

Reclaiming Your Business:

How Human Resources Outsourcing Will Enable Companies to Rebuild in 2012

SUMMARY

After years of recession, stagnant economic growth, high unemployment and continuing uncertainty fueled by a partisan Washington, most small and mid-sized employers are looking towards the future with reserved optimism. However, while many economic factors remain in flux, employers are able to take control of their business in 2012. Many are proactively investigating how Human Resources (HR) Outsourcing can assist them in trimming excess operating costs, reducing employment risks, and improving employee productivity.



Table of Contents

State of the 2012 Economy	Page 3
Key Employment Strategies in 2012	Page 5
Human Resources Outsourcing: More Than a Fad	Page 8
Key Outsourcing Drivers	Page 9
Types of Outsourcing Relationships	Page 10
Addressing Key Employment Strategies	Page 12
What to Look For in an HRO Firm	Page 20
Conclusions	Page 22
About CPEhr	Page 23

A Sluggish Economy Lingers On

As the sputtering economy struggles to regain its footing, the future still holds a great deal of uncertainty. Despite some optimistic economic news for the second half of 2011, current research clearly shows that small and medium sized businesses are taking a “wait and see” approach when making strategic decisions regarding expansion, hiring and other business expenses.

Lagging economic indicators like employment rates are still dismal. While the national unemployment rate has dipped in recent months, they are still close to historical highs. Continuous discussion of health reforms, uncertainty over payroll tax cuts, VAT taxes, energy costs (Cap & Trade), interest rates, and small business lending are additional sources of concern for business owners. The overall sentiment is that there will be little change in the sluggish economy in the near future and pessimism prevails among many small business owners.

Ephor Group, a strategic wealth advisory firm for employers, conducted a research survey of small business owners in the second half of 2011. The survey found that a majority for businesses are underperforming (only one out of five are “over-performing”) and that most economic indicators do not point to any significant growth in the coming year. In fact, according to the report, until monthly employment gains hit 300,000 new jobs per month for the next 24 months, there will be almost no change in the unemployment rate. And with high number of unemployed, consumer spending will continue to remain weak, further depressing GDP figures.

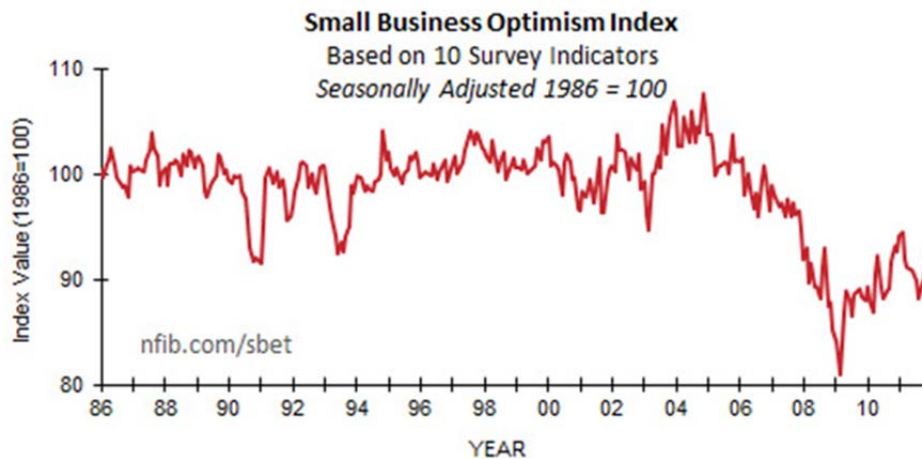
Their conclusion: the weak economy and downturn will continue for the next eight to ten quarters.

“The biggest joker in the pack is the economic environment. Figuring out where it is going changes by the day, it seems.”

- Rajesh Ranjan, Director of Research, the Everest Group.

