



10

ADVANTAGES FOR  
**STARTUPS**

PARTNERING WITH A PEO

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# CONTENTS

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**I N T R O - P G . 1**

**W H A T I S A P E O ? - P G . 3**

**1 0 A D V A N T A G E S F O R  
S T A R T U P S - P G . 4**

**S U M M A R Y - P G . 1 6**



**W E B E L I E V E  
D R E A M S A R E  
W O R T H  
P R O T E C T I N G**

# INTRODUCTION

When you started your business, what was it that you dreamed about? Was it to build something that helped people? Or did you dream of employing people who are genuinely happy to go to work? Maybe it was to be your own boss and make a real difference in the world? It was probably a combination of many different things, right?

## DREAM IT. BUILD IT.

Well, we're guessing your dream didn't include payroll, taxes, compliance, workers' comp, health care, retirement funds, human resources, administration, accounting, labor laws... Whew!

We don't blame you. Those things can be a major buzz kill.

There's an endless list of details that come with having employees. We often call all this stuff *entremanure*.

Entremanure is a pile of smelly details that keep your startup from thriving the way you want it to. How do you keep track of all these details? In a startup, you might have a small number of employees, each with critically important jobs to do. Maybe you've hired an HR professional to help with all those little headaches? Or is it all on you? Could you and your HR staff be spending your time on more proactive tasks? Probably so... For this reason, some startups choose to add a PEO to their team.



A person wearing a grey sweater is pointing their right index finger towards a document. The document has a large white rectangular redaction box covering a significant portion of its content. The background is a blurred office setting with a desk and a computer monitor.

**A PEO CAN HELP YOU AND YOUR  
TEAM STAY FOCUSED ON WHAT YOU  
DO BEST WHILE THEY HANDLE THE  
ADMINISTRATIVE DETAILS THAT  
COME WITH HAVING EMPLOYEES  
AND RUNNING A BUSINESS.**

# WHAT IS A PEO?

A Professional Employer Organization (PEO) is designed to be your strategic partner for handling employee related responsibilities.

PEO services can help you focus on the bigger and better tasks during this critical time for your new business.

A PEO allows you to outsource tasks related to:

- Payroll
- Benefits administration
- HR
- Government compliance
- Workers' comp and safety
- And more

By outsourcing these tasks to a PEO, you free up your time to work on growing your business, instead of maintaining what you've already accomplished.

Sounds nice right? It is. You can enjoy the experience of running your business without all that small stuff getting in your way.



**NEXT UP: 10 ADVANTAGES FOR  
STARTUPS PARTNERING WITH A PEO**



# ADVANTAGES FOR STARTUPS

## PARTNERING WITH A PEO

### #1 | PEO COMPANIES HELP PROTECT YOUR MOST IMPORTANT RESOURCE - YOUR TIME

The first thing to consider when deciding if HR outsourcing with a PEO is right for you is choosing how you want to spend your number one resource -- **your time.**

One key question is: How can you maintain full compliance with all the state and federal HR intricacies and still have time to do the things that make your business profit and thrive?

**YOUR TIME DURING THE FIRST FEW YEARS MUST BE STRATEGICALLY ALLOCATED TO THE AREAS OF YOUR BUSINESS THAT WILL HAVE THE BIGGEST IMPACT ON YOUR IMMEDIATE AND LONG-TERM SUCCESS.**

Where are the areas that will have the biggest impact? The answer is simple. They are your core competencies, doing what you are great at and what your clients pay you to do. These are the areas of your business where you shine and are at the heart of your dream to run this business. They are also the things that will allow you to be truly successful.

Your startup team should focus on what's important: developing your product or service, drumming up business, earning revenue, and beating your competitors. Your schedule simply can't afford to be overtaken by small tasks related to common HR duties like personnel issues, payroll, benefits administration, employee policies, and hundreds of other time suckers that will nickel and dime you to death. A PEO will help prevent this from happening to you.

