICE

- The simplicity. We went from 20 to 3 employees (N 20-49).

- Accountant was unhappy with the service (N 20-49).

- Service was fast and accurate. The company went out of business (N < 20).

- Very happy with service. Company sold out to another company (N 20-49).

- Outstanding service. Management decided to switch to ADP (N 20-49).

- Liked Service but were told by accounts to discontinue (N ≥ 250).

- Switched banks. New bank used ADP (N 20-49).

- Switched because we got a cheaper price from ADP (N 20-49).

- We were taken over by another company (P ≥ 250).

- Company changed ownership. New owner switched service (P < 20).

- There were problems with company accounting so accountant switched (P 20-49).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INP
ZBOA

EXHIBIT III-65

- 105 -

TYPICAL COMMENTS BY NON-CONVERT CLIENTS
SATISFIED WITH MANAGISTICS PAYROLL SERVICE

- We are no longer in business (N 20-49).

- Company merged with another company (N 20-49).

- We went out of business (N 20-49)

- Finance director left. Manager decided we were too small to need it (N < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INPUT
ZBOA

- The data suggests the economic factors including merger, dissolution, and changing banks to get needed financing in a recessionary economy play a major part in the 30% turnover rate reportedly experienced in the Managistics account base.

- The comments also suggest that accounting firms exert considerable influence on the type of payroll service utilized by their clients.

- Typical comments by clients which have cancelled or decided not to convert to Managistics payroll service and were dissatisfied for one reason or another are shown in Exhibits III-66 and III-67.

    - INPUT believes that up to one-half of the dissatisfactions result from inadequate training and infrequent meetings or written communications with personnel handling company payrolls, both personnel initially trained and personnel new on the job.

    - Some criticisms appear valid and point toward specifics in product revision and improvement.

J. RECOMMENDATIONS

- Current customers serviced by both the New York and Philadelphia offices would be willing to advise prospective users that they are more than satisfied with the Managistics payroll service, as shown in Exhibit III-68.

    - Nearly 40% of clients who had cancelled or decided not to convert to would still recommend the Managistics payroll service to prospective clients.

INP

EXHIBIT III-66

TYPICAL COMMENTS BY CANCELLED CLIENTS
DISSATISFIED WITH MANAGISTICS PAYROLL SERVICE

- Managistics advertised features they didn't have (N 20-49).

- The payroll reports were not acceptable to the union (N 20-49).

- The price was too high so we went to ADP (N 20-49).

- Stayed with ADP because Managistics could not meet our needs (N 100-249).

- There were problems with direct data entry and direct deposit tapes (N 100-249).

- Couldn't handle restraint portion for our business. (N < 20).

- The customer representative setting up the system never followed through (N < 20).

- Managistics deleted some of our payroll information (N < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INPUT
ZBOA

EXHIBIT III-67

TYPICAL COMMENTS BY NON-CONVERT CLIENTS
DISSATISFIED WITH MANAGISTICS PAYROLL SERVICE

- The reports did not meet our needs (N 20-49)

- The end-of-year reports were not right (N 20-49).

- The owner felt the service was too expensive (N 20-49).

- The system is too complicated to meet our needs (N < 20).

- We had so many problems I can't even answer the questions (N 20-49).

- Tax information filed with IRS incorrect. We are still getting letters from IRS (N < 20).

- Does not handle multiple locations well. Hourly wages were figured wrong (N 50-99).

- The service lacked a job cost system (P 20-49).

- Unable to calculate waitress tips. (P 20-49).

- Staff at Managistics were incapable and very rude (P 20-49).

- Payroll was wrong. Taxes were wrong. Very bad service (P < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

EXHIBIT III-68

RESPONDENT POSITION ON RECOMMENDING MANAGISTICS
PAYROLL SERVICE TO PROSPECTIVE CUSTOMERS
BY INTERVIEW CATEGORY

INTERVIEW CATEGORY	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Current	84	4.8	17	5.4	101	4.9
Cancelled						
● Satisified	10	4.7	4	4.8	14	4.7
● Dissatisfied	15	3.3	4	1.3	19	2.6
Non-Converts						
● Satisfied	4	3.5	–	–	4	3.5
● Dissatisfied	11	2.1	–	–	11	2.1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
2 - Dissatisfied   5 - Very Satisfied
3 - Average Satisfaction   6 - Outstanding Satisfaction

- Only 30% of clients who cancelled or decided not to convert would express dissatisfaction to prospective clients. The data indicates that the Managistics payroll service can be successfully marketed through customer referral.