A More Optimistic View

In contrast to the Epher Group study, the National Federation of Independent Businesses (NFIB) provides a different perspective. While their Small Business Optimism Index is still far below historical levels, it consistently moved upwards in the second half of 2011. In fact, eight of the ten components of their index were unchanged or improved.



Furthermore, the National Small Business Association (NSBA), the nation's first small-business advocacy organization, released the encouraging results of a 2011 year-end economic report. The report indicates that three out of four small business owners in the US are confident about the future of their business. Revenue growth is also at its highest point in three years, with almost half (46%) of small business reporting increases.

Some additional economic highlights by the end of 2011:

- Sales figures inched upwards.
- The National Unemployment Rate is well below 9% for the first time in two years.
- Future hiring plans reached their strongest reading in over three years.
- Reported capital outlays rose after 12 quarters of no or negative outlays.

The general consensus is that while improvements are small, they are widespread and the economy continues to move in the right direction.

Key Employment Strategies for 2012

Despite the uncertainty, businesses should take stock of what is required to succeed and to prepare for the bumpy road ahead as the economy slowly recovers. When considering the future, small businesses should focus on three key employment strategies in 2012:

1. **Reducing operating expenses**
2. **Minimizing employment risks**
3. **Enhancing overall employee performance.**

Reducing operating expenses. Following years of dismal sales and the continuing uncertainty of health care reform, changing tax limits and government mandated regulations, employers will be looking to reduce unnecessary expenditures and contain operating costs throughout 2012. While there are hundreds of cost centers to consider, labor costs account for one of the largest percentages of operating expenses in almost every business. These expenses include both hard and soft costs. Beyond payroll and tax overhead, hard costs are related to health insurance premiums, workers' compensation insurance, recruiting fees, payroll processing and legal fees. Soft costs include employment administration, management's time dealing with employee issues, employee reviews and labor law compliance. Reducing these employment costs can significantly impact an employer's bottom line.

Minimizing employment risks. There is a direct correlation between an increase in employment related lawsuits and difficult economic periods. Stephen C. Dillard, head of Fulbright's global litigation practice, states "Generally, litigation rises in an economic downturn as regulators tend to step up enforcement, laid-off workers

“Small businesses should focus on three key employment strategies in 2012: reducing operating costs, minimizing employment risks, and enhancing employee performance.”

head to court, and companies need to file more suits in order to collect money owed.” And as tax laws, healthcare reform and labor laws increasingly move to the forefront of business owners’ minds, compliance should as well. According to a 2011 study conducted by Aberdeen Group, *The Future of Core HR*, 35% of all organizations are specifically investing in compliance to adhere to the changing regulatory environment. What this means is that employers should prepare themselves by reviewing and training managers on termination policies, updating their forms and policies, and ensuring compliance with payroll-related labor laws and regulations. As the economy strengthens, employers may begin to expand and increase their workforce. To prepare, they should review proper interviewing techniques and update employee handbooks, HR forms, new-hire packets and offer letters, for compliance.

“Smaller businesses that often don’t have the luxury of an in-house legal team and struggle to keep up with changing laws and regulations are at a greater compliance risk than larger peers.”

- *Future of Core HR, Aberdeen Group*

Enhancing employee performance. In 2011 Gallup Consulting conducted an unprecedented study of over 47,000 employees in 120 countries throughout the world. The study, called *The State of the Global Workplace: A worldwide study of employee engagement and wellbeing*, analyzes the impact that job satisfaction and engagement has on overall productivity and life satisfaction. The results of the study are nothing less than shocking: while 3 in 4 (73%) employees state they are *satisfied*, only 1 in 9 (11%) state they are *engaged* in their job. “Engaged” is identified as “emotionally connected to their workplaces and feel they have the resources and support they need to succeed.” The vast majority of workers, almost 2 in 3 (62%) state they are *not engaged* — that is, emotionally detached from their job and likely to be doing little more than the bare minimum to keep their jobs. But perhaps the most frightening discovery is that more than 1 in 4 employees (27%) are actively *disengaged* – meaning they view their workplaces negatively and are liable to spread that negativity to others.

