

INSPERITY® E-BOOK SERIES

How to future-proof your business with a professional employer organization (PEO)





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Introduction



We've all heard it by now: Change is constant. The good news is you don't have to just sit and wait in fear. Instead, start thinking ahead and whenever you are faced with a crossroads in your business, you'll be ready.

For instance, there may come a time when you need to quickly pivot or scale up or down in response to change. This is when an adaptable and scalable HR infrastructure is crucial.

Why? Because no matter what tomorrow's uncertainties bring your way, we've learned that the right HR infrastructure is key to helping your business run smoothly.

So, what do you do? How do you set your business up for success during periods of change?

Begin planning now.

Planning can make all the difference in navigating change successfully or being left behind. To get started, you first need to understand the driving force behind adaptability and scalability in your organization. (Here's a hint: It's not just innovative technology.)

In this guide, you'll learn how a flexible HR infrastructure can help you scale your HR processes, nimbly adapt to change and take your business to new heights.

The secret to adaptability and scalability

How do you view human resources in your business? What's really important? Many times, business leaders see it as "all the things" that have to be done – and with good reason. You have to process payroll. You have to keep up with new HR-related laws and regulations. You have to manage employee paperwork.

Yet, while super important, these tasks are not the most important factors in human resources, especially when it comes to scaling your business.

You know what is most important?

Your people

The *human* in HR.

If your organization is growing and expanding, you need people to fill new roles, staff new office space, serve more customers, build new processes and more. Better yet, consider that running list of things that first come to mind when thinking of HR. Now, who's going to do them? That's right – knowledgeable and skilled people.

On the flip side, what if your organization is scaling down? More work will be concentrated among fewer employees. There will be a higher-than-normal workload with reduced resources and potentially increased stress. Who will you rely on to carry your business through these tough times? Again, your people.

Regardless of which phase of business you're in or the situation you're faced with, you'll need to:

- Attract and retain top talent
- Keep employees engaged
- Maintain strong morale and foster a collective mindset of resilience
- Remain compliant with all relevant federal, state and local employment laws
- Adhere to your company's mission, vision and values

And, let's not forget, the everyday HR functions have to keep trucking along, too (i.e., payroll processing, benefits administration, etc.) Because, let's face it, employees aren't going to work for free.

At the end of the day, one of your biggest priorities as a business leader is to manage the impact of growth or contraction on your company culture and your team. You can do this with a well-run HR infrastructure – and the help of a professional employer organization (PEO).



What exactly is an “HR infrastructure?”

An HR infrastructure refers to your HR-related tasks and activities, plus the personnel and tools you leverage to accomplish them. It incorporates:

- HR expertise
- HR processes
- Programs and initiatives overseen by HR
- Your company’s employee handbook and policies
- HR technology

Put simply, all your processes are already created and everything is easy to access – all in one place. No need for your team to build anything. Think of it as a plug-and-play HR infrastructure to help you leave a lot of stress behind.



How a PEO helps you navigate change

Whether you're just starting out or have been in business for years, you know navigating change is a must. And as the business landscape continues to evolve, so will your strategies if you want to continue to move ahead and grow.

How do you manage your people as things evolve? Where do you turn when faced with an unfamiliar challenge? What do you do when no one knows what to do?

You partner with a good PEO. A reputable PEO has tried-and-true solutions or creates a solution when there isn't one – and you get to benefit from those solutions. In this era of perpetual change, a PEO can be the vital partner your business needs to succeed amidst uncertainty.

PEOs can handle tactical HR (the routine, day-to-day administrative tasks) and also provide guidance on strategic HR, which are those big-picture, wide-reaching activities that:

- Align with and support the overall business strategy
- Focus on the future and generate long-term value
- Address employees' needs and improve their experience

Examples of support for strategic HR may include:

- Building a pipeline of high-quality candidates to achieve current and future goals
- Improving the workplace culture to meet top talent's expectations
- Increasing employee productivity through training and development resources
- Preparing your organization for the departure of key personnel by prioritizing succession planning

Strategic HR encompasses the initiatives that businesses need to overcome challenges and thrive.

HOW A PEO HELPS YOU SCALE UP

As businesses scale up, so do your HR needs. Things can become even more tricky and complex, which can be exciting and scary at the same time. And scaling up isn't something that should be taken lightly. In fact, it involves impeccable planning and strategic HR management. This is exactly when a PEO can become a big asset.

That's because no matter what, tactical HR (the routine, day-to-day administrative tasks) still must get done.

And let's be honest, you didn't get into business to do HR, did you?

The good news is a PEO can help tremendously in taking those tasks off your plate so you can focus on the things you do best, like leading your team and implementing your revenue-generating strategies as your company scales.

According to NAPEO, small businesses that use PEOs:

Grow
7-9%
faster

Reduce employee turnover by
10-14%

Are
50% less likely to
go out of business

Source: National Association of Professional Employer Organizations: Why Use A PEO.

But here's the thing. Your business's HR needs are more complex than just administrative responsibilities – and this is more evident when organizations are in the midst of scaling up. Here are a few examples.



Let's start with employer-related HR compliance. It's a biggie, especially when you're rapidly growing across other states. It's hard enough dealing with the alphabet soup of legal acronyms and new employment laws that pop up when you're in one state. But once you're growing across state lines? That's another story entirely.

Luckily, a good PEO will employ HR specialists who have experience supporting fast-growing businesses, in your industry and near your location. So, when you have questions about hiring employees in other states, market salary expectations or certain state-specific HR compliance, they will have the answers.

Insperty is a national PEO with a local footprint as well, meaning we have the resources to serve your business, wherever you are, whenever you need. This means you get service team members that offer support across the country, who provide:

- A vested interest in your local community
- Proficiency in federal and state-level HR compliance
- Convenience and accessibility



It's much easier to attract and retain top talent with a robust benefits package. That's where a PEO relationship is helpful. PEOs typically offer a variety of robust benefit plans, allowing your employees to obtain comprehensive, valuable benefits similar to those offered by much larger companies. And since the benefit plans are sponsored by the PEO, the PEO handles all administration and compliance responsibilities – from vendor selection to negotiation, enrollment and plan compliance.



Retaining employees through transition periods requires a much savvier engagement strategy, including communication, enhanced performance management and training and development opportunities. Many organizations don't know where to start.

A PEO can help with all of this. A good PEO knows the concerns and cares of a workforce that is experiencing a lot of change. Its specialists can help you build a confidence-boosting communication plan and change-management processes that minimize distractions and disruptions for your employees. That way, your employees can stay engaged and productive during the business transformations.



Next, let's talk hiring because business is good. And since you're scaling up, it's probably great, actually. So, from employees to managers to leadership and beyond, you'll need qualified people, really fast. A PEO can help you build a talented team just when you need it. Whether you're striving to make your company look great so you can attract quality candidates, or need the right tools to recruit top talent, a PEO can help.

But that's not all. When scaling up, your hiring needs can multiply fast. Got a checklist? A PEO's team of HR specialists may help in multiple areas, including:

- Need job descriptions written? Check.
- Need to conduct pre-employment screenings? Check.*
- Need to ensure candidates will fit into your company culture? Check.



Also, for some organizations, scaling up not only means hiring new people, but some employees may have to take on new roles. For instance, what if a reorganization brings in new leadership, and employees are no longer doing the same job and have to learn something new? What then? A PEO can help with reskilling so existing employees can prepare for new roles.

Reskilling means an employee learns a new skill, especially when their current role becomes obsolete. HR specialists will assess skills and work with management to help plan the training and development courses employees need to learn new skills with ease.

**May entail additional fees.*

Insperity offers an extensive library designed to meet a wide range of learning needs. Content includes interactive courses, videos and book summaries on topics such as business and professional development, leadership skills, software applications, IT operations, safety and liability management.

When you partner with the right PEO on the road to scaling up your business, you benefit from a plug-and-play HR infrastructure and tailored solutions that can give your business the boost it needs.

Furthermore, you get a team of seasoned HR professionals – without adding headcount – that becomes an extension of your in-house team. With specialized knowledge in all aspects of HR, this team provides invaluable support and insights to help your organization navigate change with fewer speedbumps along the way.

HOW A PEO HELPS YOU SCALE BACK

Oftentimes, it's all about growing your business. While exciting, it means more responsibility and more people. This is understandable and rational for many organizations growing a thriving, successful business.

Yet, sometimes things happen abruptly, and you have to scale back. How do you manage your people then?

Depending on the type of scaling back your company does, your people could be faced with new roles, processes, leadership and more. Or there may even need to be layoffs. This will lead to some tough conversations, and communication has to be on point to minimize fear and loss of productivity.

Many business leaders underestimate the level of people management that needs to take place as a result of new business decisions. And a PEO can help in a number of ways, including:

Takes on pressing HR duties

As the most comprehensive, all-inclusive HR outsourcing option, PEOs can take many HR responsibilities off your plate. Notably, this frees you up to focus on business operations.

And if your business is in the midst of a big change and you had to scale back on HR staff, you can truly count on a PEO to be in your corner.

Helps keep benefit costs low, without sacrificing quality

If your business needs to scale down and you have a smaller headcount, you are likely looking to save on benefit costs while making sure your employees still have access to quality benefits.

But if you're dealing with a crisis and have to make quick decisions, do you really have the time to thoroughly investigate plan options, features and costs and negotiate with carriers?

When you outsource to the right PEO, your benefit costs go down because you no longer have to handle benefits administration and compliance. The PEO will offer benefits and manage the benefits process from end to end, while your employees gain access to big-company benefits. The result? Your business gets a competitive edge through better benefits for your employees and you get more time to focus on your business goals.

Provides support during layoffs

What if there's a major recession and your company has to scale back really fast and lay employees off. How do you do that the right way? How do you handle tough conversations? How do you show empathy and compassion?

A PEO is a partner you can count on when facing tough times. With a ready-to-go HR infrastructure as well as personalized HR customer service, you will have systems and processes in place to help your organization maintain business as usual as much as possible.

During layoffs, a PEO may:

- Offer guidance on how to navigate difficult discussions with employees when a client decides to downsize
- Provide support to clients with unemployment claims
- Send COBRA packets to affected employees who are eligible for COBRA under the PEO-sponsored benefit plan
- Coordinate access to outplacement assistance

Becomes a go-to resource for reorganizing your org structure

When your workforce shrinks, you may eliminate some divisions and alter individual roles, which often calls for changing your organizational structure to support business goals.

During a restructuring, PEOs can:

- Assist you with change-management initiatives
- Offer guidance to help you identify crucial roles and job responsibilities
- Onboard new employees from merged companies
- Provide resources on how to help existing employees acclimate to their new roles and teams

Insperity gives your business access to a team of service professionals who will work side by side with you to increase employee productivity and engagement. You'll have direct access – not just a call center – with a phone number and email address that connects you to Insperity. We respond quickly to your inquiries – because we're invested in your success.

HOW A PEO HELPS YOU ADAPT TO UNEXPECTED CHANGES

Transparent communication and proactive engagement with employees can go a long way toward assuaging their concerns and fears when they're faced with abrupt change.

Just put yourself in your employees' shoes. Whether they're brand new to their position or have been with the company for 20 years, big changes can be scary.

If you're feeling the pressure of decision-making when scaling, or have to shift and adapt rapidly in response to new circumstances, a PEO can help. Sometimes there are those crisis situations where your organization has to act fast. You'll need to make quick business decisions and find even quicker solutions. A PEO will meet you wherever you are in your stage of business.

Here's how:



During the global COVID-19 pandemic, businesses had to figure out everything from sick leave to loan paperwork and everything in between. There were HR issues businesses had never been faced with. A good PEO works side by side with organizations and helps provide the HR guidance needed to help businesses navigate and adapt to emergency situations.



PEOs save time and effort by providing an instant, plug-and-play HR infrastructure tailored to a business's needs and lifecycle stage. Assuming the PEO is national in reach, it can provide services nearly anywhere the company operates.

This infrastructure includes:

- Expertise in diverse and even niche areas of HR, including those that may not be represented currently among your HR team
- HR guidance on a variety of issues whenever you need it
- Proven HR policies and processes
- HR technology that can streamline and automate many HR functions and even empower advanced functions, such as analytics of workforce data, to inform future decision-making and strategy
- Talent-management tools that enhance employee communication, engagement and performance-management support
- Training and development programs
- Best-practice guidance around HR issues when problems arise



PEOs can scale the HR function up or down cost-efficiently. Rather than companies building out their in-house HR department, which can be rigid and costly to scale, businesses can tap into the PEO's brain trust and swiftly adapt to changes in staffing requirements without adding to headcount or total compensation per employee.

This flexibility enables client companies to navigate through shifts in the business landscape. In addition, PEOs offer access to HR advisors with a wealth of expertise in niche employment-related issues, thereby increasing a team's agility and adaptability.

MANAGING THE HUMAN IMPACT

In all these circumstances, transparent communication and proactive engagement with employees can go a long way. With a lack of information, employees may take it upon themselves to fill in those knowledge gaps with gossip and negative speculation, which can create a toxic atmosphere. Eventually, an organization's reputation can be affected and employees can remain disgruntled long after the change event.

PEOs can help communicate and engage with employees proactively to prevent these issues and help handle difficult transitions with care. In these circumstances, PEOs can:

- Explain the big vision to employees – why these changes are necessary and how they support the future direction of the business
- Join one-on-one meetings with impacted employees and guide the conversation
- Ensure a seamless, professional process



Insperity's HR services provide your business with all the tools so you can stop worrying about your human resources management and concentrate on growing. Our expertise ensures you can minimize your risks and enjoy smooth, seamless functionality throughout your organization.

Important considerations when choosing a PEO

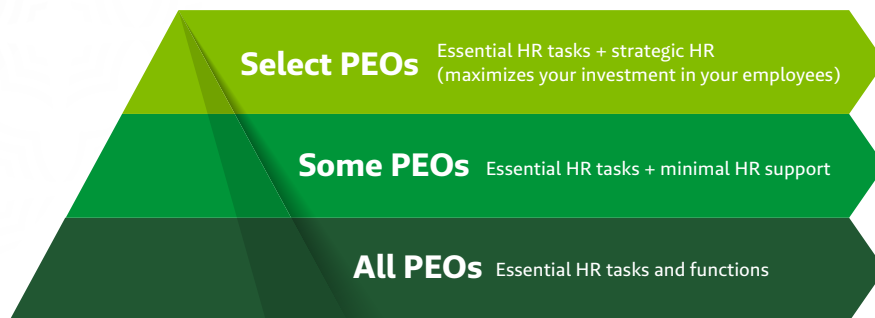
By now, you may have come to see that a PEO can offer invaluable support, no matter where you find yourself in your business journey.

However, remember that all PEOs don't offer the same menu of services and may not operate in the same way. Some providers are limited to only serving clients in their state. Others aren't specialized in supporting larger businesses and the challenges of growth. Certain PEOs offer technology with minimal service. Researching and comparing different providers is imperative to find the one that best aligns with your company's needs.

Some standard must-have features and services you want to look for in a PEO include:

- Benefits plan sponsorship
- Technology options
- Assistance with HR-related compliance
- Performance management support
- Employer liability management
- Training and development
- Payroll and employee administration
- Recruiting support
- Core and strategic HR services

Remember: Although tactical HR processes are often at the forefront, strategic HR is also necessary for your company to reach its full potential.



Curious to learn more? Download our e-book, [A buyer's checklist: How to compare professional employer organizations \(PEOs\)](#), for a detailed breakdown of each area of service and help evaluating any PEO you're considering.

Maximize productivity, minimize risks

Insperty offers an optimal blend of HR outsourcing services to facilitate growth and streamline processes. We provide all the tools you need to lighten your administrative load, maximize productivity and manage risks – so you can focus on success.

END-TO-END EMPLOYEE BENEFITS

Eligible employees have access to [Fortune 500-level benefits](#) under Insperty-sponsored benefit plans.

RISK MANAGEMENT AND COMPLIANCE

Get guidance on employer-related [HR risks](#) such as employee complaints and federal, state and local HR compliance.

HR SUPPORT

Access proactive, [unmatched support](#) from an experienced team of professionals, from best practices guidance to help with difficult HR situations.

HR ADMIN AND PAYROLL

We run [payroll](#), handle HR-related administrative tasks and take care of routine employee-related paperwork — so you don't have to.

TALENT MANAGEMENT

Our [HR recruiting support](#) provides personalized guidance and tools for you to recruit ideal talent, offer effective training and drive high performance.

HR TECHNOLOGY

Simplify your business with a proprietary [technology solution](#) that integrates routine HR procedures so that you can manage your workforce with ease.

About Insperity

At Insperity, it's not just HR outsourcing, it's HR that makes a difference.® Our comprehensive, scalable HR solutions offer an optimal blend of service and technology to facilitate growth by streamlining processes related to payroll, benefits, talent management and HR compliance. We provide the tools to help you lighten your administrative load, maximize productivity and manage risks – so you can focus on growth. Because that's what it means to have a true HR partner.

Year established

1986

Our mission

To help businesses succeed
so communities prosper

We serve businesses
with employees
from 5-5,000

NSP
LISTED
NYSE

Publicly traded on
NYSE under ticker
symbol NSP



CPEO status*

*Insperity PEO Services LP has been designated a certified professional employer organization by the IRS. The IRS does not endorse any particular CPEO. For more information, go to irs.gov.

➤ Full-service HR that adapts to your business

Insperity's comprehensive HR packages adapt with your company as you adapt to new ways of doing business.

➤ The culture and values that guide us

Our mission and values are the foundation of a company culture that encourages a commitment to excellence and a heart for service.

➤ Investing in our communities

We champion both our clients and our employees who make a difference in the lives of others through volunteerism and community leadership.

Ready to find out exactly how Insperity can benefit your business?

Call **800.465.3800** or visit insperity.com