● Current users serviced by both the New York and Philadelphia offices would recommend the standard pickup and delivery service higher than they would recommend Paynet to prospective clients, as shown in Exhibit III-69.

- Users serviced by the Philadelphia office indicate a consistently higher satisfaction level in recommending Managistics payroll services than do clients serviced by the New York office.

● The data suggests that satisfaction level with respect to customer referral can be increased by added support in the New York office, particularly in the area of Paynet services.

● Data analysis, as shown in Exhibit III-70, indicates that current users position with respect to recommending Managistics payroll service to others remains high over length of service.

- The data suggests that Managistics is able to maintain a high level (approaching very satisfied) of payroll services on a year-to-year basis.

● Current users as a group are more than satisfied in a recommendation to prospective users of Managistics payroll services, as shown in Exhibit III-71.

- The data indicates consistency for all payroll size groups.

- Only one, or 1% of total current customers, would not give a recommendation to prospective users, an impressive customer referral statistic.

EXHIBIT III-69

CURRENT USER POSITION IN RECOMMENDING MANAGISTICS
PAYROLL SERVICE TO PROSPECTIVE CUSTOMERS BY SERVICE TYPE

| TYPE OF SERVICE | OFFICE | | | | TOTAL | |
| | NEW YORK | | PHILADELPHIA | | | |
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Paynet	31	4.7	6	5.3	37	4.8
Pick-up and Delivery	53	4.9	11	5.5	64	5.0
Total	84	4.8	17	5.4	101	4.9

* Rating: 1 - Very Dissatisfied   4 - Satisfied
             2 - Dissatisfied   5 - Very Satisfied
             3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-70

CURRENT USER POSITION ON RECOMMENDING MANAGISTICS
PAYROLL SERVICE BY LENGTH OF SERVICE

LENGTH OF SERVICE	OFFICE				TOTAL	
	NEW YORK		PHILADELPHIA			
	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*	SAMPLE SIZE	RATING*
Less Than One Year	37	4.6	9	5.3	46	4.7
Greater Than One Year	47	4.9	8	5.5	55	5.0
Total	84	4.8	17	5.4	101	4.9

* Rating: 1 - Very Dissatisfied   4 - Satisfied
           2 - Dissatisfied   5 - Very Satisfied
           3 - Average Satisfaction   6 - Outstanding Satisfaction

EXHIBIT III-71

CURRENT USER POSITION ON RECOMMENDING MANAGISTICS
PAYROLL SERVICE TO PROSPECTIVE CUSTOMERS BY PAYROLL SIZE

NUMBER OF PAYROLL EMPLOYEES	NUMBER OF RESPONDENTS	SATISFACTION RATING*		
		AVERAGE	RANGE	NUMBER DISSATISFIED (1-2)
< 20	25	4.8	3-6	–
20-49	27	5.0	1-6	1
50-99	27	5.0	4-6	–
100-249	17	4.7	3-6	–
≥ 250	5	4.9	4-6	–
Total	101	4.9	1-6	1

* Rating: 1 - Very Dissatisfied   4 - Satisfied
              2 - Dissatisfied   5 - Very Satisfied
              3 - Average Satisfaction   6 - Outstanding Satisfaction

- Respondents rationale for not recommending the Managistics payroll service are shown in Exhibit III-72.

    - The data suggests that selected improvements in product features and reports will improve both customer retention and prospective client conversion.

    - Specific improvements related to "other rationale" are outlined below.

K.   PRODUCT FEATURES

1.   BEST LIKED FEATURES

- Typical comments concerning what current users like most about the Paynet and the standard pickup and delivery payroll services are shown in Exhibits III-73 and III-74, respectively.

    - Uniformly "good press" can be found among current users of all payroll size categories.

    - The comments suggest that Managistics payroll services can be affectively sold through customer referral.

2.   LEAST LIKED FEATURES

- Typical comments concerning what users like least about Managistics' Paynet payroll service is shown in Exhibit III-75.

