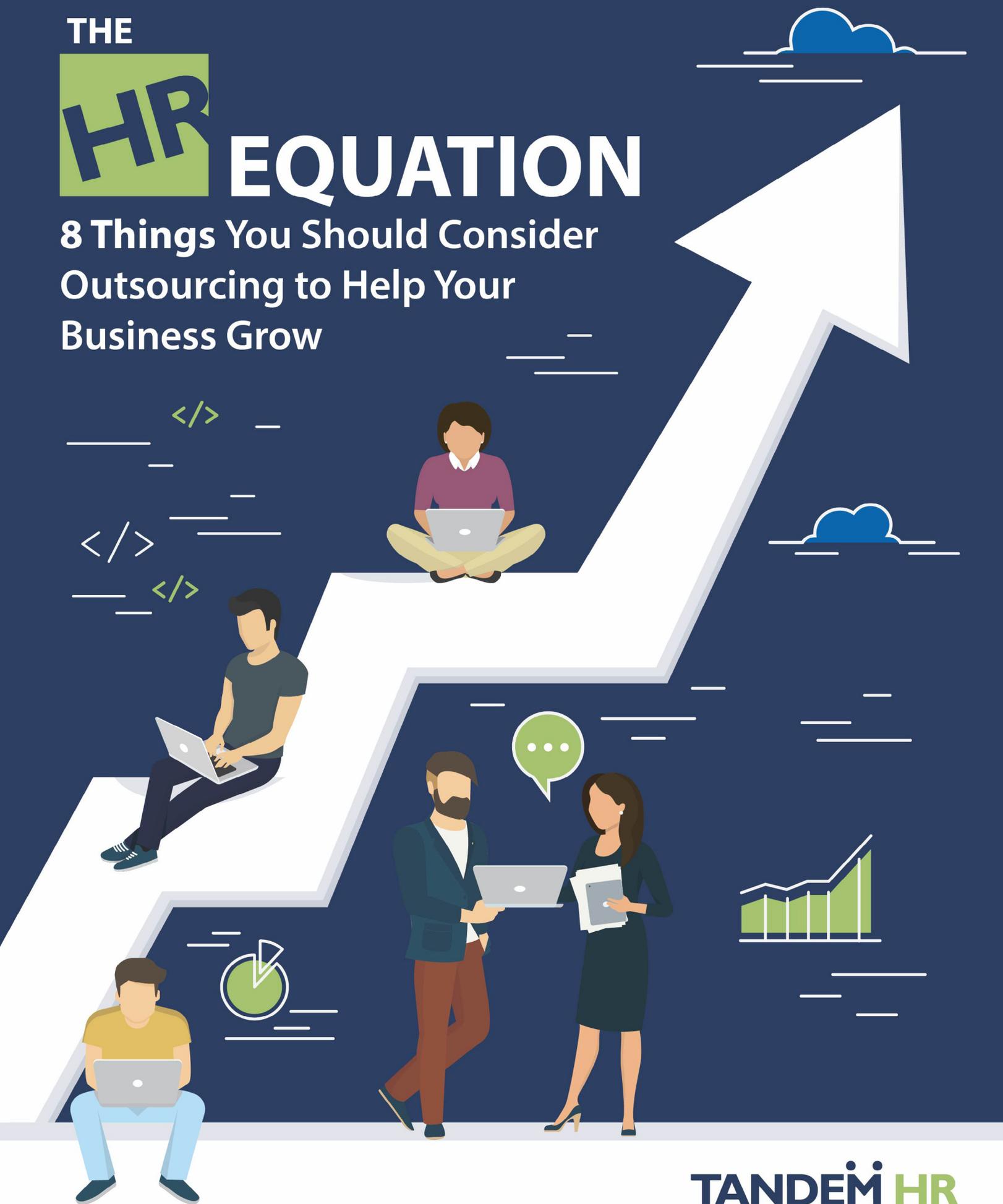


THE

HR

EQUATION

8 Things You Should Consider
Outsourcing to Help Your
Business Grow



TANDEM HR

FOREWARD

Greg Slamowitz, author of Flip the Pyramid: How Any Organization Can Create a Workforce that is Engaged, Aligned, Empowered and On Fire

I've run several businesses over the years. I've turned small businesses into big businesses, and I've helped struggling businesses push through the wall between them and massive growth. There's one thing that I always come back to: human capital is every business's most important asset.

That's something Tara Conger understands, and it's why her model of HR outsourcing works.

There's only so much time in the day, so as a business leader, you have to focus on your core functions—on those essential, revenue-producing activities that are necessary to achieve your business's mission. Think about it this way: If your competitor is spending 50% to 75% of their time on core functions, and you're putting 75% to 100% of your time toward core functions, you're going to win every time.

How can you put more time toward core functions? Outsourcing. It's that simple. If it's not a core function, get it out of the house.

Unless you're an accounting firm, your core function isn't accounting, so you partner with experts to do that work. If you're not a marketing firm, your core function isn't marketing, so you hire an agency to handle it for you. See where I'm going with this? Unless you're a PEO, your core function isn't HR, payroll, and benefits, so you hire a PEO to take over HR administration and open up time for the rest of your team to focus on doing what they do best.

