Choosing the Perfect PEO - Is it Legal to Compare PEO Services?

So you have been working with a Professional Employer Organization or PEO partner for a while now. Things are going smoothly, but sometimes you wonder if revisiting your HR operation and your PEO partnership is worth doing.

You also think that while at it, you might as well look into other PEOs and compare their offered services with your PEO.

Well, why not? It's your business, and you are well within your rights to see that everything is according to your plans.

There are several reasons why a business like yours would want a review and comparison of PEO solutions.

Among them are:

- To review if your human resource operations are optimized
- To check your HR operation against new developments in the industry
- You need additional services.
- Your business is growing, and you want to make sure your HR operations are up to it.
- You feel something is amiss in your HR management.
- You want to find a solution to persisting problems.
- You are not happy with your current PEO.

But is it legal? And is it ethical? Comparing PEO services is perfectly fine and legal if you do not break any of the provisions in your contract. Be fair, don’t disclose confidential information to competing PEOs.

But where do you begin? You are not going into this review and comparison only to miss your best-fit PEO. Again. Again? That’s something you have to make sure doesn’t happen.

Talk to a PEO broker. Rather than analyzing, strategizing, searching, soliciting offers, comparing, and so on all by yourself, why not leave it to the professionals?

PEO brokers with their PEO networks can give you more options, offer strategic and cost-saving benefits, free you of the tedious and time-consuming process of searching, and save you cost.

Conduct An Internal Assessment

Whether you want to explore solutions to persisting problems or just do a PEO analysis, it is best to begin with an internal assessment. Are you hitting the goals set at the start of the partnership?

Your PEO Broker can help you with this.

Some of the Things to Look at in Your Operations

1. Independence of PEO

   Is your PEO partner independently managing the HR operation (if that is your agreement), or do you often find the need to get involved in fixing issues?

2. Employee compensation and benefits

   Are your employees getting better benefits than before you entered into the partnership? PEOs are supposed to enable access to more cost-effective benefits like health insurance, unemployment insurance, and others.

3. Compliance

   Your PEO arrangement is supposed to protect your business from fines and penalties. Is it?

4. Cost-saving

   How about your savings? The partnership is also a cost-saving endeavor to free you from tedious, time-consuming HR activities.

5. Employee turnover

   Of course, you want to keep your talented employees. However, aside from the disruption in the operations, high employee turnover is also costly.

6. Employee feedback

Get a feel of your workforce's general sentiment. Are they happy with the setup? These are just some. Use all other goals and parameters that you have on your list as bases.

Go beyond HR administration

PEOs are better known mainly for human resources administration. This includes payroll management, compliance, employee compensation & benefits management, increasing employee retention, and hiring & onboarding support. But as years pass and things change like technology, regulations, business climate, and others, some PEO services evolve with them.

Look for a PEO partner that can give you more than the usual HR administration. There must be a few in your PEO broker's network.

Some additional services PEOs can offer

Technology and Data Analysis

Some PEOs take advantage of technological advancement to provide you with HR-related analysis. For example, analysis on which skillset is more productive in a position, the maximum number of hours an employee can work overtime without affecting his productivity, and others can help boost productivity and reduce employee turnover.

Industry Information Support

Knowing human resources-related trends in the industry can give a company an edge talent-wise. In addition, information like competitors hiring people with different skill sets for the same position in your organization (for example, a technical person for a normally non-technical job) will give the company time to react if they want to.

Seek NAPEO Membership

The National Association of Professional Employer Organizations or NAPEO is the PEO industry trade organization. Also known as The Voice of the PEO Industry® for government affairs, NAPEO advocates the interests of PEOs at all levels of government and provides the members with resources, networking, referrals, and others.

Making membership in NAPEO a requirement for your PEO has many benefits like:

- Access to the best regulatory compliance organization in the industry
- Complete PEO marketing toolkit
- Education relevant to the industry
- IRS certification
- Visibility in the "Find a PEO" directory online

Examine Accreditation and Performance

Presumably, you did due diligence on your current PEO before deciding on them. But whether you did this or not, a PEO Broker should know. They can do a thorough one for you this time.

Things to Look Into for Your PEO Candidates

- Track Record

  Nothing beats outstanding performance record and consistency. It speaks of the capability of a PEO.

- Accreditation

  Choose a PEO accredited in the Employer Services Assurance Corporation or ESAC and Certification Institute or CI for your additional protection. Accreditation means they meet the rigorous financial, ethical, and operational standards set by the accreditation agencies.

- Business References

  Independent assessment by two or more clients will give you a more objective evaluation of a person or a company.

- Client Retention Rate

  How long do they stay in partnership with their client companies? A good PEO should be able to keep their clients for a long time.

Call to Action

Of course, you can, and you should periodically review the performance of your PEO. You can even compare them with other PEO service offers.

There should not be a problem as long as you handle the process professionally, openly, fairly, and objectively, something a PEO Broker can ensure.

For more information about PEOs and PEO Brokers, visit us at https://dinsmoresteele.com/