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Joe Beers

professional
employer
organizations
can help you
attract and
keep good
employees
by providing
excellent
benefits



business is good

Just ask anyone you know. We live in a robust economy with new businesses opening every day. The unemployment rate is low and revenues are up as everyone is busy doing what they do best. How can there be any business problems when we seem to be in "The Best of Times?" There is one problem we hear over and over. It is a problem faced by every business owner at one point or another. "How do I attract and keep good employees?"

The answer? Offer a benefit plan that exceeds the companies with whom you compete for employees; you will attract better people and reduce turn-

over. Top companies offer group health and dental insurance, 401(k), direct deposit, credit union membership and supplemental insurance such as disability and term life. Quality benefit programs send the message to your workforce and to potential employees that you care about them and the quality of their lives.

However, putting these programs in place can be time consuming and expensive. There is a hard way and an easy way to accomplish this exercise.

The Hard Way—Find The Benefits Yourself

In a normal scenario, a company looking for these benefits would have three issues facing them that are not extremely appealing.

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First, a company typically needs to have a group of 10 or more employees who will use the plans. This can be a difficult number to achieve. Some employees may already be covered by a spouse's plan or they may not be interested in every benefit. Finding consensus can be difficult.

Second, a company will need an insurance broker to find plans that are affordable and fit the needs of the group. The needs of individuals in the group may vary widely. At minimum, two meetings each with your health broker, 401(k) provider and supplemental insurance broker will be needed. One meeting will be needed to discuss the specific products you want and then another meeting will be needed to go over what plans they have found and the cost of each. If the business owner wants competitive bids, the number of meetings and time spent goes up dramatically. Add to the mix a payroll company to do direct deposits, and the time spent on the exercise begins to seriously eat away from profitable activities.

Third, the employer will very often have to pay for a portion of the health insurance premium and pay a matching amount on the 401(k) plan. Usually the employer will also have to pay an administration fee of about \$1,500 to \$2,000 per year for the 401(k).

The Easy Way—Hire A Professional Employer Organization (PEO)

A small business can have instant access to top-quality benefits. PEOs act as an off-site human resource department for small- and medium-size businesses. They handle the administrative portion of having employees and bring great benefits to the table. The PEO and the business become "co-employers" and the small company becomes part of a group containing thousands. In one easy step a business can offer Fortune 500-type benefits to employees. The choices for the employees are numerous and in most cases the business owner does not have to pay for a portion of the benefits. Through the use of a 125 Cafeteria plan, the employees access great benefits through payroll deductions using "pre-tax" dollars. It is an absolute winning situation for the small- to medium-size business owner. The administrative burden is decreased on the business and the employees get great benefits.

Business is tough enough. Take the easy route when it comes to your "benefits" problem. You will be glad you did.

Joe Beers is the executive vice president and director of sales for Diversified Human Resources, Inc., a rapidly expanding PEO based in Scottsdale. Questions or comments? Give Joe a call at (480) 941-5588 or e-mail him at joe@dhr.net.