When I first got into the PEO industry, we modeled our platform on the old HR payroll and benefits platform at J.P. Morgan. When you work for a big Fortune 500 company like that and you run a department, you use a shared HR payroll and benefits service,

and you pay per person using that platform. These types of companies are focused on generating revenue, which means every employee has to be dedicated to doing exactly that. So, I thought, if a shared HR service worked for them, why couldn't it work

for other businesses? I found out it did, and it still does. When you partner

with a PEO, you're working with a company that understands the importance of human lives, that knows the best strategies for talent acquisition and benefits and employee training and development. That's their core function, which means you're giving your people the very best resources so they can focus on doing what they do best.



ABOUT GREG

Greg Slamowitz is an entrepreneur, investor, professor, author and speaker. Greg is currently the founding and managing member of G. Slamowitz & Company LLC (www.gregslamowitz.com), a family office based in Big Sky, MT. Greg is the founding and managing member of DesignedBuilt LLC, an innovative designer and off-site fabricator of energy efficient homes, based in Big Sky, MT and Gdansk, Poland and is also the Lead Board Member of Tandem HR, a Shore Capital backed professional employer organization (PEO) based in Westchester, IL. Greg was the recipient of the 2001 Ernst & Young New York Entrepreneur of the Year® award in the employment services category. Greg also serves on the Dean's Advisory Board for Emory University's School of Law.

INTRODUCTION

Any business owner knows it's a war for talent out there, and it's only going to get harder. Small employers must differentiate themselves in order to attract (and keep) good people.

I've worked in a lot of different industries during my career—sports marketing, athletics, human resources, and most recently in the PEO space. If there's one thing that's held true no matter what company I'm helping build, it's this: A business is all about its people.

But when you're on the smaller side, it's easy to be at a disadvantage. From finding talent, to offering top-tier benefits that convince said talent to say yes to your offer, to keeping them on board with the best possible training development resources and a safe workplace where they feel heard and prioritized, talent management can be overwhelming—especially when you really need to be spending your time running your business.

*Tara Conger,
President at Tandem HR*

TANDEM HR



*That's where a PEO
(or professional employer
organization) comes in.*

What exactly can a PEO offer a small or midsize business?

A lot, actually. Everything I mentioned above (talent acquisition, benefits, training, risk management) and more. Just the technology and access to benefits programs alone is enough to set an employer apart when they partner with a PEO.

That's why I wrote this e-book. If I can help business owners like you learn a little (hopefully a lot) more about human resources, then you can decide if a PEO is the right step to take your business to the next level.

The number one thing that sets a business apart from its competitors is its people. The number two thing is ensuring those people can spend their time where their talents lie. You, as the business owner, should be able to focus on why you got into this work in the first place—not on managing payroll (or any other myriad of HR tasks). A PEO can help you do just that and so much more.

So what exactly can you outsource when it comes to HR?

I've broken it down into eight core categories, which we'll dig into together in the coming pages:

1. Talent acquisition
2. Payroll
3. Benefits and 401k
4. Employee relations
5. Training and development
6. Risk management and safety
7. Regulatory compliance
8. Separation

But what if you already have an HR person or an entire team? Can a PEO really help?

I came to the PEO industry from an HR background where I lived and breathed HR, and many HR professionals see PEOs as a competitor. But for me, I wish I'd known about this concept when I was in HR! Working with a PEO team can take so much weight off the internal HR team so they can focus on more strategic items and implement these without having to worry about more administrative tasks.

And for companies who don't have the resources for an HR team, a PEO can take on that entire responsibility. Think about an employer who only has twenty-five employees. They can't get large group benefits because they're just too small.

Working with a PEO opens up a whole new world to them.

But it doesn't stop there. A PEO is an extension of your team and can help walk through employee relations and compliance issues. There are hundreds of different laws and regulations that we help our clients with, keeping them compliant and aware of any changes so that they don't need to worry about them.

I've heard it from so many clients over the years: You don't know what you don't know when it comes to HR. So why not trust an expert?

What is a PEO?

Before we dig into the various HR functions a PEO can help with, let's take things back a little bit and build a quick foundation, starting with a simple question: What is a PEO?

A PEO is a professional employer organization, but what does that mean to a small or midsize business owner? In its simplest form, a PEO is a way for businesses to outsource HR. I know what you're thinking—isn't this a book about finding and keeping talent so you can grow your business? How can outsourcing talent bring talent through your doors?

Think of it this way: You work with experts when you need expert work done. You call an electrician if you need to rewire your building or bring in a plumber if your pipes burst. You hire an accountant to do your taxes and a lawyer to guide you through litigation.



Businesses that
work with PEOs
GROW 7-9%
FASTER

Businesses who partner
with a PEO see a
10-14%
DECREASE
in employee turnover

The ROI of
using a PEO is
23%
in cost savings alone

Working with a PEO means you get access to expert HR professionals and services—like payroll and payroll tax processing, benefits administration, employee relations, safety and regulatory compliance guidance, and so much more. These services then increase profitability, maximize productivity, decrease time wasted on transactional activities, and lower employment-related liability costs.

All of that together ultimately means reduced labor costs for your business. And the benefits don't stop there.

Working with a PEO increases business growth.

When leaders have more time to focus on their business, they have more resources for growth. But don't take my word for it. Research from the National Association of Professional Employer Organizations (NAPEO) has found that outsourcing human resources to a PEO not only helps businesses grow 7-9% faster but midsize businesses that partner with a PEO are 50% less likely to go out of business.

Imagine what you could do with your time if you didn't have to spend it worrying about human resources.

PEOs save small businesses money.

For small businesses, costs make a big impact on the bottom line. HR administration is one of the largest expenses for most businesses, and those costs are only rising. PEOs give small businesses access to economies of scale—decreased costs as the result of increased production.