The study continues to prove that, as would be expected, organizations with a higher percentage of disengaged employees report lower productivity and a higher ratio of employees with health conditions or are otherwise unhappy in their personal lives. The report concludes that businesses should actively pursue processes and programs that seek to engage employees and boost morale and productivity.

Additionally, as companies slowly begin hiring again, it will take some time before the workforce is back to pre-recession levels. What this means for the average business is that managers are trying to maximize productivity with a smaller workforce. The inevitable result is a more stressful work environment as both employees and management struggle to find a healthy balance between productivity and the decreased manpower. Employers will be required to find new ways of incentivizing, motivating and training their workforce to maintain a positive attitude while managing increased workloads.



Human Resources Outsourcing – More Than Just a Fad

In these financially challenging times, small, cash-strapped businesses can't afford any missteps in hiring, firing, or managing their workforce. Furthermore, small businesses bear a greater brunt of employment expenses than their larger counterparts. According to the Small Business Administration (SBA) the annual costs for a small business (under 20 employees) average \$7600 per employee, while large companies (over 500 employees) paid on average \$5300 per employee (a 45% discrepancy). As the effects of the tight economy will continue to impact small business for the foreseeable future, more employers are beginning to pursue alternative solutions to alleviate their financial stress. To ensure their company's success, many are considering outsourcing critical Human Resource tasks.

In recent years, Human Resources outsourcing has grown from merely a "fad", to a way of doing business. According to IDC, a global research firm, outsourcing Human Resources functions continues to be one of the fastest growing segment of the broader business process outsourcing (BPO) industry. It grew close to 70 percent over the past 6 years, with companies worldwide spending more than \$103.3 billion in 2009, up significantly from previous years. Despite the recession, HR Outsourcing is expected to grow as employers look to consolidate vendors, cut costs and improve efficiencies. While industry growth slowed in 2008-2009 due to the weakened economy, IDC estimates the market increased at a compound annual growth rate (CAGR) of almost ten percent in the

“HRO started off as a cost reduction move for some companies. It has expanded well beyond that to become a driving force for creating business value. We expect 2012 to bring even greater emphasis on business outcomes, as companies explore HR Outsourcing as a way to meet business needs and improve business performance.”

- Jill Goldstein, HR BPO offering lead at Accenture.

United States this year. "The market for HR outsourcing may benefit from a weakened economy as buyers look to lower costs and trim staff," said Lisa Rowan, program director, HR and Talent Management Services Research.

In the U.S., Everest Research Institute, an independent research and analysis organization, states that North American HR outsourcing transactions reached \$25.4 billion by the end of 2009, an increase of 19 percent over the previous year. In 2009, despite the slowing economy, HRO transactions grew an additional \$2.9 billion, an increase of over eleven percent over the previous year.

Key Outsourcing Drivers

According to Hewitt Associates, a world-wide provider of HR consulting services and research data, the most common reason for engaging an HR Outsourcing firm is to reduce overhead. Companies also recognize the value of utilizing an outside resource to conduct various business-related activities, as compared to maintaining these functions internally.

Other reasons to outsource include:

- Provide cost effective healthcare benefits
- Access to outside expertise
- Ability to offer quality HR service to improve recruitment and retention
- Need to focus on core business competencies
- High cost of remaining up-to-date with rapidly changing environments
- Eliminate high volume of low-value transactional activities

“HRO is providing more of a strategic support for clients, while still providing line leaders with tools to improve day-to-day talent management. This stands in contrast to the older notion of HRO as simply a way to reduce the tactical burden on HR.”

-The Aberdeen Group, 2011 HR Outsourcing Survey.

Types of Outsourcing Relationships

The first step in considering an HR Outsourcing relationship is to identify the internal functions that bring the most value to your organization. All other, nonrevenue generating tasks should be considered prime candidates to outsource. Core functions can include product development, improved customer service, sales, and A/R. Non-core functions can relate to administrative processes, payroll, billing, managing vendors and procuring insurance products. The most successful companies will be those who align their staff with value-generating activities.