    - It appears user satisfaction can be increased through increased customer support, particularly in the New York office.

INP

EXHIBIT III-72

RATIONALE FOR NOT RECOMMENDING MANAGISTICS PAYROLL SERVICE

AS REPORTED BY RESPONDENTS BY TYPE

RATIONALE	RESPONDENT TYPE					
	CURRENT CUSTOMERS		CANCELLED CUSTOMERS		NON-CONVERTS	
	INTERVIEW SAMPLE*	PORTION (percent)	INTERVIEW SAMPLE*	PORTION (percent)	INTERVIEW SAMPLE*	PORTION (percent)
Against Company Policy	–	–	–	–	–	–
Poor Quality/Accuracy	1	1%	1	3%	–	–
Inadequate Product Features/Reports	–	–	7	21	8	53%
Unsatisfactory Value	1	1	–	–	–	–
Poor Telephone Communication	1	1	–	–	1	7
Unsatisfactory Reliability/Service	1	1	6	18	1	7
Poor Pick-up/Delivery	–	–	–	–	–	–
Other	–	–	19	35	6	40

* Multiple responses possible.

EXHIBIT III-73

TYPICAL COMMENTS CONCERNING WHAT CURRENT USERS LIKE MOST
ABOUT MANAGISTICS' PAYNET PAYROLL SERVICE

- Speed and timeliness (N 50-99).

- One day turnaround (P 20-49).

- Input and delivery data quickly accessible (P 20-49).

- Easy and simple to use (N 20-49, N 20-49, P < 20).

- Never had any problems with Managistics (N 100-250).

- Like the whole system (N < 20).

- Direct deposit and price of service (N 20-49).

- Quality of and information on reports (P 20-49).

- Ease and rapid turnaround of system (N < 20).

- Over the phone input (N 50-99, N 50-99).

- Tells you what you want to know right away (N 50-99).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INPU
ZBOA

EXHIBIT III-74

TYPICAL COMMENTS CONCERNING WHAT CURRENT USERS
LIKE MOST ABOUT MANAGISTICS' STANDARD PAYROLL SERVICE

- When I call they are very good responding to my questions (P 20-49).

- They are on time, very polite and courteous. Payroll is simple to use (N 20-49).

- The tax deposits and our payroll journal (N 20-49).

- A beautiful service. Tells you what you need to know right away (N 50-99).

- Over the phone input (N 50-99).

- Simplicity - customer reps are great (N 100-249).

- Not having to worry about tax reports and calculations (N 100-249).

- Direct deposit. I would recommend them to anyone but with some hesitation (N ≥ 250).

- Their reports give us flexibility (N ≥ 250).

- They are there when I need them (P < 20).

- Access to getting help. Promptness of Service (N < 20).

- Very dependable. Like service reps (N < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INPUT
ZBOA

EXHIBIT III-75

TYPICAL COMMENTS CONCERNING WHAT CURRENT USERS
LIKE LEAST ABOUT MANAGISTICS' PAYNET PAYROLL SERVICE

- Get a different service representative with each call (P 50-99).

- Make it easier to get to service rep (N 50-99, N <20).

- Too many extra unused reports (N 50-99).

- Telephone communications need improving (N 20-49).

- Lack of training (N 20-49).

- End of month reports (P 20-49).

- Nothing I can think of (P < 20, P < 20, N < 20, N < 20).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

- Because Paynet clients have inquiry capability, they may be getting too many reports otherwise made available to standard service clients. A selective tailoring of reports and improvement particularly in the end of month and annual tax reporting would improve Paynet customer satisfaction.

- Typical comments concerning what users like least about Managistics' standard payroll service are shown in Exhibit III-76.

    - Analysis of the comments suggest that customer satisfaction can be significantly increased with additional customer service office support.

    - There appears to be some problems with the quarterly and year-end tax reports, a particular problem in submission of 941 data for Pennsylvania.

3. PRODUCT IMPROVEMENTS

- Typical comments concerning product improvements by Paynet users are shown in Exhibit III-77.

    - Greater emphasis should be placed on training, particularly retraining, new customer personnel responsible for interfacing with Managistics as a result of customer personnel turnover.