Think of it this way: As a small business, purchasing a robust benefits plan is often completely cost-prohibitive. With a PEO, you get affordable access to the type of plan you could find at a Fortune 500 company without having to have thousands of employees or pay top dollar. And those savings go a long way.

Companies that work with a PEO see a 27.3% return on investment in cost savings alone on things like health benefits, workers' compensation, unemployment insurance, and more. Meaning that for every \$1,000 spent on PEO services, an average business would save \$1,273, yielding a net cost savings benefit of \$273 for every \$1,000 spent.

With more robust HR resources, you'll decrease employee turnover.

We've already talked about how important retaining talent is when it comes to business growth. When you've invested time and money into hiring and training the right people, the last thing you want is to lose them to the competition. Businesses that partner with a PEO see a 10-14% decrease in employee turnover.

Your employees get competitive benefits packages, more opportunities for training and development, and a sense of security that they'll be paid on time, every time. The result? More engaged employees and better talent attraction.

You don't have to navigate compliance and regulations on your own.

Every year human resources gets more complex and more regulated. For business owners, that means a lot of time spent keeping up with shifting compliance regulations or risking litigation.

PEOs are well-versed in HR standards—not only keeping up with them but often identifying potential blind spots and mitigating business exposure to protect businesses and give owners more time to focus on the business itself.

Access to better HR technology at a lower cost.

Partnering with a PEO gives small and midsize businesses access to high-end HR technology without the full software price tag. This makes many day-to-day HR activities easier—particularly if you decide you only want to outsource a portion of your HR needs.

Things like payroll, PTO requests, compliance, reporting and analytics, employee management, talent acquisition, and training and education become much more streamlined. This empowers you, the business leader, to move faster and improve your employee experience through simplified HR administration.

Key Benefits of a PEO



MORE BENEFITS

- HR services
- Payroll
- Risk management
- 401k
- Federal and state employment compliance
- Management training
- Timekeeping
- Large group benefits access and administration
- HRIS/Technology
- Single invoice



FASTER GROWTH

- 25% fewer employee concerns for the business owner
- 9% increase in revenue
- 14% lower turnover
- 16% more likely to report increased profit



COST SAVINGS

- For every \$1,000 spent on PEO services, businesses see a net cost savings of \$272
- Decreased HR personnel costs
- Benefit administration costs (health, WC, UI)
- Legal and compliance experience
- Education and training
- Consulting

The Eight Things Smart Business Owners Are Outsourcing to Grow Their Business

What exactly can a PEO do for you to make all of this possible?

I've broken it down into eight key categories, which I mentioned in my introduction, but I've also included them below (you'll see them a lot as we go forward). I'll spend the rest of this book going through each of these in detail.

At the end of each section, you'll find a short assessment to help you determine if a PEO partnership could be a good fit for your company for some (or all) of these categories. I've also included the full quiz at the end if you're not a do-it-as-you-go type of person. Either way, I'm excited to help you see where you may have gaps in your HR that a PEO can fill.

- 1 Talent Acquisition**
Applicant Tracking System and access to recruiting services and electronic onboarding. 
- 2 Payroll**
Payroll administration as well as time and attendance features 
- 3 Benefits and 401k**
Full benefit offering and online benefit enrollment 
- 4 Employee Relations**
Dedicated HR Business Partner; manager & employee self-service portals 
- 5 Training & Development**
Employee and manager workshops; performance management and e-learning 
- 6 Risk Management & Safety**
Worker's compensation/unemployment coverage and claims administration 
- 7 Regulatory Compliance**
Guidance on employment law compliance 
- 8 Separation**
Employee termination risk analysis, unemployment claim support, COBRA & exit interviews 

Talent Acquisition

•••• *How to find (and keep) the right people.*

A business's success always goes back to its people. Your employees make your work possible. They deliver your product or service to your customers, taking the idea you had as a business owner and making it a reality. That's why talent acquisition is so important. But it's also why it can be so challenging.

Bigger companies with more resources are hiring just like you are, which means you have to compete if you want to attract good talent (that's also where benefits can help, but let's not get ahead of ourselves just yet).

