

Thirteen Amazing Days

The Story of the PayPlus Owners Group as told by George Gersema

It was the end of the year 2000. During late October to mid-November, a group of PayPlus users were contacted by Mark Lewis from Thoroughbred Software. Mark was inquiring as to the level of interest in the idea of a group of PayPlus customers purchasing PayPlus Software, Inc. from Zurich Insurance Company. Zurich was changing their direction and focusing on other things, so they were going to divest themselves. This was not entirely unexpected because Zurich hadn't spent a lot of time and attention taking care of PayPlus or SLS in the time that they had owned the company; in fact, the last couple of years it seemed that it had been on autopilot with promises of fixes and improvements that never materialized, so we weren't totally surprised.

Thoroughbred had actually contemplated buying the software itself, because of vertical integration and, of course, PayPlus ran on the Thoroughbred platform. But Thoroughbred had rejected that strategy; they had once vertically integrated with another company's software application and that had not worked well. It had not been a good outcome, so they decided not to buy PayPlus themselves, but they were aware of the fact that it was for sale and they thought they'd put together a group of users who would buy the software and keep it on a Thoroughbred platform.

The mix of those approached was totally random. SLS was excluded, because the only user names that Thoroughbred had were those who were using PayPlus, because PayPlus ran on Thoroughbred. Thoroughbred didn't know who the SLS users were so the only people they called were PayPlus users—and I never understood the rhyme nor reason by which they chose to call those that they did. They were geographically dispersed: there were large and small companies. It was, I guess, just providence that those who were interested happened to get a phone call. Perhaps some of those who were interested *didn't* get a phone call but that was just the way the cookie crumbled.

Which brings us to December the 18th, the year 2000: A group of ten PayPlus users gathered in a motel conference room in Houston, Texas—the Marriott, as I recall. We had flown in; we were going to meet that day and fly out that afternoon. So, from start to finish: Mark Lewis of Thoroughbred presented the proposition, we talked about numbers, we talked about structure and organization, and from a beginning time of about nine o'clock in the morning to about three thirty in the afternoon, ten people—some of whom knew each other and others who were complete strangers—had decided to coalesce around the idea that they would buy PayPlus Software.

It was interesting that the motivation in the room was *not* that this was going to be a grand profit-making venture, that this would not set the world on fire; but, rather, the motivation of every single user in the room was that the payroll software was central to the operation of a PEO, and that in an act of defense, the users did not want this software to fall into unfriendly hands. There was angst and concern amongst the users that another company—who would also treat the software as if it were a red-headed stepchild—would gain ownership of the software and allow it to languish without fixes and improvement.

The worst possible scenario was that a competing software company would buy PayPlus and then slowly strangle PayPlus and force the users into their software. That was the grimmest possibility but the other possibilities weren't an awful lot better and, at the end of the day, the owners felt that the best thing they could do was just buy the software so that they could protect it and know with certainty that the software on which their business enterprises ran would be maintained and improved.

So, from December the 18th, when we all went to Houston, and December the 31st—thirteen days over Christmas holidays—ten people who had never worked together before in their lives actually coalesced, created a corporation, and bought the PayPlus name and assets from Zurich Insurance Company. We closed January the 1st of the year 2001 and began the journey of the last five years. And that, in a nutshell, is how it all happened. It was rather amazing that these strangers, who knew each other not that well previously, had gathered around and formed a corporation, and now owned a software company—hopefully for the betterment and certainly for the maintenance and preservation of the software that was critical to the industry. That's how it happened—in thirteen days.