



HAS SOLD MORE BUSINESSES.
IN THE WORLD THAN ANYONE.®

Utilizing the Resources Available PEO Makes Running Your Own Business Easier

It's 9 p.m. on a Tuesday, and you're still at your desk. As much as you'd like to call it a night and head home, you can't fathom the idea: revenues are stagnant, a new competitor just opened its doors last week, and you still have to prepare for a crucial meeting tomorrow morning. But that's not all. Payroll taxes are due on Thursday, the new OSHA, ERISA and COBRA forms are waiting in your in-basket and, worse yet, your favorite employee - the one who stuck with you through the tough times and the triumphs -- is leaving your company after being lured by an upstart rival who offered bigger bucks and a better benefits package.



You're confident you can pull your business out of this jam; you just need a little more time. Unfortunately, a large portion of your days are spent sifting through mountains of administrative paperwork and handling the seemingly endless parade of distractions associated with being a business owner. And here you are, still in your office at 9 p.m. ... alone. One thought controls your mind: "Why can't I just run my business the way I planned?"

When you developed your business plan, you thought you covered everything. You secured funding, acquired equipment and supplies, and clearly outlined your business strategy. And, of course, few people know your industry better. Unfortunately, you (like many entrepreneurs) failed to adequately address a crucial aspect of the business -- the myriad of human resources, legal and time-consuming administrative issues associated with being an employer.

Enter the Professional Employer Organization (PEO), a trusted business resource that enables astute business owners to grow their business – comfortably, assured that their entire human resources function is being managed by trained experts.

What is a PEO?

PEOs offer CEOs a win-win opportunity: enhance productivity and efficiency while reducing stress. For example, by delegating human resources responsibilities to a PEO, business owners can spend more time satisfying existing customers and attracting new ones.

Unlike temporary agencies or employment firms, PEOs do not provide personnel. A PEO manages a business' human resources activities, including payroll and tax filings, unemployment and workers' compensation reports, and regulations compliance, among several other services. While a PEO can offer business owners freedom from administrative burdens, it also can help small businesses compete more

aggressively with larger companies for talent. PEOs use economies of scale to bring 401(k) plans, health insurance plans and other employee assistance programs to affordable levels, thus enabling small companies to present sought-after employees with a more attractive offer.

PEO Industry Growth

The PEO industry is relatively young and very dynamic. In the past five years, estimated industry revenues have grown at a 30 percent compounded annual rate -- from \$5 billion to \$18 billion. This growth rate is double that of the temporary staffing industry, another rapidly expanding field.

According to the National Association of Professional Employer Organizations (NAPEO), three trends are propelling the PEO industry's popularity. Chief among them is the increase in number and complexity of workplace regulations -- since 1980, the estimated number of federal regulations rose from 20 to 39. Second, an ever-increasing number of business owners are recognizing the need to attract and retain superior talent in an increasingly competitive workforce. Third, entrepreneurs seeking to control their operating costs are turning to PEOs to help them manage administrative expenses.

PEOs Making the Right Choices

Across America, entrepreneurs, Wall Street analysts and the business media acknowledge that PEOs are changing the face of business. Consequently, new PEOs abound, and small businesses should do their homework before entering into a co-employer relationship.

Business owners should first check to see whether a PEO is a member of NAPEO, and better still, if it is accredited by the Institute for the Accreditation of Professional Employer Organizations (IAPEO) - only 16 of the nation's estimated 2,500 PEOs are IAPEO accredited. Owners also should investigate how long the PEO has been in existence and if it will furnish names of current and past clients for reference checks.