Businesses that partner
with a PEO have
**23-32% LOWER
TURNOVER**

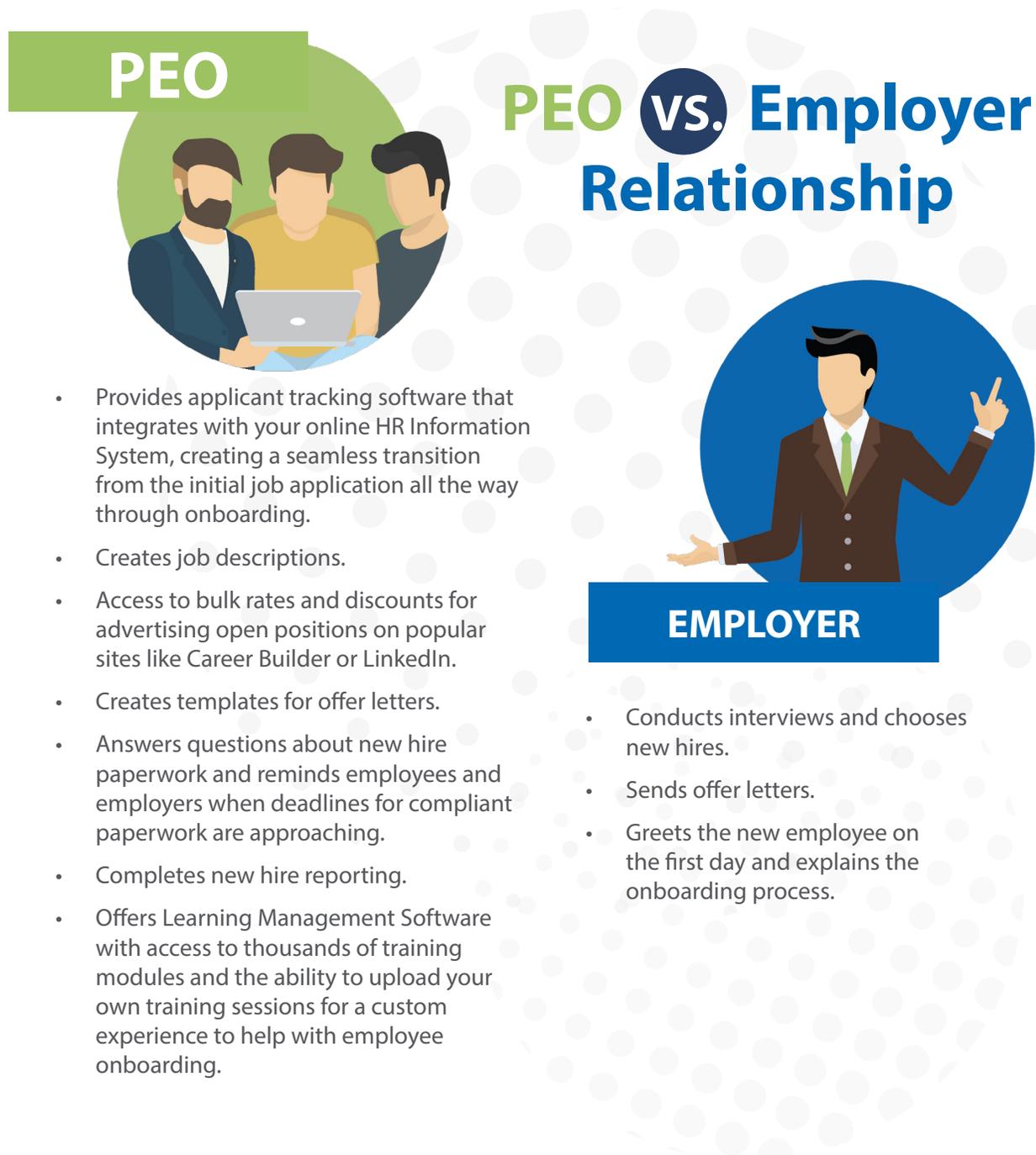
Attracting good applicants is only the first start in the process. Then, you have to sort through resumes, narrow your candidate pool, and actually make the hire.

Making the hire requires offer letters, new hire paperwork, employee reporting, onboarding, training, and development. The list goes on and on, with each step in the process a time-consuming but necessary piece of acquiring and onboarding employees.

That's where a PEO comes in.

When you partner with a PEO, acquisition no longer sits squarely on your shoulders. Yes, you're making the final decisions about who to hire (this is your company, after all!), but you have an entire team of professionals behind you to take the heaviest part of the burden off your plate.

Below is a quick look at how this plays out in a PEO-employer relationship.





Is a PEO right for me?

To help you decide if outsourcing HR can help your business grow, we've put together a few questions at the end of each section. Go ahead and write down your answers. At the end, we'll give you a score to help you decide if it might be time to outsource some of your HR needs!

- 1. Do you find yourself putting off hiring new employees because it takes too much time?**
 - A. Every time we need to make a new hire.
 - B. Only for certain roles.
 - C. I have someone who handles that for me, but it still takes longer than I would like.
 - D. Never! We have a great hiring process in place.

- 2. Have you ever lost a talented applicant to a larger business?**
 - A. Too many to count.
 - B. It's happened enough that it's an annoyance.
 - C. Only once or twice.
 - D. Never! When we make an offer, people always accept.

- 3. Do you have an effective, turn-key onboarding process?**
 - A. We don't have much of an onboarding process at all.
 - B. We have an onboarding process, but steps always get missed.
 - C. Our onboarding process could use improvement, but overall, it works well.
 - D. We have an excellent onboarding process.

Payroll and Tax Administration

•••• *Paying your employees doesn't have to disrupt your day.*

Any business owner knows there's a lot more to payroll than cutting a check. Verifying timesheets, confirming pay rates, and figuring out benefit deductions or withholdings can be a full-time job.

While some companies do make it a full-time job, working with a PEO can do more than ease the burden of payroll. You have access to a team of experts who've made a career out of payroll management, so you don't just have to depend on one person's expertise (or take on the burden yourself). Simply submit timesheets and confirm pay rates, then click approve or deny.

98%
of companies who use a PEO would recommend it to a small or midsize business colleague

And if you do have an HR team, working with a PEO empowers them with the tools to streamline payroll so they can focus on other parts of their job that directly improve the employee experience.

Partnering with a PEO on payroll and tax administration doesn't only mean payroll preparation, filing of tax returns, or access to a robust payroll software (though you do get that); it also benefits your employees. For example, one of our clients in the hospitality industry can provide employees with earned wage access so they can get paid in advance if they need it. This is a huge benefit in an industry that has 100% turnover.