“I was the co-founder of a web marketing startup. In the first 4 years building our business every minute mattered. Every task we chose to spend our time on had to be strategic and make a lasting impact. We chose to use a PEO to maximize the productivity of our time each day. The PEO also provided a variety of benefits that only companies larger than ours had access to.”

**Spencer Rule, Co-founder,  
Pro 119 Marketing**



## # 2 | PEO COMPANIES ARE GROWTH HACKERS FOR YOUR STARTUP

Startups are baby businesses, and babies grow fast. They can outgrow things that fit them 3 months ago. This is an important variable in a startup's decision to outsource day-to-day business administration like payroll and HR to a PEO.

Most startups experience some growing pains as soon as they take on their first few employees. Having employees can quickly turn an *entrepreneur* into an *employer*, and this can stifle a startup's growth.

Your business will be changing rapidly; you will need solutions that can scale with you. Many times, a startup lands the big contract they have been working on for the past year, and before they know it, their business sinks because they did not have the scale-able solutions in place to help them grow fast enough and fulfill the contract.

PEO companies allow you to quickly and easily hire more employees. If you need to expand into other states, no problem, they can prevent any payroll or compliance issues. PEOs have done it all so when your startup experiences sudden growth, they'll help guide you through the transition.

# # 3

## PEO COMPANIES OFFER EXPERIENCE

Knowledge gaps will surface as you grow. Most entrepreneurs and founders are great at what they do. But, when faced with bookkeeping, financial planning, or HR administration, inefficiencies can begin to surface.

Successful startups use advisers and veterans because they know that experience is an invaluable asset. When it comes to HR for your company, it's the same story. PEO companies offer you a team of professionals with decades of experience, even as a startup. This will help you make smart decisions when planning for health care reform, safety programs, payroll efficiency, and employee policies.

Don't let your time and money be wasted on managing your startups evolving requirements and responsibilities related to human resources. Instead direct your focus, energy, and skills where they belong: developing your business. Be the entrepreneur visionary you were meant to be. PEO companies will help you reach success by having your HR details taken care of by a team of experts, so you can focus on building your team.





# # 4

## PEO COMPANIES HELP KEEP YOUR BUSINESS IN COMPLIANCE WITH EVER CHANGING LEGISLATION

Each state you expand into might have unique requirements and restrictions. National PEOs have worked in every state, so they're ready for different regulations and will protect your business. They're already experienced in handling regulations each state carries, like:

- **REQUIRED PAID SICK LEAVE AND OVERTIME**
- **UNIQUE PAID TIME OFF REQUIREMENTS**
- **EXEMPT VS. NON-EXEMPT STATUS REQUIREMENTS**
- **INDEPENDENT CONTRACTOR REQUIREMENTS**
- **DOCUMENTATION AND REPORTING REQUIREMENTS**
- **OTHER UNIQUE LABOR AND EMPLOYMENT LAWS**

When you partner with a PEO they'll provide you an assigned Client Service Coordinator. You can contact your CSC anytime for questions or advice. This is one of the many ways a PEO helps keep your company in compliance. Custom advice from an experienced professional (not just some self-serve help database) is invaluable. When you need guidance, you need it fast. With a PEO, you'll have it.



# #5

## PEO COMPANIES OFFER YOUR STARTUP A WORKERS' COMP PROGRAM NOT ACCESSIBLE TO MOST SMALL BUSINESSES

You can turn safety into a competitive advantage for your startup. When you partner with a PEO, you'll find top-of-the-line workers' comp solutions at your disposal. No matter your circumstance or location; the PEO will keep your startup updated, compliant, and protected.