There is a need to compare HRO companies, review their service offering, and determine the model that best suits a company's needs. In some cases, a business may be only looking to outsource a specific function or process, such as payroll administration, recruitment or benefits administration. In other circumstances, a company may find it more productive to outsource their entire human resources function, thereby utilizing the skills of their existing HR personnel and other staff in areas more directly connected to the core business.

There are two types of HR Outsourcing firms: Traditional HR Vendors, and Professional Employer Organizations (PEOs).

Traditional Human Resource Vendors.

Traditional HR vendors are firms that specialize in one particular service area. Employers contract out specific functions, and may engage multiple vendors to meet all their outsourcing needs. These types of HR service providers include benefits administrators, safety consultants, payroll and tax service providers, employee training companies, and legal firms. The benefit to this type of

“**Josh Bersin, CEO and president of research and advisory services firm Bersin & Associates, is among a spate of optimists. “In many ways,” he says, “this is the golden era of HRO.”**”

relationship is that a company can be selective in the precise service they need to outsource and can choose different providers to match their needs. The downside is that the employer must engage multiple vendors and loses the benefit of economies-of-scale by combining services. Furthermore, they are forced to manage multiple vendor relationships from different positions within their organization. These various relationships may cause a disconnect between the vendors and the client.

Professional Employer Organizations (PEO).

Professional Employer Organizations, or PEOs, were established in the early 1980s to offer payroll and insurance services to small and mid-sized employers. In the early days of the industry, PEOs were also known as “Employee Leasing” or “Staff Leasing” firms.

As employment laws became more complex in the late 1980s and early 1990s, it expanded to include all aspects of employee relations and staff development. In a PEO arrangement, the PEO shares many of the responsibilities of being an employer, such as paying payroll, filing and paying payroll taxes, providing workers’ compensation and health insurance, and assisting their clients comply with labor law regulations. Clients access the PEO’s economies-of-scale and enjoy a large corporate infrastructure, systems, and employee benefit programs. In contrast to traditional HR vendors, the PEO provides a wide array of HR services, effectively consolidating multiple vendors under one roof. The five key service areas include:

1. Human Resources administration
2. Employee Benefits and administration
3. Workers’ Compensation insurance and safety consulting
4. Payroll and tax filing services
5. Management Training and Development

Addressing Key Employment Strategies

The first step in considering an HR Outsourcing or PEO relationship is to identify the tasks and cost centers that will make the greatest impact on the three key employment strategies mentioned earlier – reducing operating costs, minimizing employment risks, and enhancing overall employee performance.

Strategy #1: Reducing operating costs

As employment costs continue to grow, employers must review their primary HR-related expenses. These areas can include: health insurance premiums, workers' compensation costs, employment compliance, payroll/tax costs, salaries, and overhead relating to employee administration. A PEO firm can help small employers successfully reduce costs in all of these areas utilizing the following two methodologies:

- Accessing the PEO firm's Economies-of-Scale
- Consolidating vendors and streamlining operations

Economies of Scale. Economies-of-scale is the primary method through which a PEO can reduce a business' operational costs. Small employers with minimal payrolls and fewer than 500 employees are often limited in the variety of health insurance plans they can offer, have limited buying-power for workers' compensation, and overall, have less flexibility in administering these plans. The net result is typically higher premiums with fewer options.

In contrast, by pooling hundreds, and even thousands of businesses, PEOs aggregate health benefit plans, retirement plans, workers' compensation insurance, and legal expertise. The PEO establishes relationships with large regional insurance companies and can offer better plan selections with lower premiums.

Another benefit of working with a PEO is that it provides the insurance carriers greater stability by offering insurance coverage to employees in a broader employee base. The pooled employees come from different industries and geographic areas which stabilize the premiums over the long-term. This provides the PEO greater negotiating power at renewal, thus typically keeping renewal rates below market averages.