BENEFITS OF USING A PEO FOR PAYROLL		
REDUCED ADMINISTRATIVE BURDEN	DEPENDABLE PAYROLL COMPLIANCE	SIMPLIFIED TRACKING AND REPORTING
<ul style="list-style-type: none"> • Payroll preparation • Filing of employment reports • Computing and tracking all deductions • Administration of direct deposits, pay cards, and checks • Processing and filing of all tax returns and statements (W-2, 941, etc.) • Filing state-compliant new hire reports • Handling of employment and wage verification requests • Pay policy administration according to employee handbook (time off, bereavement, jury duty, etc.) 	<ul style="list-style-type: none"> • Guidance and education around ever-changing payroll compliance • Pay collection and computation according to FLSA and state/federal regulations • Calculation, collection, and remittance of all federal, state, and local payroll taxes • Collection and remittance of garnishments and child support according to state laws 	<ul style="list-style-type: none"> • Access to robust payroll software • Tracking of accruals and balances for holiday, vacation/sick, or PTO/ETO • Assistance with reports and general ledger accounts for uploading into your accounting system • Online payroll access including on-demand and custom reports • Employee self-service portal accessible 24/7/365 • Discounted time and attendance software solutions

Should I be outsourcing payroll and tax administration?

Don't forget to write down your answers and view your results at the end of the book!

4. **Does processing payroll take a day (or more) of your time, preventing you from doing other work?**
 - A. I often lose multiple days a month to processing payroll.
 - B. Payroll is annoying, but I make it work because I have to.
 - C. We have a payroll team, but they could be more efficient.
 - D. Our payroll process is seamless!

5. **Do you ever worry that your payroll process isn't fully compliant with state or federal regulations?**
 - A. I worry about this every time I run payroll.
 - B. I worry about compliance a few times a year.
 - C. I only worry about compliance around tax time and during onboarding.
 - D. I have no worries about state or federal regulations.

6. **Do you struggle with tracking holidays, vacation and sick time or PTO?**
 - A. PTO is a major struggle for us to track and difficult for our employees to request.
 - B. PTO is difficult to track, but our employees can make requests easily.
 - C. PTO isn't terribly difficult to track or request, but it does take time I'd rather spend somewhere else.
 - D. We have a great PTO process.

Benefits & 401(k)

•••• *Stand out from competitors and retain employees with benefits that actually benefit them.*

Benefits are expensive. Because of the way group plans work, offering more than the bare minimum can be incredibly cost-prohibitive for small and midsize businesses. But benefits are a key piece of bringing the right people on board to work for your company and for being a good employer.

The good news: You can outsource your benefits.

Partnering with a PEO doesn't only mean access to large-group benefits at affordable rates; it also means working with experts to help you develop and execute a benefits strategy. Your PEO can administer your plans—from the electronic open enrollment process to claims management assistance and even vendor bill consolidation.

With a PEO, you can choose from these large group plan designs:

- Medical
- Dental
- Vision
- Life insurance
- Short-term and long-term disability
- Group supplemental/voluntary life or disability insurance
- 401(k) multiple employer plan
- Employee assistance program



BENEFITS OF USING A PEO FOR BENEFITS

ROBUST PLAN DESIGN AND MAINTENANCE	COMPREHENSIVE ADMINISTRATION AND EDUCATION	COMPLIANT TESTING AND REPORTING
<ul style="list-style-type: none"> • Multiple large group plan designs to accommodate employee needs • Insurance carrier analysis and negotiations • Carrier communications on the client's behalf • Claims management and escalation 	<ul style="list-style-type: none"> • Facilitation of initial plan descriptions, education, enrollment and employee orientations • Response to benefit plan and claim process questions for employees and clients • Eligibility management • COBRA administration • Leave, FMLA, and disability administration • Convenient and paperless enrollment for open enrollment, new hires, and qualifying life events • Benefit invoice reconciliation to ensure proper payments and credits are applied • Processing of employee status changes and qualifying life events • Cafeteria 125 plan/admin fees • 5500 filings • Maintenance of employee benefit files 	<ul style="list-style-type: none"> • Conducting all year-end testing to ensure plan compliance • Mailing of required notices • ACA compliance, reporting, and notices • 1095-C compliance • ERISA compliance • HIPAA compliance



***Should I be outsourcing benefits?***

Don't forget to write down your answers and view your results at the end of the book!

- 7. Have you lost applicants or employees due to insufficient benefits?**
 - A. We regularly miss out on quality talent or lose current employees to bigger companies with better benefits.
 - B. We've lost a few employees because our benefits weren't good enough.
 - C. Our benefits could be better, but it isn't an ongoing issue for talent acquisition and retention.
 - D. We have amazing benefits!

- 8. Have you ever had to pass on a benefits plan because your company was too small to qualify for a good group rate?**
 - A. I never passed on one because I couldn't even find a benefits plan that worked for my needs.
 - B. More than once.
 - C. Yes, but I found an alternative.
 - D. No, I have a great benefits plan with a favorable rate.

Employee Relations

- • • • *Navigate every HR situation and concern with confidence.*

While our first few HR categories—talent acquisition, payroll, and benefits—may seem like obvious options for outsourcing, human resources are just that: Human. Employee relations are critical to employee satisfaction and company growth. But can you really outsource these types of HR needs?

The short answer is yes!

The teams PEOs hire are the best of the best when it comes to HR professionals. By working for a PEO instead of as a one-person-show for a small or midsize company, they have opportunities for advancement and growth that keep them at the top of their game so you can stay at the top of your game.

What does it look like outsourcing employee relations? Your PEO will start with an HR audit and then put the right initiatives in place for your company—from building an employee handbook, creating electronic personnel files, and managing unemployment claims to assessing performance management tools, creating employee retention strategies, and supporting your business with any investigations or complaints.