# YOU CAN MAKE SAFETY A COMPETITIVE ADVANTAGE

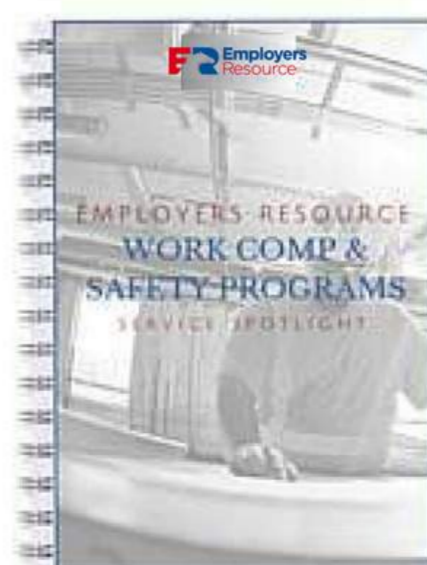
Nothing stalls your growth like a costly workers' comp claim. The PEO will help you prevent claims from happening and will help you if your business ever receives one.

Want a deep dive look at what exactly we offer in our safety and work comp programs? Download our spotlight by clicking below.

### WORK COMP AND SAFETY PROGRAMS SPOTLIGHT

Get an in-depth look at how our Work Comp and Safety programs can help your business.

[GET IT NOW](#)



# # 6

## PEO COMPANIES LIFT TAXES AND PAYROLL OFF YOUR SHOULDERS

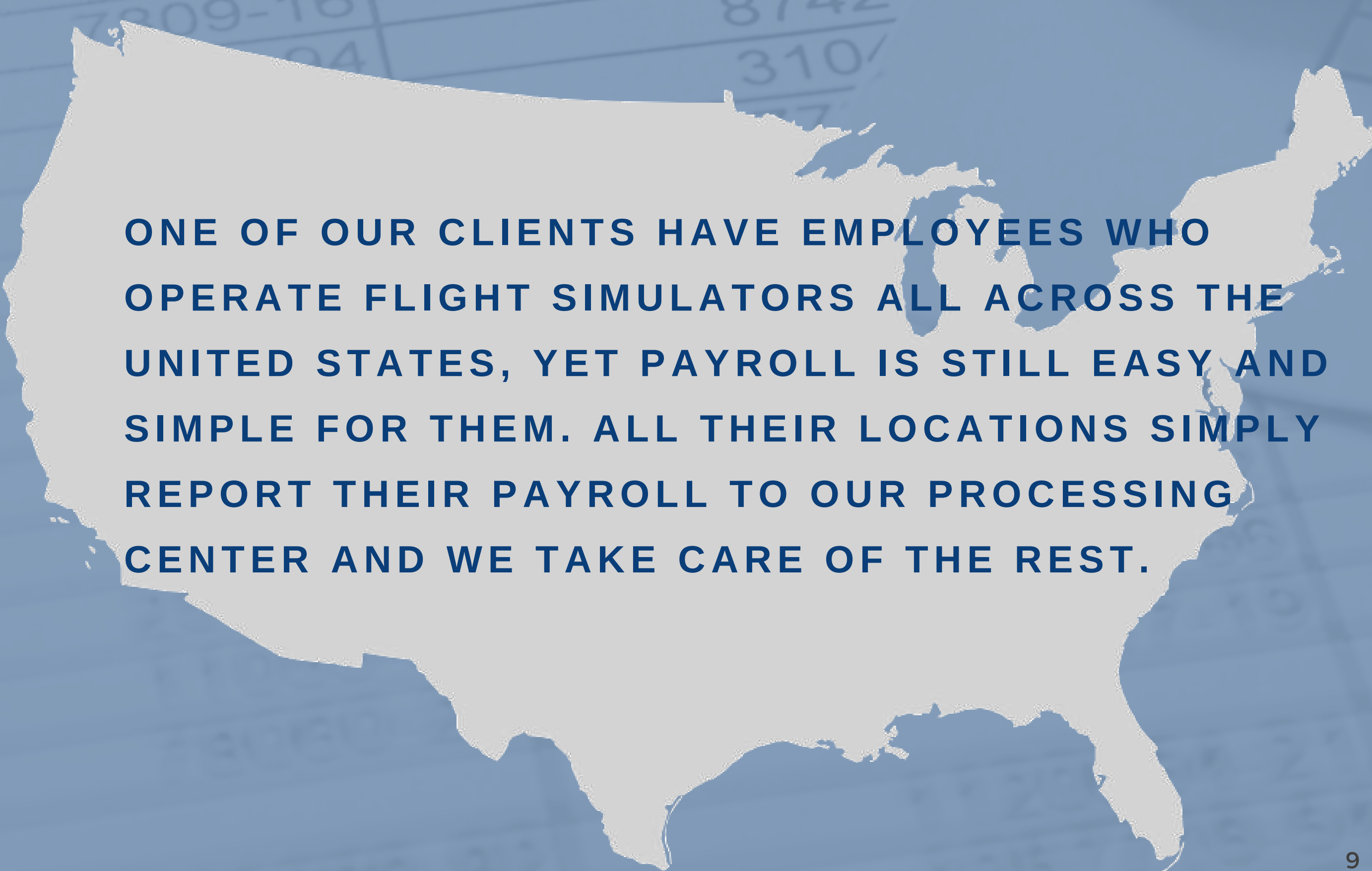
When it comes to running payroll and dealing with taxes, PEOs have the knowledge and experience to help you succeed. You won't have to keep up with different tax laws based on the different states or cities you have employees working in. Your PEO HR solution takes care of it for you.