- Typical comments concerning product improvements for the standard pickup and delivery payroll service are shown in Exhibit III-78.

    - Again, additional training is in order.

    - An effective job cost system would increase penetration in manufacturing industries.

    - The ability to handle out of state subsidiaries would increase penetration with larger companies.

INPUT

EXHIBIT III-76

TYPICAL COMMENTS CONCERNING WHAT CURRENT USERS
LIKE LEAST ABOUT MANAGISTICS' STANDARD PAYROLL SERVICE

- Response time of customer service reps should be improved.
  Reduce account level (N 50-99).

- Trying to get a representative on the phone. A very
  big problem (P 20-49).

- Reports run too late. Don't get on time (P < 20).

- Holiday scheduling needs improvement (P 50-99).

- Problems with voided check (N 50-99).

- Need better telephone response. (N 100-249).

- Problems with quarterly 941 data presentation (P 100-249).

- Lateness and errors in year end reports (N 100-249).

- Need to respond to our requests sooner (N ≥ 250).

- Couldn't do the proper annual reports at year end (N 20-49).

- Takes too long to respond to our tax problems (N 20-49).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

EXHIBIT III-77

TYPICAL COMMENTS CONCERNING
ADDITIONAL FEATURES CURRENT USERS WOULD LIKE TO SEE
INCORPORATED INTO MANAGISTICS' PAYNET PAYROLL SERVICE

- Additional training needed on changes in manual (P 20-49).

- Have a lead time of six weeks to set up service (P 50-99).

- Put State and City depository numbers on reports (N 50-99).

- Very happy with current service (N 100-250).

- Nothing (N <20, N 50-99, N 20-49, N 100-250).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

INPUT
ZBOA

EXHIBIT III-78

TYPICAL COMMENTS CONCERNING ADDITIONAL FEATURES CURRENT USERS WOULD LIKE TO SEE INCORPORATED INTO MANAGISTICS' STANDARD PAYROLL SERVICE

- Properly executing the 941 tax reports. (P 20-49).

- Need a job cost system (N 20-49).

- Ability to flag terminations (N < 20).

- Want payroll totals in advance of day of deposit in bank (N < 20).

- Ability to handle subsidiaries and track terminated employees (N 20-49).

- Want a listing of outstanding payroll checks (N 50-99).

- Ability to handle voided checks (N 50-99).

- More control totals to trace and audit. (N 100-250).

- Include employee donations on paycheck stub (P 100-250).

- More training on system needed (P ≥ 250).

P = Philadelphia
N = New York
Numbers indicate payroll size category.

APPENDIX: MANAGISTICS PAYROLL SERVICE
CLIENT SATISFACTION SURVEY
QUESTIONNAIRE

Managistics
Payroll Service Client Satisfaction Survey

A. INTRODUCTION

All information provided is for confidential use by Managistics. Client names will not be used nor will any of the survey information be used for advertising or any promotional purposes. The intent of the survey is to measure your level of satisfaction with various aspects of Managistics Payroll product and service.

In each of the following questions please note your degree of satisfaction, where 1 = very dissatisfied, 2 = dissatisfied, 3 = average, 4 = satisfied, 5 = very satisfied, 6 = outstanding.

	Very Dissatisfied (1)	Dissatisfied (2)	Average (3)	Satisfied (4)	Very Satisfied (5)	Outstanding (6)

B. ACCURACY AND COMPLETENESS OF THE PAYROLL SERVICE

1. How satisfied are you with accuracy of the payroll processing? . . . .

2. How satisfied are you with Managistics performance in delivering all of the reports and services you are SCHEDULED to receive? . . . .

   Comments: _____

C. DATA SUBMISSION AND DELIVERY SERVICE

1. Do you use Paynet? ☐ Yes ☐ No (If no, go to C-2.)

   How satisfied are you with the service? (Go to D.) . . . .

2. How satisfied are you with Managistics' pick-up service in terms of:

   a. Schedule/Timeliness. . . . .

   b. Courtesy . . . .

3. How satisfied are you with Managistics delivery service in terms of:

   a. Delivery According to Schedule . . . .

   b. Courtesy . . . .

