



CASE STUDY Professional Employer Organization & Benefits

Gaining Control Over HR and Employee Benefits

THE COMPANY

The company has a diverse staff of white and blue-collar workers, production and non-production workers, and low and high-wage workers. Competition for employees is intense.

- 100+ employees
- Injection molding manufacturer
- Professional Employer Organization (PEO) controlled benefits and payroll

THE CHALLENGES

The client wanted more control and ownership of their HR processes and to create an affordable and appealing benefits program to attract and retain talent. The PEO had control over their benefits and HR processes, which left the client with little access to their payroll, benefit administration, and compliance information. Due to the lack of education provided to the employer, their employee communications also suffered, and their employees did not understand or value their benefits plan.

- High employee turnover due to dissatisfaction with the benefits
- Lack of control over Human Resources (HR) obligations and compliance
- High PEO fees, discrepancies with contract language, and liability pitfalls

THE SOLUTIONS

The client selected us as their advisor to conduct a comprehensive review of the group benefits program and assist with a potentially new solution. Our review included an analysis of their fees, operational efficiency, and alignment of company culture and benefits. After presenting customized competitive solutions to create value and minimize employee disruption, we assisted in extracting the client from the PEO. Working together, we created a detailed process and timeline to set up the newly recommended payroll and benefit administration systems. Also, we conducted multiple educational open enrollment meetings to ensure the employer and employees learned about their benefits and understood them, and we provided the employer with HR and compliance education.

- Conduct a comprehensive review of the PEO program
- Select new solutions to replace all components of the PEO
- Establish new vendors, technology, and processes

THE RESULTS

After eliminating the PEO, the client integrated their benefit plan information with their new payroll vendor. They saved money and reduced their transactional costs and time obligations. The client was thrilled to finally be in control of their benefit offerings and their HR and benefit plan compliance. With increased education, the employees understand and value the plan, which has increased retention and recruitment and reduced turnover.

- Improved benefits levels while increasing employee education and satisfaction
- Client gained control and flexibility over their HR and benefits operations
- Net savings of \$70K after replacing benefits, admin, and payroll services