Never worry about getting payroll out on time again.

Timely and accurate tax deposits that comply with federal and state tax laws are completed for you.

A PEO helps you maintain consistent and accurate deductions and withholdings.

[Click this link](#) to learn more about the specific benefits that PEO payroll administration offers your startup.

A light blue map of the United States is overlaid on a dark blue background. The map is centered and occupies the lower half of the page. The text is written in a bold, dark blue, sans-serif font across the map.

**ONE OF OUR CLIENTS HAVE EMPLOYEES WHO OPERATE FLIGHT SIMULATORS ALL ACROSS THE UNITED STATES, YET PAYROLL IS STILL EASY AND SIMPLE FOR THEM. ALL THEIR LOCATIONS SIMPLY REPORT THEIR PAYROLL TO OUR PROCESSING CENTER AND WE TAKE CARE OF THE REST.**

# #7

## PEO COMPANIES TAKE CARE OF THE SMALL STUFF SO YOU CAN FOCUS ON THE BIG



GOALS

Do you have the time you need to focus on growing your company, increasing profit, and retaining good employees?

The most important advantage a PEO offers a startup is the ability to completely focus on dealing with the BIG issues in front of you. And, you'll have the freedom to avoid distractions from all the small stuff.

As a startup using a PEO, you have the ability to focus on those BIG issues while the PEO takes care other tasks related to things like:

- ✓ Payroll
- ✓ Taxes
- ✓ HR Management
- ✓ Workers' Compensation
- ✓ Other Compliance Issues

DON'T LOSE YOUR

# FOCUS

# # 8

## PEO COMPANIES INCREASE YOUR CHANCE OF SURVIVAL

### STREAMLINE YOUR BUSINESS AND STRETCH THE RESOURCES YOU HAVE.

During hard times, startups face tough decisions like how to streamline your business and stretch the resources you have. As the belt tightens, HR headaches are common. Founders often attempt to take on some HR administrative duties, or they have someone else with a different job title wear multiple hats they shouldn't be wearing.

As mistakes are made, employees are lost, fees are assessed, the bad times become worse. You might feel the need to slim down your benefits offerings, but you fear losing high-value employees as a result. Streamlining all costs becomes an issue. You fear one small workers' comp claim could completely sink the business. Every startup experiences hard times like this. During hard times the PEO advantages are:

- Keep the same HR manpower that you have always had while being able to scale your employee count.
- Offer big business benefits even while your business is tightening all budgets.
- Maintain a consistent safety and workers' comp program quality that you can enjoy.
- If you have a workers' comp claim --- we have your back. Preventing claims, processing them for the best outcome, and getting workers' back to work more quickly.
- Protection from tax and other regulatory surprises that could make things worse quickly.
- A one-of-a-kind Alternative Dispute Resolution program to keep you out of the court.