Beyond rate negotiations, PEOs possess the internal resources to support programs that can help maintain low insurance premiums into the future. In health insurance, many offer Work/Life balance programs, health and wellness incentives, or discounts to health clubs and gyms. A healthy lifestyle in and out of the workplace can make significant, positive impacts on the utilization and expense of future health insurance premiums. In regards to safety and workers' compensation, the PEO conducts routine safety walk-throughs, creates effective injury and illness prevention plans, and offers safety incentives to reduce the frequency of workplace injuries. These programs ultimately result in fewer workers' compensation losses and more competitive insurance premiums.

Finally, the PEO can manage routine HR tasks more efficiently as the talent and infrastructure are already in place. When a small business joins the PEO, they simply access these existing programs at reduced rates and a minimal time investment.

Streamlining Operations. The third method through which the PEO can help small employers stabilize operating costs is through streamlining their internal administrative operations. By joining a PEO, businesses are able to combine

“The management of costs through outsourcing is achieved not only through cost-cutting measures, but also by enabling companies to shed fixed operating costs in favor of vendor offered variable pricing.”

- Morrison and Foerster LLP,
“Outsourcing Services in the Face of an Economic Downturn”

multiple vendors under one roof, thereby eliminating the need to maintain relationships with multiple vendors.

A full-service PEO can provide all of the following services, often at a reduced cost:

- Payroll processing
- Tax services
- Governmental form submissions
- Safety consulting
- Assistance with labor law compliance
- Employee handbooks & policies
- Health insurance plans & administration
- 401 (k) and Cafeteria 125 Plans
- Workers' Compensation insurance
- Management Training
- Recruiting services
- Assistance with unemployment administration

“The top barrier hindering HR’s ability to be strategic to business objectives is ‘too much time spent on day to day tactical activities.’”

Aberdeen Group, “2011 HR Executive’s Agenda” benchmark report.

From the personnel and management perspective, these services streamline operations and enable existing staff to more efficiently focus their time on core business functions. Often, one “point person” within the client’s organization will act as the liaison with the PEO, reducing the need for multiple individuals to communicate with different vendors. Some companies experience such a drastic reduction in administrative functions that they are able to reallocate resources to more valuable, revenue-generating tasks. The most successful companies will be those that focus on the core business rather than spend money and use staff resources to manage non-revenue generating activities, such as benefits and retirement plans administration, managing HR compliance regulations, or processing payroll and taxes.

From the business-owners’ perspective once HR and other operations are outsourced, management is better positioned to focus on their core business.

Strategy #2: Minimizing Employment Risks.

Employment litigation is at historical highs. The Equal Employment Opportunity Commission (EEOC) reports they received close to 100,000 discrimination claims during the 2011 fiscal year, the highest level in the commission's history. And employment litigation is expected to increase in 2012.

The poor economic conditions and increased layoffs, coupled with new laws and expansion of existing laws, are likely to lead to an increase in claims filed.

With lawsuits on the rise, it is crucial to stay ahead of the employment curve. The challenge for small employers, however, is understanding and complying with the multitude of regulations that affect their business.

In an HR Outsourcing relationship, the business owner turns to the PEO for clear direction, guidance and support. Clients are assigned a Human Resources expert to assist in their compliance with all relevant employment laws and regulations, on both the state and federal level. HR consultants are typically available to provide support and direction in all of the following areas:

- Resolving employee complaints
- Fielding general inquiries
- Performing terminations
- Assisting in exit interviews
- Assisting with investigations
- Auditing employee files and records
- Conducting salary surveys
- Speaking confidentially with employees regarding complaints or grievances.

“Regulation is likely to pose a significant challenge for employers in 2012. To meet this challenge, it’s important to stay on top of what’s happening on the regulatory front. Once you fall behind, it can be hard to catch up.”

