CEO: Mr. Khan, what is the focus at IOI®, Interlogic Outsourcing, Inc® today?
Mr. Khan: We are in the human resources payroll administration and payroll tax management industry. Under its current name, the industry is referred to as human capital management technology. IOI provides SaaS based technology to a wide variety of customers; from very small to very large clients, the largest being about thirty five thousand employees nationally.

CEO: Would you tell us about the different products you offer?
Mr. Khan: The core product that we offer as far as human resources management software is IOIHire®, IOIHire manages the hiring process from the time someone applies for a position to the end of employment. IOI provides the technology to keep the new hire’s application and resume on file, perform background checks, bring him/her into the employer’s payroll system and pay the new employee; all while ensuring payroll tax compliance wherever they are on file in the country. Additionally, IOI provides several benefit and management base reports at the behind the scenes. Therefore, the concept is really to provide technology from the time someone applies to the time they retire or are no longer with that employer.

CEO: How do you keep it simple, intuitive and comprehensive at the same time?
Mr. Khan: The flagship product that IOI offers is called IOIPay®, which is a SaaS based Payroll & HR product. We have clients with five and ten employees who need a much simpler solution than those who employ thirty or thirty five thousand employees and have much more complex reporting and benefits requirements. We recognize that payroll technology has many checks and balances; therefore, if you select items off a menu, you can meet the reporting needs for a small employer more...
simply and directly. For example, a ten employee company can likely be done processing in maybe three to five minutes, where as the larger employers may have much more complex systems with which we are interfacing. IOI’s technology helps catch errors and verify anything that does not appear consistent to an employer.

**CEOCFO:** *Is it less challenging to have all the information about a state requirement, a city requirement, maybe even sometimes it is a town requirement because of technology advances?*

**Mr. Khan:** Arguably, the biggest improvement has been two fold in our business. The first is that we deal with, and provide data to, several thousand taxing agencies around the country, from federal government down to state, county, city, and other municipalities, based on how they are taxing employees and employers. That is one of the advantages of outsourcing, because IOI completes taxes nationally and we have a compliance team that ensures our technology is up to date. A small improvement made over the last decade is most of the states and the municipalities, counties and townships historically used to require a lot of paper; now almost everyone receives data, by and large, electronically. Therefore, our dedicated tax department that provides tax compliance is about a quarter of the size that it was ten or twelve years ago. The second major improvement is that culturally, and as a business community, we are much more comfortable using technology. Meaning, people are more open to entering information electronically as well as providing payment to their employees electronically via direct deposit, etc. Consequently, technology has improved the payroll process substantially and made it much simpler for employers and outsourcing businesses like IOI.

**CEOCFO:** *What is available in mobile for your clients? Is this an area that really should be done on a mobile basis?*

**Mr. Khan:** IOI offers a mobile app for Employee Self-Service, allowing employees to access their pay stub and W-2 information from their mobile devices. If an employee is applying for a mortgage, for example, he/she can provide their previous pay stub information immediately rather than returning to their employer to retrieve the necessary information. In the mobile app, employees can also monitor or update their vacation and sick time. In our mobile app, employees have quite a bit of their information at their fingertips. In some cases, our smaller employers even use a mobile device to process their payroll and human resources needs.

**CEOCFO:** *IOI is a leading provider to non-profits, religious affiliations and membership organizations. Was that a deliberate strategy or more opportunistic? What is different about working with those types of organizations?*

**Mr. Khan:** We were fortunate to introduce payroll & HR outsourcing to many non-profit and religious organizations. It was more opportunistic, because we already serviced some clients in that space. These organizations helped, and continue to help, us redefine our technology, allowing us to tailor our solutions and understand their special requirements while making necessary improvements to meet non-profit needs. The difference between the non-profit sector and traditional businesses is how some of the taxes are done and how they function organizationally; we updated our technology to make it more automated for them to do certain functions that they were otherwise performing manually.
CEOCFO: *Human capital is a very crowded field. How do you reach out to prospective customers? How would people find you if they were looking? How would you jump off the page when there might be about one hundred search engine results?*

Mr. Khan: Because there are a few hundred payroll and HR outsourcing providers, we have three different ways that we approach the market. First and foremost, we have a direct sales organization. Then, we have partners who remarket our products. In some cases, insurance brokers, agencies or insurance companies present their products to employers who may need more technology to be able to simplify the use of their products; *IOI* is often suggested as a partner to provide that additional technology. Over time, employers begin to look for a single point solution, eliminating these additional partners. They want to be able to log into a solution that provides the entire spectrum of services, from human resources to payroll administration, benefits and even payroll deductions for healthcare reporting. Therefore, we are able to stand out among our competitors as a single source solution; although there are several hundred providers not all of them are able to offer a comprehensive solution. There are several HCM providers that do not provide a payroll solution, so they are forced to partner with a payroll provider in order to compete in the Payroll & HR industry. Our second approach includes scalability. The fact that we, again, are covering the entire spectrum, from small to very large accounts, we are able to compete on a higher level with our product offerings. Employers often find us on the web, as we conduct a thorough search engine optimization (SEO) strategy. Additionally, we work with many CPAs who refer business to us, giving us multiple avenues for name recognition. Finally, we take part in many industry-specific trade shows and chamber associations providing access to vertical markets like the non-profit segment.

