



PEO Overview

- Professional Employer Organization
- Began in the early 1980s
- Concept of creating purchasing power for small businesses
- Scale economies for small businesses seeking to streamline employment-related functions
- Currently 1,000 PEOs with 8 publicly traded
- 25% annual growth rate
- Approximately 3 million employees currently with PEOs
- Estimated that 50% of the workforce will be on a PEO by 2020



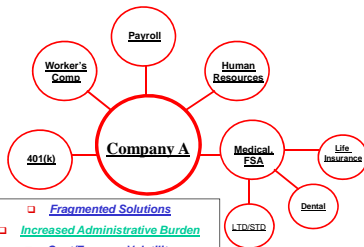
We Help Companies...

- Save Time**
so they can get back to business.
- Win**
the battle for top talent.
- Motivate**
their workforce to greater levels of performance and productivity.
- Stabilize**
their labor costs and ensure regulatory compliance.

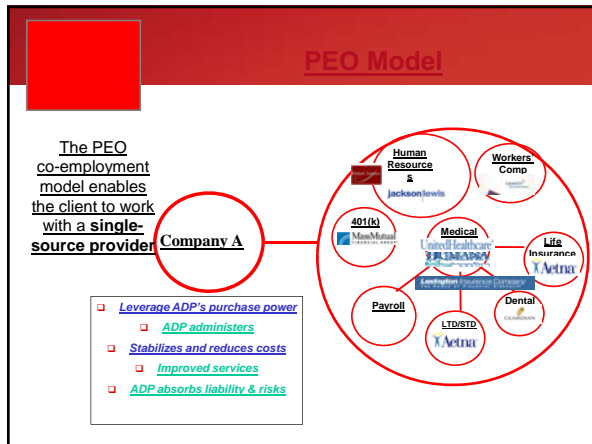


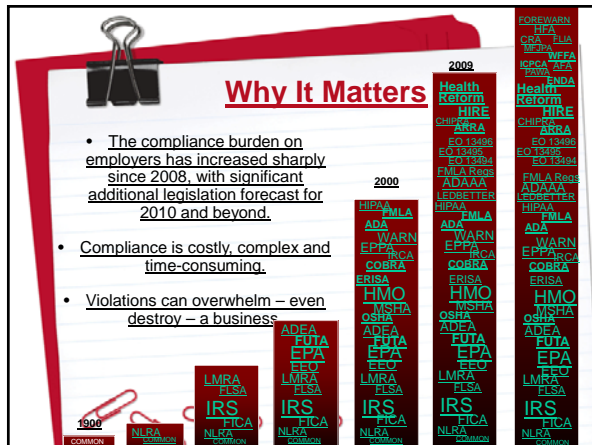
Traditional Business Model

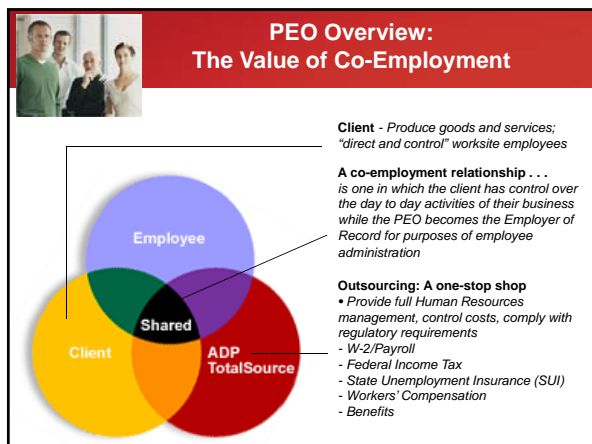
The traditional employer model requires the employer to manage multiple vendor relationships