- Stephanie R. Thomas, Ph.D.,
CEO of Thomas Econometrics.

Studies show that businesses that offer an outlet for employees to speak to professionals experience lower health insurance costs, turnover, and workplace injuries.

The PEO also assists businesses comply with HR forms, documents, and employee management. They review the client's current Employee Handbook and Policy Manuals, and update it to enhance compliance with all mandatory state and federal guidelines. By taking a hands-on, proactive approach, clients enjoy increased protection against unnecessary and expensive employment litigation.

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Finally, most PEOs offer Employment Practices Liability Insurance (EPLI). EPLI is a comprehensive insurance that provides protection to employers against a wide range of employment practices and is designed to cover certain claims and lawsuits brought by employees alleging wrongful termination, discrimination, unlawful harassment, and other related torts, including but not limited to:

- Discrimination
- Wrongful employment decision or act
- Comprehensive omnibus wording
- Wrongful termination or demotion
- Sexual and non-sexual harassment
- Wrongful demotion
- Assault and battery.

While companies have long recognized the value of General Liability or Errors and Omissions insurance, many now understand the importance of EPLI.

Strategy #3: Enhancing Employee Performance

The third and final strategy is to enhance the performance of their staff. Employers who have laid-off staff will be working with a smaller group of employees, responsible for the same workload. Before they begin rehiring, employers will be looking for creative solutions to improve staff morale and productivity. A PEO is uniquely positioned to provide and help administer performance enhancing strategies for their clients. The two primary strategies are:

- Offering comprehensive employee benefits
- Management Training

Employee Benefits.

PEOs provide small employers the unique opportunity to offer their staff a robust and comprehensive array of employee benefit programs that are typically available to only the largest corporations. These robust offerings include a wide range of major medical plans and voluntary benefit offerings:

- Multiple health insurance coverages
- Dental insurance
- Vision insurance
- Life insurance
- Disability and alternative insurance
- 401 (k) Retirement Plan
- Pre-tax Cafeteria 125 Plans
- Flexible Spending Accounts (FSA)
- Employee Assistance Programs
- Credit Union and financial services

PEO clients are assigned a benefits manager to address all employee inquiries and to manage any related administrative issues.

“Data shows that companies working with a PEO are 62% more likely to be satisfied with the overall healthcare benefits package offered, recruitment brand and ability to attract and retain talent.”

- Aberdeen Group, "PEO: Taking Outsourcing a Step Beyond Pays off for Small and Mid-Sized Companies."

Beyond benefits, the PEO's human resources and customer service staff provide employment support to address any HR issue that may arise, as mentioned above.

Proficiently prepared and presented Employee Handbooks, forms and procedures create a professional image of a well-run organization.

Management Training.

Even now, in difficult economic times, employers realize that employee training and development is a crucial investment for a motivated workforce. An intelligent, well-trained workforce is central to worker productivity and key to a company's success. A survey of 1,700 executives and managers by the Ken Blanchard Companies posed the question, "What tactics will your firm implement to cope in a down economy?" The overwhelming response by close to 2/3 of respondents was "Invest in productivity and performance maximizing strategies." In fact, the U.S. employee training market is expected to grow to \$132 billion in 2012, almost half of the entire global market (\$292 billion).

PEOs offer a wide range of employee training and management development courses, often built into their standard services, or for an additional nominal fee.