   Comments: _____

D. WRITTEN COMMUNICATIONS

1. Periodically Managistics sends out written communications regarding tax changes, holiday schedules and other payroll related topics. How satisfied are you with the quality (clarity, information value and timeliness) of such communications?. . . . .

2. How satisfied are you with Managistics' communication of new product improvements features and services?. . . . .

3. How satisfied are you with the quantity of written communications from Managistics?. . . . .

E. CALLS FOR ASSISTANCE

1. When you call Managistics with a question or problem, how satisfied are you with respect to the following:

   a. Ease of reaching Managistics . . . .

   b. Receiving the Assistance Needed Quickly. . . . .

   c. Information Accuracy . . . .

   d. Courtesy and Professionalism. . . . .

   Comments: _____

INPUT

	Very Dissatisfied 1	Dissatisfied 2	Average 3	Satisfied 4	Very Satisfied 5	Outstanding 6

F. PROBLEM RESOLUTION

1. Have you ever had a question or problem which required a meeting with a Managistics service representative to resolve?

   ☐ Yes   ☐ No

   If yes, how satisfied were you with respect to the following:

   a. Availability of a Client Service Representative. . . . .

   b. Ability to Satisfy Your Needs . . . .

   Comments: _____

G. TRAINING

1. Have you ever required additional payroll training or instruction?

   ☐ Yes   ☐ No

   If yes, how satisfied were you with the following:

   a. Amount of Instruction. . . . .

   b. Quality of Instruction . . . .

   c. Courtesy and Professionalism. . . . .

H. PRODUCT COMPLETENESS

1. How satisfied are you with Managistics Payroll Product (features and reports) in terms of:

   a. Calculation of Earnings and Deductions. . . . .

   b. Tax Calculations . . . .

   c. Saving Clerical Time. . . . .

   d. Simplicity and Ease of Use of Input Forms. . . . .

   e. Simplicity and Ease of Use of Reports. . . . .

   Comments: _____

2. How well do the following reports meet your specific needs?

   a. Payroll Reports. . . . .

   b. Quarterly and Annual Tax Reports . . . .

   c. Bank-related Services (e.g. Automatic Bank Deposits, Third-party checks. . . . .

   Comments: _____

I. OVERALL SATISFACTION

1. Overall how satisfied are you with Managistics' Payroll Service with respect to:

   a. Quality of Service . . . .

   b. Product Features and Reports . . . .

   c. Cost Effectiveness Value . . . .

INPU

	Very Dissatisfied	Dissatisfied	Average	Satisfied	Very Satisfied	Outstanding
	1	2	3	4	5	6

J. RECOMMENDATION

Note: This question is not seeking a testimonial and will not be used for advertising or promotional purposes.

1. If someone considering Managistics Payroll Service were to ask for your opinion or recommendation, how would you respond? (circle the response that applies) . . . .

2. If you would not recommend Managistics or are not sure, what are the reasons? (Check all that apply.)

   ☐ Against Company Policy   ☐ Poor Telephone Communications

   ☐ Poor Quality and Accuracy/Errors   ☐ Unsatisfactory Reliability and Service

   ☐ Inadequate Product Features & Reports   ☐ Poor Pick-up and Delivery

   ☐ Unsatisfactory Value   ☐ Other

K. OTHER

1. What do you LIKE BEST about Managistics Payroll Service?_____

   _____

   _____

2. What aspects of the service or product do you LIKE LEAST or feel need the most improvement?_____

   _____

   _____

3. What if any additional product features would you like to see incorporated into Managistics' payroll product?

   _____

   _____

L. CLASSIFICATION INFORMATION

In order to assist us in the analysis of the survey responses, please check the appropriate codes below.

1. What title/position most closely matches yours?

   ☐ Owner/Officer   ☐ Office Manager   ☐ Bookkeeper

   ☐ Controller Accounting Manager   ☐ Payroll/Personnel Manager   ☐ Payroll Clerk

2. How much experience have you personnally had using Managistics' Payroll Services?

   ☐ 1–3 Months   ☐ 7–12 Months   ☐ 3–5 Years

   ☐ 4–6 Months   ☐ 1–3 Years   ☐ Over 5 Years

   Comments:_____

   _____

   _____

   _____

THANK YOU FOR YOUR TIME AND COOPERATION.

INPUT