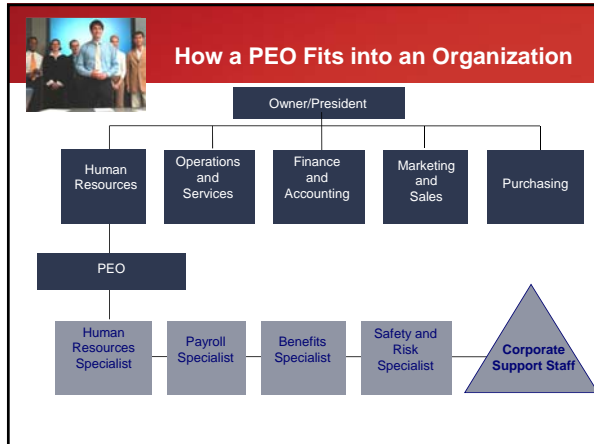


- ❑ *Fragmented Solutions*
- ❑ *Increased Administrative Burden*
- ❑ *Cost/Expense Volatility*
- ❑ *Challenged Communication*
- ❑ *Overlapping Services*
- ❑ *Employer Absorbs Liability & Risks*









Criteria for Evaluating a PEO Provider

According to PricewaterhouseCoopers:

- Financial Stability**
 - Is the company public?
- Scope of Operation**
 - Is there a national service model?
- Experience**
 - How long have they been in business?
- Breadth of service**
 - Is there a broad range of services?

Breadth of Services: Look for Payroll and Tax Administration

- Web-enabled payroll suite of services
- Automated access to complete payroll management reports
- Customized reporting
- Direct deposit
- Tax filing services and multi-state reporting (941, 940, W-3 and W-2)
- Tax levies, garnishments and liens administration
- Payroll and wage/hour regulations compliance

Business Impact

- ✓ Reduce employment administration burden allowing more time to focus on your core business
- ✓ Improve operating efficiencies



Breadth of Service: Look for Recruitment and Selection

- Online Job Posting Services
- Customized Job Descriptions
- Online Candidate Assessments
- Employee Background Checks and Drug Screening
- Comprehensive Benefit Offerings
- Professional Training and Development
- New Hire Processing

Business Impact

- ✓ Find talent - Online job postings provide cost effective solutions
- ✓ Qualify and match candidates with the right opportunity
- ✓ Reduce time per hire by promptly finding the right applicant
- ✓ Set clear expectations and get the hiring results you want
- ✓ Reduce employee turnover and drive profitability



Breadth of Services: Look for a Focus on Risk Management and Safety

- Fully insured Workers' Compensation coverage
- Dedicated Loss Prevention Specialist
- No deposits/no audits
- Fraudulent claims investigation
- OSHA compliance and training
- Complete claims administration
- Assist in implementing a proactive approach to loss prevention and safety
- Aggressive return-to-work programs
- Assist in implementing drug-free workplace program
- Safety consultation and customized safety manuals

Business Impact

- ✓ Eliminate administrative hassles of processing claims and seeking coverage
- ✓ Experienced risk management specialist to assist in stabilizing cost and meeting your business objectives



Breadth of Services: Look for a Focus on Employee Relations

- Dedicated Human Resources Team
- Assistance and guidance regarding complex Human Resources issues
- Assistance with developing an Employee Handbook
- Training & assistance with Performance Reviews
- Access to a full library of HR forms and sample reports
- Employee termination assistance
- Progressive Discipline and Conflict Management
- Employee Orientation and Benefits Enrollment

Business Impact

- ✓ Establish clear expectations enabling employees to work more efficiently and effectively toward company goals
- ✓ Enhance employee productivity



Breadth of Service: Look for Training and Development

- Comprehensive, professional classroom training for managers and associates
- Online training
- Seminars structured around the five main elements of the employee life cycle
- Pre-Employment & Hiring
- Employment Law Essentials
- Sensitivity Skills
- Workplace Violence
- Customer Satisfaction
- Professional Development

Business Impact

- ✓ Motivate your workforce to greater levels of performance and productivity
- ✓ Employees value professional growth and development
- ✓ Reduce turnover
- ✓ Reduce employment-related liability



Breadth of Services: Look for a Focus on Legislative & Regulatory Compliance

- \$1,000,000 EPLI coverage
- Legal Defense Benefit
- Expert human resources consultation
- Compliance guidance with state and federal employment laws
- Handle employee complaints
- Investigate discrimination and/or wrongful employment complaints filed by employees or government agencies
- Unemployment claims management