BENEFITS OF OUTSOURCING EMPLOYEE RELATIONS

HR ADMINISTRATION

- Handbook creation and maintenance
- FLSA review
- Job description review, revision, and creation
- Compliance posters and notices
- Online enrollment form review
- Creation and maintenance of personnel files
- Unemployment claims management

EXPERT GUIDANCE AND SUPPORT

- Employee relations assistance
- Policy guidance
- Employment law compliance, regulation changes and updates
- Employment audits (EEOC, DOL)
- Hiring and recruiting procedures
- Assessment of performance management tools
- Employee retention strategies
- Investigation support (cultural assessment, harassment complaints)

Should I consider working with a PEO for employee relations?

9. Do you have an easy-to-navigate employee handbook?

- A. No, I haven't had time to focus on putting one together.
- B. I have one, but it hasn't been updated in a few years.
- C. I have one, but it's not really that helpful.
- D. Yes, and it's great!

10. Would you be prepared to deal with a harassment complaint from one of your employees?

- A. Other than Google, I wouldn't know where to start.
- B. I have a vague idea, but I don't have any systems in place to navigate harassment complaints.
- C. I can hire a lawyer to handle that for me.
- D. I'm an expert on harassment complaints.

11. Do you have a robust performance management and employee review process in place?

- A. No, we don't have a regular plan in place for employee reviews.
- B. It's been a few years since we've done employee reviews.
- C. We do conduct reviews, but the process could be better.
- D. We have regular employee reviews with plans on how to reward employees and improve performance.

Training & Development

•••• *Help your employees do what they do best, so you can do what you do best.*

The most talented employees are looking for employers who will let them focus on their skills. A recent Gallup poll found that candidates ranked being able to do what they do best as the third most important factor for a new job (just after an increase in income or benefits and a better work-life balance).

By offering employees continual learning, you not only capitalize on their skills (something they want!), but you also help them grow those skills so they can work more efficiently and effectively. It's simple. By investing in your people, you are investing in your company's growth.

Businesses that partner
with a PEO are
50% LESS
LIKELY
to go out of business

But building out a robust development program can be daunting, particularly for employees who have a skill set that's far different from your own. You might be an expert in product development, but that doesn't mean you're equipped to train your finance team on Excel best practices.

Partnering with a third party not only makes creating a training and development program more seamless, but it also lifts the weight of maintaining that program off your shoulders so you can focus on business growth.



How can a PEO help with employee training and development?

- Provide a robust online learning management system (LMS) with thousands of courses
- Ability to upload your trainings to LMS for a custom experience and place to store institutional knowledge
- Guidance and rollout of state-mandated training, such as anti-harassment training
- Management training and guidance through challenging employee relations issues

Would you benefit from outsourcing training and development?

12. Do you have a training and development program?

- A. I don't, and I don't even know where to begin.
- B. I do, but it's ineffective and no one uses it.
- C. I do, but it could use some improvement.
- D. I do, and it works to great effect!

13. Do you have a plan in place for conducting state-mandated training?

- A. I didn't even know there was state-mandated training.
- B. I know we need them, but it's been a few years since we've conducted one.
- C. We hold training as needed, but it's often a headache.
- D. We have a plan in place and it works great!

Risk Management & Safety

• • • • *Employees will feel safer. You'll feel more secure.*

No matter how safety-conscious your company is, an employee can still get hurt, and the impact of an injured employee is a lot more than simply worrying about their recovery. It can result in investigations, litigation, and worse.

The weight of creating a safe work environment is a lot for one person to carry, but can you really outsource it? **Yes, and for many small businesses, you should!** Through a PEO, you can get better rates for your worker's compensation plan and have a team ready and waiting to administer it should the need arise.

So what does it look like to partner with a PEO for employee safety? It starts with a risk analysis to correct workplace hazards before injuries occur. Then, if an injury does happen, you have a team ready to handle any and all workers' compensation claims. And because you're partnering with experts, you know you're always up-to-date on the latest safety compliance standards.

Not only will this help you feel more secure as a business owner, but it will also make your employees feel safer, contributing to a more productive working environment.



HOW A PEO CAN HELP WITH RISK MANAGEMENT AND SAFETY?		
PRE-EMPLOYMENT SERVICES	OVERSIGHT OF WORKERS' COMPENSATION	ONGOING SAFETY & REGULATION COMPLIANCE
<ul style="list-style-type: none"> E-verify services Discounted background check, education and employment verification, and credit check services Discounted drug screening 	<ul style="list-style-type: none"> Workers' Compensation plan sponsorship and administration Annual audit Claims administration Vendor relationship management Investigations, hearings, preparation 	<ul style="list-style-type: none"> Safety consultations OSHA regulations assistance and compliance Return-to-work programs Assistance with federal and state employment laws

Is outsourcing risk management and safety right for your company?

- 14. Do you feel confident in how you would handle an employee injury if it happened today?**
- A. Not at all.
 - B. We have a worker's comp plan, but I wish we had access to something better.
 - C. We have a worker's comp plan in place, but I'm not well-versed in how to file the claims.
 - D. We have an excellent worker's comp process.
- 15. Are you aware of the latest OSHA regulations and safety employment laws?**
- A. Safety and regulation compliance is a big worry for me.
 - B. Regulations are always changing, so it's hard to keep up, but we manage.
 - C. We have someone on our team who handles this, but it's a lot for one person.
 - D. I'm fully confident in our safety and regulation compliance.