# # 9

## PEO COMPANIES HELP YOUR STARTUP TAKE ADVANTAGE OF POSITIVE MOMENTUM

During good times in a startup, it is all about growing quickly and strategically. Growth can happen fast, and when it does you might find yourself having to hire more employees in a hurry. HR and compliance related pains surface during these times. When payroll headcount skyrockets, employment and compensation compliance details start to falter.

Maybe your business needs to expand into a new state with completely different compensation laws? There will be workers' comp laws and regulations that you have to navigate too. You might try and hire in-house HR professionals, but they are only familiar with one dimension of the industry and do not have the breadth of knowledge needed to handle all of the issues that you're coming up against. Here are a few ways we can help keep the good times rolling:

- A national PEO like Employers Resource can instantly scale with your business.
- Putting employees in a new state? We'll set you up with workers' comp and make sure you're compliant with employment laws. It's that simple!
- Offer better benefits to attract top talent.
- Make on-boarding smooth and standard for new employees.
- Expert advice on constantly evolving employee classification and diversification.
- Payroll processing that can keep up with a rapidly growing business (and stay compliant).
- An experienced second pair of eyes to make sure there are no major oversights in HR that may come back to bite you later and slow you down.



# #10

## PEO COMPANIES HELP YOU COMPETE FOR, ATTRACT, AND RETAIN TOP TALENT

Now startups can compete for the best talent without losing to competitors over benefits.

Attracting the top talent in a startup can be challenging. In the eyes of the worker, joining a startup is a risk that not everybody is willing to take. If your company is not able to provide the benefits and health care plans that people need, how can you expect them to take a leap of faith? You need to equip your startup with some competitive offerings.

A PEO could be your key to unlocking the competitive advantage usually only available to larger, more established companies.

Some examples are:

**Increased stability and financial security.** You'll save on health insurance and other purchases, freeing up funds to help recruit top talent.

The co-employment model. Your startup will have access to health care plans only available to large companies. Top talent looks for competitive benefits like this.

You also don't have to deal with the administrative headaches that come with offering a comprehensive benefits package. The PEO takes care of insurance enrollment, employee education, and questions about your employee's benefits.


**Benefits a PEO might offer:**  
Group Dental Insurance  
Group Vision Insurance  
Group Life Insurance  
Group Short-Term Disability Insurance  
Group Long-Term Disability Insurance  
Company Wellness Programs

**Access to retirement options like a 401(k).** PEOs usually offer a 401(k) program to employees as well as the option for employers to match a certain percentage of the employee contribution.

Since many of your administrative tasks will be given to the PEO, you and your HR staff will have the time to focus on strategic employee engagement and culture shaping initiatives.

When a candidate applies for your business, they will not see a startup that's scrambling to keep up with their own growth. Rather, you'll represent a stable company that's adapting to its rapid growth and able to offer benefits typically only available in larger organizations with years of growth behind them.





**BE THE **VISIONARY****  
**YOUR EMPLOYEES NEED.**  
**WE'LL TAKE CARE OF**  
**THE **EMPLOYER** STUFF.**

# SUMMARY

These are just our Top 10 ways partnering with a PEO will give your startup the competitive advantage it needs. Is it time to elevate your business out of the realm that we lovingly call the 'startup'?

[Contact us today for a free custom quote.](#) Or, keep reading about the PEO advantage with these resources; and keep living the American Dream.

## Other Recommended Reading:

[What is a PEO? >>](#)

[How Hiring a PEO Is like 50 Business Solutions >>](#)

[7 Questions to Ask While Shopping PEO Companies >>](#)