

Paychex names Martin Mucci its new CEO

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• October 1, 2010

One of **Paychex** Inc.'s top executives is now its very top executive. Martin Mucci, a senior vice president, on Thursday was elevated to CEO of the Rochester area's fourth-largest corporate employer.

Mucci, 50, becomes only the third chief executive officer of the provider of payroll and human resource services since its founding in 1971 by B. Thomas Golisano.

Mucci replaces Jonathan Judge, who resigned suddenly in July and earlier this week was named CEO of a **company** in Atlanta.

"Marty was chosen because of his tremendous work ethic," Golisano, chairman of the Paychex board, said at the company's Penfield headquarters. Golisano pointed out that as senior vice president of operations, Mucci already has managed 8,000 Paychex employees, or 65 percent of the company's global work force of 12,250.

Paychex has 3,300 local workers, ranking behind only Wegmans, **Eastman Kodak** and Xerox among area corporations.

Mucci takes over at one of the most challenging times in Paychex's history. Because it depends heavily on small and **mid-sized businesses** as customers, Paychex was hit particularly hard by the recession. Revenues declined for five consecutive quarters and earnings per share fell for six quarters. Only in its most recent quarter, which ended in August, did Paychex see slight growth in sales and profit.

Wall Street reacted benignly to Mucci's promotion, with Paychex shares rising 1 percent to \$27.49 on a day when the overall stock market dipped 0.3 percent. Paychex is down 10 percent this year and for the past decade has averaged around \$34 — a far cry from the high of close to \$60 it reached in 2000.

Mucci, in an interview after the announcement, said he will focus on sales of the company's payroll and other services to newly created businesses. About half of the business Paychex does comes from **startups**, he said.

Sandy Parker, CEO of the Rochester Business Alliance, noted that Mucci served as RBA board chairman in 2006 and 2007. She said Paychex was well-served when it chose to promote from within its ranks.

"It's great to see someone who knows the company . . . get rewarded like this," Parker said.

Mucci is a native of Elmira and graduated with a degree in accounting from St. John Fisher College in 1981. He later got an MBA from the University of Rochester's Simon School of Business.

He started as an analyst for Frontier, the communications company, eventually rising to CEO. In 2002, he was hired by Paychex.

After the announcement, employees cheered him in the atrium of the Penfield headquarters.

"OK, get back to work," he said to laughter. "Thank you very much. It's very touching."

Judge, the recently departed CEO, was a former IBM executive who took the top job at Paychex in 2004, replacing Golisano. Earlier this week, Judge was named CEO of First Data Corp. in Atlanta, an **electronic commerce** and payment processing company.



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Asked on Thursday whether Judge has now become a competitor, Golisano said First Data is more of a business ally that Paychex can work with.

Since Judge stepped down, Paychex has been run by a group of top executives, including Golisano, Mucci, Chief Financial Officer John M. Morphy and senior vice president Delbert Humenik.

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