CEOCFO: *Implementing a new system is always scary for many people, particularly something like payroll where people want their checks and they will be very upset if they are not there. How do you ease fears about implementation? How are you to implement so that it is somewhat simplified, but also that if there is a problem you can address it very, very quickly.*

Mr. Khan: One of the most significant challenges in Payroll & HR outsourcing is helping a prospective client understand that we can provide a positive experience when they previously had a bad experience with another company; often, they are skeptical and do not want to work with another payroll company. When an employer has a positive experience with their outsourcing partner, they often do not feel the need to change. Therefore, sometimes we face a dilemma where we have to help prospective clients understand how the transition would work seamlessly. In our case, what sets us apart is that we take full responsibility for the implementation of a new client. *IOI* collects data from the client and imports/updates that information in our system; we work with the client to verify that all information is transferred correctly. Additionally, we perform our own internal verification to ensure accuracy. Then, we provide training, either on-site for large customers or via other communication platforms with which clients are most comfortable. We basically take it as a project management function; being one of few companies that takes a responsibility approach to implementation, as opposed to overloading clients with information and asking them to filter through everything and come back to us to update the system. We have a “client acquisition team” that handles all implementation after a sales
person closes the deal. The team is involved as soon as a sale comes through; bringing in one of the members of the client acquisition team and helping implement the client from providing training resources to coordinating all aspects of the implementation process. Many IOI clients work with third party benefit providers, so the team also gets involved in making sure that intervention is done and connections to that third party are made. We are confident in our processes and are fortunate that our client retention rate year-after-year is consistently around 94%, which is a very high percentage for our industry.

**CEOCFO: I would imagine that is a big selling point!**
**Mr. Khan:** As we acquire more complex clients, there are many special requirements that have to be accommodated in our system. It can be a concern, but because we are very active and understand client needs, we are able to make the proper adjustments. Finally, when a client calls IOI during business hours, they will speak with a live IOI representative every time. We do not believe in the telephone tree system instructing someone to press “one for this and press two for that.” My view is that if a client calls about a payroll question they generally need an answer right away; therefore, we are staffed for high phone response times allowing us to maintain a positive reputation amongst our clients.

**CEOCFO: Is your customer service in the US?**
**Mr. Khan:** Everything that IOI offers is serviced in the United States. Our development teams and all aspects of our business are in the US. Our customer service team is scattered across mainly three different US locations, to accommodate time changes.

**CEOCFO: Do you find that many people ask about that?**
**Mr. Khan:** We have been asked about our customer service by some very large accounts, because they had experience with a previous provider whose call center was in another part of the world. We made a decision some time ago that was very important to me; that we manage everything, including customer service, in the United States. Most importantly because of the confidentiality of information, I wanted to make sure all information is treated as securely as possible. Therefore, it does get asked a bit, but I think when people call to speak with a representative they can tell that we are a US based company and find comfort in that.

**CEOCFO: Security issues are always a concern today. How do you address security?**
**Mr. Khan:** IOI, like others in this industry, has the most current technology. We partner with a third party that performs extensive testing and provides us with security oversight in terms of the technology and how we are implementing. Therefore, security is of utmost importance to IOI. We have several algorithms in our system that look for various things at all times; as we continue to upgrade and improve our technology. We invest a great deal of time and money in ensuring that our technology is the most secure. Additionally, we have an internal team that monitors our technology and security practices at all times.

**CEOCFO: What is next for Interlogic Outsourcing?**
**Mr. Khan:** We are expanding some of our products to make it easier for our customers to collect information from their employees. On the Time & Attendance side, people record their time worked in various ways and that data has to be brought into the system. Therefore, we are working
on some mobile technologies, in addition to exploring other technology, which would help speed up the data transfer process. On the payment side, we still have a large number of companies who do not use direct deposit and are not bankable. Therefore, we are working to find an alternative, other than a Pay Card, for these companies to pay their employees. There are mobile payment technologies that allow employees to get paid without having a paper check, and we are exploring that option.

**CEO/CFO:** *What is the takeaway for our readers? What should they remember about Interlogic Outsourcing Inc?*

**Mr. Khan:** *IOI* is recognized as one of the most customer focused businesses, and that platform helps us succeed. Our main focus is to enable technology for our clients, while maintaining a personal touch by having a knowledgeable customer service representative who can help. As time goes on, we are getting fewer phone calls, but we are still staffed with support to help clients who cannot find the answer to their problem in the technology. To me, a high level of customer service is really the important differentiator and something that is positively reviewed by many of our customers.