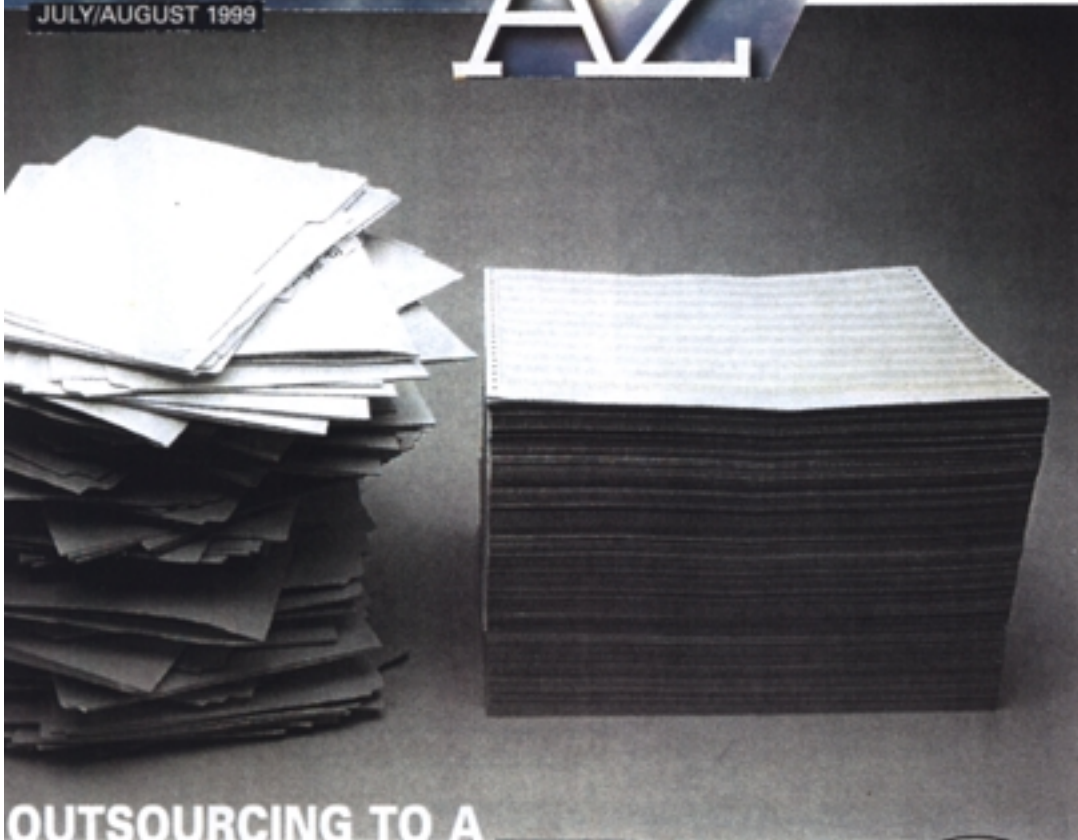


by Joe Beers



OUTSOURCING TO A

PEO

professional employer organizations
are the remedy of choice for many
business owners

pain. Every business owner has pain. It often comes in areas that have nothing to do with the core operations of the business. Time-consuming activities such as finding benefit programs, paying payroll taxes, governmental compliances, reconciling insurance billings and attracting and motivating employees can take its toll on today's business

owner. The problem is none of these activities have anything to do with boosting the bottom line. Some business owners get so caught up in the day-to-day administrative work that they forget why they went into business in the first place.

There is a solution: outsource the non-core functions to a Professional Employer Organization

cont'd

(PEO). A PEO brings to the table tremendous advantages to the business owner and the employees. In this arrangement, the business enters into a co-employer relationship with the PEO. The business becomes the worksite employer and the PEO becomes the administrative employer of record. The employees become part of a much bigger group and several advantages become readily available to the business and the employees.

Take paper off your desk. The PEO handles the administrative paperwork of payroll, payroll taxes, workers' compensation insurance, administering employee benefits, providing employee manuals and maintaining employee payroll files. The business simply submits payroll information and the PEO takes it from there.

Put time on your watch. The PEO handles much of the time-consuming administration associated with having employees. If the time saved is used to generate revenue, it will also put money in your pocket.

Increase access to expertise. Services typically offered in-house by an established PEO include risk management, employee manuals, safety programs, human resources, specialized payroll reporting and benefit program orientation, implementation and administration.

Eliminate time-consuming and costly audits. With a PEO, the business owner pays exactly the right amount of taxes and workers' compensation premium each and every payroll. This eliminates audits, which at best can be time consuming and at worst can be extremely expensive.

Simplify to one vendor. One vendor can handle what many vendors once handled. Some businesses deal with separate vendors for payroll processing, workers' compensation, health benefits, dental benefits and employment law issues. One phone call to your PEO should provide answers to questions involving any of these issues.

Bring benefits that can attract and retain quality employees. It is no mystery that quality employees are attracted to and stay at businesses that offer quality benefits. A PEO gives employees access to group health insurance, 401(k), dental insurance, direct deposit, credit union, term life and disability insurance. Through a 125-cafeteria plan, benefits are available on a pretax basis and the options are numerous.

For employees who work at a business that does not offer quality benefits, the PEO concept is a great option to bring to your company. Access to top-quality benefits is only a phone call away. For the business owner, this strategy is well worth investigating. It simplifies the administrative burden and allows more time to focus on profit centers. A PEO will help keep a business competitive and able to attract and maintain a quality workforce. Focus on taking care of business and the PEO will take care of the details.

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.