Regulatory Compliance

• • • • *Don't let employment laws keep you up at night.*

Hiring the right people is essential to business growth, but employing people comes with hundreds of federal, state, and local employment laws. Not all laws apply to all businesses, but all businesses are responsible for not only following the ones that do apply to them but staying up to date with any changes as they're made.

If you're not compliant, you could be subject to fines or litigation (which means legal fees). It can be daunting, and, unfortunately, the government isn't going to hold your hand through the process.

I've heard it more than once from our clients: You don't know what you don't know. And by the time you've discovered you don't know, it may already be too late. But does it really make sense to dedicate an entire person or department to keeping up with employment law? **For most small businesses, the answer is "No."**

That's where a PEO comes in. PEOs have experts on staff whose entire job is to keep a pulse on employment laws and apply those laws to your business. Not only that, but they can assist with government compliance, reporting, and agency interfacing to truly take the weight (and worry) off your shoulders.

What laws and regulations can a PEO help me with?



- Title VII Civil Rights Act
- Americans with Disabilities Act (ADA)
- Immigration Reform and Control Act (IRCA)
- Federal and State(s) Family Medical Leave Act (FMLA)
- Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Employee Retirement and Income Security Act (ERISA)
- Fair Employment and Housing Act
- Equal Employment Opportunity (EEO)
- Fair Labor Standards Act (FLSA)
- Department of Labor (DOL) interface
- Numerous wage and hour laws
- Age Discrimination in Employment Act (ADEA)
- Equal Pay Act
- Varying child labor laws
- State-specific statuses

Could you use help with regulatory compliance?

16. Do you feel like you are in compliance with all federal, state, and local regulations?

- A. I don't even know what all the regulations are!
- B. We're in compliance with the laws I know about, but it does keep me up at night.
- C. My company stays mostly up to date with the latest employment law, but there are definitely gaps in our knowledge.
- D. I'm 100% comfortable that my company is in compliance and up to date with employment law.

17. Would you be prepared if an employee were to file a lawsuit for employee rights violations?

- A. Absolutely not.
- B. We could get through it, but we'd need a lot of help.
- C. I have some resources that could help me with this, but it's definitely not in my budget to bring on legal representation or guidance at this time.
- D. I am not worried about this.

Separation

•••• *Saying goodbye doesn't have to be so hard.*

When it comes to HR, one of the first responsibilities that comes to mind is separation—whether it's an employee leaving because they find another opportunity or the decision to terminate someone because they're not performing. Even in situations where an employee is retiring or leaving the workforce, separation is challenging for everyone involved, and for the business owner especially, it can be a tricky business.

But can you really outsource employee separation?

A PEO can act as a guide through the separation process, offering objectivity and consistency so you can make the best decisions for your business with compliance in mind. While a PEO can't make the final decision for you, they can have the tough conversations (if you want them to) and handle all of the related paperwork.



HOW A PEO CAN HELP WITH EMPLOYEE SEPARATION	
GUIDANCE FOR SEPARATION-RELATED PROCESSES	ADMINISTRATIVE SUPPORT
<ul style="list-style-type: none"> • Performance management • Progressive discipline • Termination conversations • Phased retirement programs 	<ul style="list-style-type: none"> • Separation paperwork and reporting • COBRA notifications

Would a PEO partnership be a good fit for your separation needs?.....

18. Do you feel prepared for employee termination conversations?

- A. Never, so I have a really hard time letting problem employees go.
- B. Not really, but if I absolutely need to fire someone, I'll do it.
- C. Mostly, though termination can still be difficult to navigate
- D. I have no issues terminating employees who aren't performing or aren't a fit for my organization.

19. Do you have an employee discipline process in place to support your termination decisions should performance fail to improve?

- A. We have no way of tracking performance or discipline.
- B. We have disciplinary measures in place, but we don't track them well.
- C. Yes, but it could use some improvements.
- D. Yes, and we rely on it to great effect when terminating employees.

20. Do you feel confident in your separation paperwork process?

- A. We don't have a process for separation paperwork.
- B. Not entirely, but it's too challenging to put a better process in place.
- C. Mostly, though, it could use some improvements.
- D. Our process is excellent for all involved.

Do I need a PEO?

By now, I've touched on all eight things you can outsource to a PEO to help your business grow (and reduce your stress levels in the process). If you've been answering the questions at the end of each section, it's time to pull out your answers and score yourself to see if a PEO is right for you!

Didn't write your answers down as we went along? Don't worry. I've put the whole quiz here, just in case. If you already have your answers, you can skip this part and get straight to the results!

More and more companies are partnering with PEOs.



To date,
15.3%
of all employers with
10 to 99 employees
work with a PEO

Give yourself the following points for each of your answers:

A = 3 points

B = 2 points

C = 1 points

D = 0 points

- 1. Do you find yourself putting off hiring new employees because it takes too much time?**
 - A. Every time we need to make a new hire.
 - B. Only for certain roles.
 - C. I have someone who handles that for me, but it still takes longer than I would like.
 - D. Never! We have a great hiring process in place.
- 2. Have you ever lost a talented applicant to a larger business?**
 - A. Too many to count.
 - B. It's happened enough that it's an annoyance.
 - C. Only once or twice.
 - D. Never! When we make an offer, people always accept.
- 3. Do you have an effective, turn-key onboarding process?**
 - A. We don't have much of an onboarding process at all.
 - B. We have an onboarding process, but steps always get missed.
 - C. Our onboarding process could use improvement, but overall, it works well.
 - D. We have an excellent onboarding process.