Business Impact

- ✓ A comprehensive program of compliance management that minimizes liability and reduces compliance costs
- ✓ Panel of experts to manage through complex employment related issues helping your business to remain in compliance



Breadth of Service: Look for Benefits Programs and Administration

- Fortune 500®-quality benefits plans
- HSA Accounts and HDHPs*
- Full benefits administration
- Employee Assistance Program (EAP)
- Flexible Spending Accounts
- No plan and rate negotiation
- Section 125
- Dedicated Employee Service Center (800#)
- Supplemental Employee Benefits
- Employee perks and discount programs

Business Impact

- ✓ Full suite of benefits plans providing flexibility and choice for you and your employees
- ✓ Win the battle for top talent, reduce turnover and drive profits
- ✓ Competitive long-term carrier relationships to effectively manage cost

*where applicable



Breadth of Service: Look for Employee Perks and Ancillary Benefits

- ❑ Full suite of Voluntary Benefits
 - Term and Universal Life
 - Family Income Life Insurance
 - Disability Income Insurance
 - Accidental Death and Dismemberment
 - Critical Care and Cancer insurance
 - Personal Accident & Disability
 - Legal Service Plan
 - Pet Insurance
 - Auto Insurance
- ❑ Employee perks and discount programs
 - Office Supplies
 - Entertainment Discounts
 - Child care discounts

Business Impact

- ✓ Additional programs to strengthen retention capabilities
- ✓ Corporate benefits solutions for your business



Breadth of Service: Look for a Comprehensive 401(k) Program

- ❑ Turnkey 401(k) Plan with flexible design and plan options
- ❑ Online information and assistance
- ❑ Low employee fees
- ❑ Diverse investment and management options
- ❑ Brokerage Window
- ❑ Net Asset Value funds
- ❑ Daily valuation

Business Impact

- ✓ Great tax planning, retention and recruitment tool
- ✓ One of the most attractive, cost effective 401(k) plans in the marketplace




Breadth of Services: Look for Assistance with Terminations

- ❑ Dedicated Human Resources Professional to assist with termination process
- ❑ Recommendations to help minimize liability
- ❑ Guidance regarding progressive discipline
- ❑ Termination administration
- ❑ Provide Outplacement Service
- ❑ Administer unemployment claims

Business Impact

- ✓ Minimize employment-related risk
- ✓ Protect assets through proactive and progressive actions

Who is a Fit for a PEO



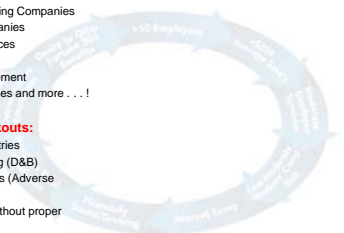
Attractive Industries:

- Light Manufacturing Companies
- High Tech Companies
- Professional Offices
- White Collar
- Property Management
- Service Companies and more . . . !

Absolute Knockouts:


- Risky W/C Industries
- Bad Credit Rating (D&B)
- Poor Health Risks (Adverse Selection)
- New Business without proper financing

Knockouts – Roofers, General Contractors, Insulation Contractors, Logging Companies, Seasonal Companies, Companies whose employees work 15 feet above or below the ground, Moving companies, Long Haul (over 250 miles), Trucking companies, Nursing Homes, 24-hour Convenience Stores, Companies involved in storage treating, discharging, applying, shipping, or transporting of hazardous materials.





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Experiencing Human Resources Pain . . .

- Rising Health Care Cost
- Employee complaints and/or lawsuits
- HR positions open or hard to fill
- Problems finding or retaining quality employees
- Overwhelmed with government regulations
- Distracted by administrative burdens

Change Agent –

- Growing rapidly
- Expanding to new markets
- Downsizing or re-organizing
- Spinning off or acquiring new divisions

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Strategic Advantages of a PEO

- ❑ Concentrate on your core business
- ❑ Align with a single source provider
- ❑ Minimize risk of employment-related liabilities
- ❑ Attract and retain quality employees
- ❑ Stabilize labor cost by leveraging PEO's resources and infrastructure
- ❑ Reduce risk and safety exposure through active loss prevention programs
- ❑ Low risk investment



Financial Review