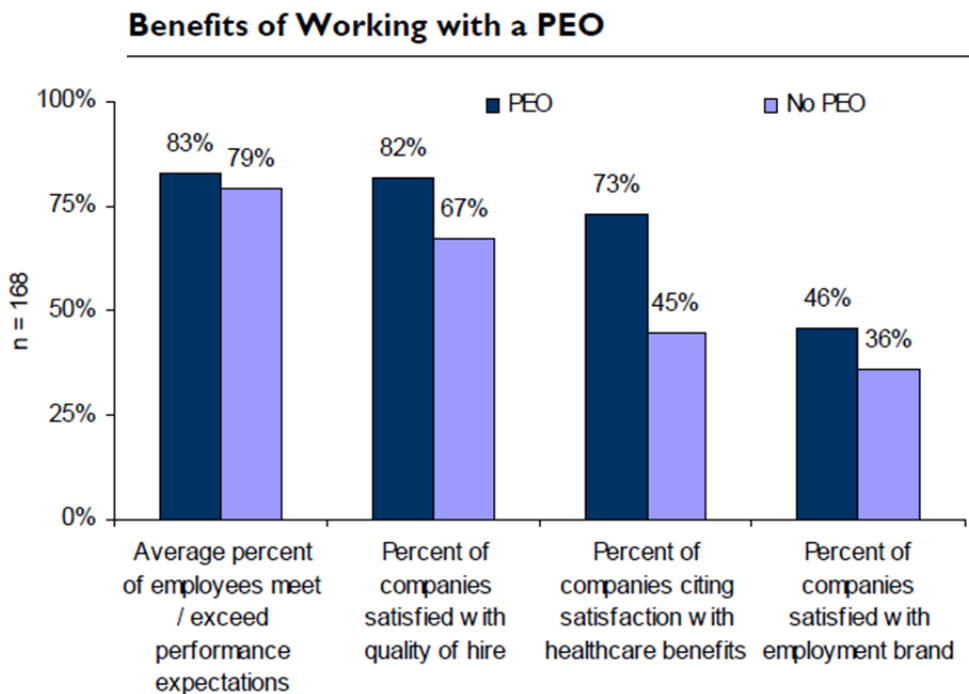
Courses typically offered can include: · Sexual Harassment · Workplace Safety · FMLA · Interviewing Skills · Progressive Steps of Discipline · Motivating Employees · Performance Appraisals · Effective Communication Skills · Principles of Time Management · Diversity in the Workplace · Preventing and Defusing Violence · Customer Service Training · Effective Business Writing · Managing Difficult Employees

“In this economy, employers will not be able to give employees as many benefits as they historically have offered. Finding ways to help employees derive benefits will absolutely be part of the HRO requirement.”

- Rohail Khan, Executive Managing Director, ACS Total Benefits Outsourcing.

The Impact on Employee Engagement

Earlier in this report we discussed the findings of the Gallup 2011 survey that found only 1 in 9 (11%) of employees are “engaged” with their organization. In contrast to those findings, Aberdeen Group uncovered remarkably different results in their own 2011 benchmark research study, titled *The Engagement-Performance Equation*. The study reports that “Best-in-Class” HR service delivery organizations reported an average of 84% of employees who rated themselves “engaged” or “highly engaged.” Aberdeen draws the conclusion that companies that make the effort to attract and retain their talent, primarily by offering comprehensive healthcare and retirement benefits, will experience tangible productivity gains. In fact, they report that top performing companies achieved 70% of company goals (as compared to 36% of others) primarily through formalizing their engagement efforts and taking the time to understand what drives their employees to go above and beyond the call of duty.



Source: Aberdeen Group, July 2011

What to Look For in an HR Outsourcing Firm

If you are at the stage of investigating if a PEO or HR Outsourcing relationship is right for your company, there are several important factors to take into consideration. An outsourcing relationship can continue for many years, so selecting the right firm is a serious decision that should be given a great deal of thought.

Consider the following criteria when selecting a provider:

Financial Stability

Many HR firms are entrusted to pay payroll, payroll taxes and insurance premiums. Look for a firm with at least 10-20 years' experience and one that has strong financial credentials, long-term banking relationships, and the ability to prove taxes and insurance premiums have been paid timely.

Proven Service Track Record

Stable finances and longevity does not necessarily equate to good human resource practices or customer service. The HRO firm must have a strong team of licensed human resources professionals with a proven track record of assisting clients in all areas of regulatory compliance, safety and benefits.