4. **Does processing payroll take a day (or more) of your time, preventing you from doing other work?**
 - A. I often lose multiple days a month to processing payroll.
 - B. Payroll is annoying, but I make it work because I have to.
 - C. We have a payroll team, but they could be more efficient.
 - D. Our payroll process is seamless!

5. **Do you ever worry that your payroll process isn't fully compliant with state or federal regulations?**
 - A. I worry about this every time I run payroll.
 - B. I worry about compliance a few times a year.
 - C. I only worry about compliance around tax time and during onboarding.
 - D. I have no worries about state or federal regulations.

6. **Do you struggle with tracking holidays, vacation and sick time or PTO?**
 - A. PTO is a major struggle for us to track and difficult for our employees to request.
 - B. PTO is difficult to track, but our employees can make requests easily.
 - C. PTO isn't terribly difficult to track or request, but it does take time I'd rather spend somewhere else.
 - D. We have a great PTO process.

7. **Have you lost applicants or employees due to insufficient benefits?**
 - A. We regularly miss out on quality talent or lose current employees to bigger companies with better benefits.
 - B. We've lost a few employees because our benefits weren't good enough.
 - C. Our benefits could be better, but it isn't an ongoing issue for talent acquisition and retention.
 - D. We have amazing benefits!

8. **Have you ever had to pass on a benefits plan because your company was too small to qualify for a good group rate?**
 - A. I never passed on one because I couldn't even find a benefits plan that worked for my needs.
 - B. More than once.
 - C. Yes, but I found an alternative.
 - D. No, I have a great benefits plan with a favorable rate.

9. **Do you have an easy-to-navigate employee handbook?**
 - A. No, I haven't had time to focus on putting one together.
 - B. I have one, but it hasn't been updated in a few years.
 - C. I have one, but it's not really that helpful.
 - D. Yes, and it's great!

- 10. Would you be prepared to deal with a harassment complaint from one of your employees?**
- A. Other than Google, I wouldn't know where to start.
 - B. I have a vague idea, but I don't have any systems in place to navigate harassment complaints.
 - C. I can hire a lawyer to handle that for me.
 - D. I'm an expert on harassment complaints.
- 11. Do you have a robust performance management and employee review process in place?**
- A. No, we don't have a regular plan in place for employee reviews.
 - B. It's been a few years since we've done employee reviews.
 - C. We do conduct reviews, but the process could be better.
 - D. We have regular employee reviews with plans on how to reward employees and improve performance.
- 12. Do you have a training and development program?**
- A. I don't, and I don't even know where to begin.
 - B. I do, but it's ineffective and no one uses it.
 - C. I do, but it could use some improvement.
 - D. I do, and it works to great effect!
- 13. Do you have a plan in place for conducting state-mandated training?**
- A. I didn't even know there was state-mandated training.
 - B. I know we need them, but it's been a few years since we've conducted one.
 - C. We hold training as needed, but it's often a headache.
 - D. We have a plan in place and it works great!
- 14. Do you feel confident in how you would handle an employee injury if it happened today?**
- A. Not at all.
 - B. We have a worker's comp plan, but I wish we had access to something better.
 - C. We have a worker's comp plan in place, but I'm not well-versed in how to file the claims.
 - D. We have an excellent worker's comp process.
- 15. Are you aware of the latest OSHA regulations and safety employment laws?**
- A. Safety and regulation compliance is a big worry for me.
 - B. Regulations are always changing, so it's hard to keep up, but we manage.
 - C. We have someone on our team who handles this, but it's a lot for one person.
 - D. I'm fully confident in our safety and regulation compliance.

16. **Do you feel like you are in compliance with all federal, state, and local regulations?**
- A. I don't even know what all the regulations are!
 - B. We're in compliance with the laws I know about, but it does keep me up at night.
 - C. My company stays mostly up to date with the latest employment law, but there are definitely gaps in our knowledge.
 - D. I'm 100% comfortable that my company is in compliance and up to date with employment law.
17. **Would you be prepared if an employee were to file a lawsuit for employee rights violations?**
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● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ***Now total up your score!***



IF YOU SCORE:

• • • • • **45-60** • • • • •

You are in desperate need of a PEO! Human resources work directly with people's lives, so it's no wonder it's more than just a full-time job. A PEO can help take on that responsibility with full HR management from hiring, payroll, and benefits to employee relations and training all the way through separation.

• • • • • **30-44** • • • • •

You have a decent start on your human resources, but you could benefit from three or more of the eight things. Maybe you only need help with talent acquisition, benefits, and regulatory compliance. That's fine! At Tandem HR, we work with our clients to build the perfect solution for their needs.

• • • • • **15-29** • • • • •

You have a strong HR foundation. A PEO could be a good way to build on that foundation, helping free up valuable time and resources for your team so they can focus on what they do best.

• • • • • **0-14** • • • • •

Congratulations! You're doing great. As your business grows, if you start to feel a little stretched, a PEO could be a solution in the future.

For a free PEO service quote or to discuss any of these services in more detail, sign up for a 30-minute discovery meeting or call 630.359.8998.



Click here to schedule your 30-minute discovery meeting.

SOURCES AND RESOURCES:

- **Gallup Poll:** <https://www.gallup.com/workplace/389807/top-things-employees-next-job.aspx>
- **NAPEO.org:** <https://www.napeo.org/what-is-a-peo/about-the-peo-industry/napeo-white-papers>

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