Size and Diversity of Client Base

The ideal HRO firm will have a large and diverse client base, serving a wide range of industries. The diversification insulates the firm from fluctuations within a particular market and dilutes the risk over many industries. Diversification can take the form of industry, size of employee base, and geographic location. A large, diversified base of clients also adds to the depth of experience of the firm and their ability to service your particular business.

Local Market Presence

Many labor and tax laws vary from state to state. Look for a firm that has expertise in the state in which you do business, and has strong relationships with local vendors and insurance companies. For California employers, this is particularly critical as California regulations differ greatly from federal guidelines. Additionally, a local corporate office will ensure quicker response time and on-site presence.

Flexibility in Service Offering

Many PEO and HRO firms take the “one size fits all” approach by requiring clients to take all the services offered, from payroll and insurance, to benefits and training. It is important to look for a vendor that is flexible in their offering and is able to customize an HR solution to match your company’s individual needs.

High-Touch Service Model

Many HRO firms follow a high-tech/low-touch approach with services provided primarily through on-line self-service platforms. While this is attractive to many employers, look for a firm that is also available for on-site appearances. It is crucial for the HRO firm to have a qualified team available to meet live with your staff, whether for benefits open enrollment, claims investigations, employee relations, or manager training seminars.

Conclusions

Despite positive indicators that we are slowly emerging from the worst recession in half a century, small businesses will likely feel the economic repercussions for months, or years to come. As such, it is imperative that employers use this time to assess their financial needs, and address three critical areas: stabilizing operating costs, reducing employment risks, and enhancing overall employee performance.

Human Resources Outsourcing (HRO) firms and Professional Employer Organizations (PEOs) have proven to be a valuable consideration for small employers to successfully address these three areas:

1. HRO or PEO firms can help stabilize operating costs by offering economies-of-scale not elsewhere available. They can consolidate and streamline business operations, reduce insurance premiums, simplify administrative processes, and cut employment overhead.
2. HRO or PEO firms can assist small employers in complying with the increasing barrage of employment laws and litigation. By providing experienced Human Resources consultants, hands-on HR administration, and Employment Practices Liability Insurance, organizations should experience a reduction in their employment liabilities.
3. HRO or PEO firms can enhance employee performance by motivating the workforce through rich benefit plans and employee development and training.

About CPEhr

Headquartered in Los Angeles, California, CPEhr is one of California's leading Human Resources Outsourcing and PEO firms. Founded in 1982, CPEhr assists hundreds of clients representing over 75,000 employees with California's complex regulatory and insurance systems.

CPEhr began as a small payroll and HR provider, with 10 corporate employees. Over the past thirty years, CPEhr has grown to employ close to 100 corporate professionals in the areas of:

- Employment Administration
- Labor Law Compliance
- Management Training
- Safety and Risk Management
- Employee Benefits
- Retirement Planning
- Payroll and Accounting

Unlike most other firms, CPEhr offers a flexible HR Outsourcing solution, wherein clients select the service model most appropriate for their organization:

A **PEO Solution** offers a consolidated solution providing you access to large insurance products for benefits, workers' compensation, EPLI, and a wide range of services to meet your employment needs.

An **HRP Solution** offers the complete range of HR services offered under the PEO, without having access to the large-group insurance products.

The **HRO Solution** enables you to pick a number of dedicated hours of HR consulting per month, either off or on-site, to work on the specific tasks you designate. "A-la-carte" services are also available on a fee-for-project basis.

Contact CPEhr

We encourage you to contact us and schedule a complimentary HR consultation. In this no-obligation consultation a senior consultant will analyze your current human resources practices and offer a customized HR Outsourcing solution.

Call us: 877-842-4987

Email Us: info@cpehr.com

On the web: www.cpehr.com

Corporate blog: www.cpehr.com/blog

Twitter: www.twitter.com/cpehr

Facebook: www.facebook.com/cpehr

Corporate Address:

9000 Sunset Blvd. Suite 900

West Hollywood, CA 90069

For more information:

