



Innovative Risk Management & Workers' Compensation Programs

Top 5 Secrets to selling PEO

By Clay Kelley



Clay Kelley Background



Clay Kelley has been in the HR Outsourcing and PEO business since 1985.

He has participated in seven mergers and acquisitions and assisted in raising over \$20,000,000 in capital and has trained over 3000 sales professionals.

Clay Kelley holds the distinguished Professional in Human Resources (PHR) designation from the Human Resources Certification Institute.

He is the author of three books; Success in Selling PEO, JUMP Start to Success in Selling PEO, and Managing for Success in Selling HRO. He is the most published author of sales related articles in the industry.

Who We Are

Insured Solutions is a national MGA specializing in alternative workers' compensation insurance

We utilize independent agents to provide their clients one resource for:

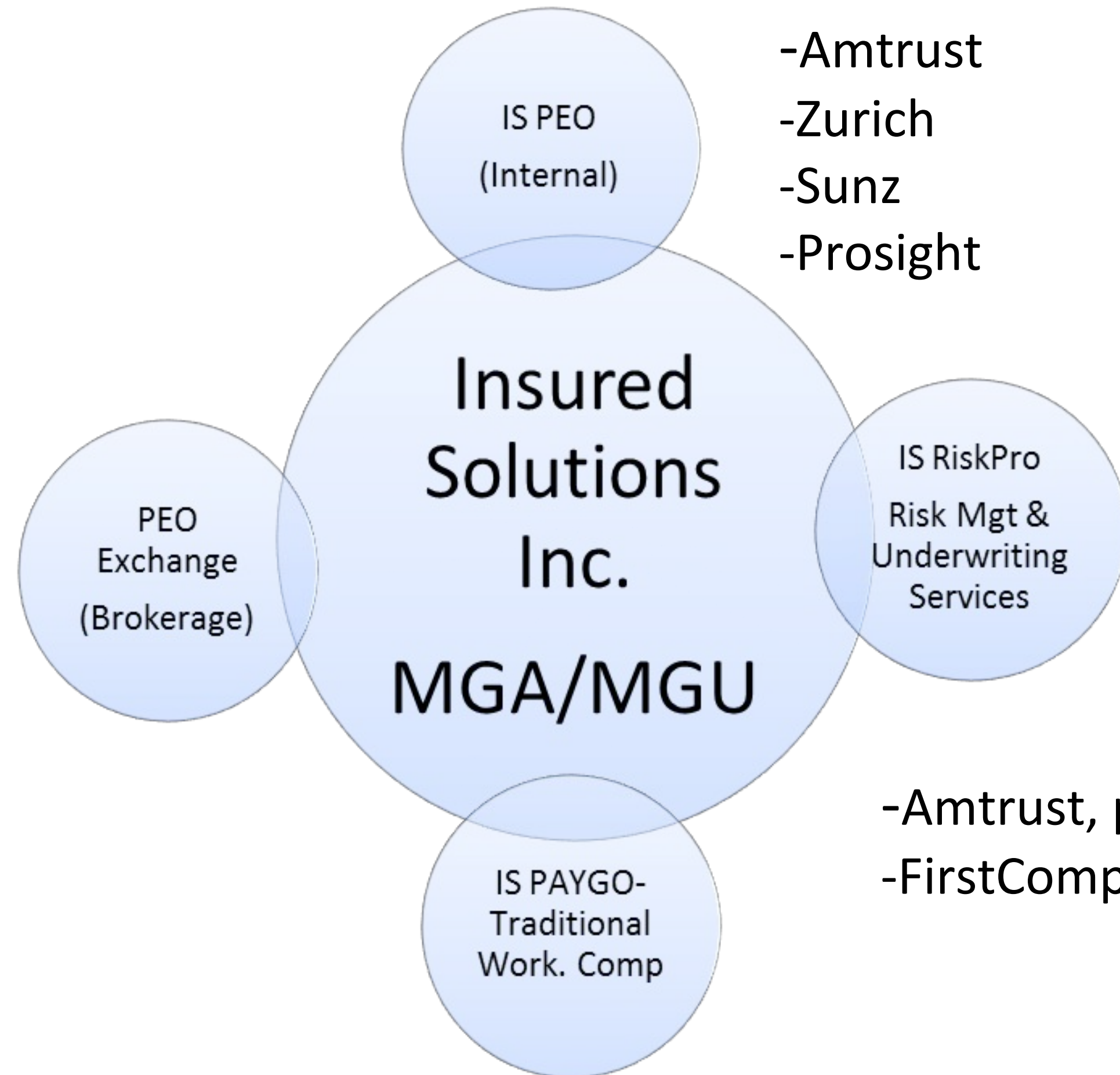
- Alternative workers' compensation markets
- Risk management services
- Optional payroll administration

Sales and support offices in Georgia, California, Florida, Tennessee



Where We Fit in

- Amtrust
- Zurich
- AIG
- State National



- Amtrust
- Zurich
- Sunz
- Prosight

- Amtrust, prosight
- FirstComp

What is a Professional Employer Organization (PEO)?



A professional employer organization is a service provider that contracts to share or allocate certain responsibilities of an employer in the areas of:

- Human Resources
- Workers' Compensation
- Risk Management
- Payroll Administration

Why Outsource to a PEO?

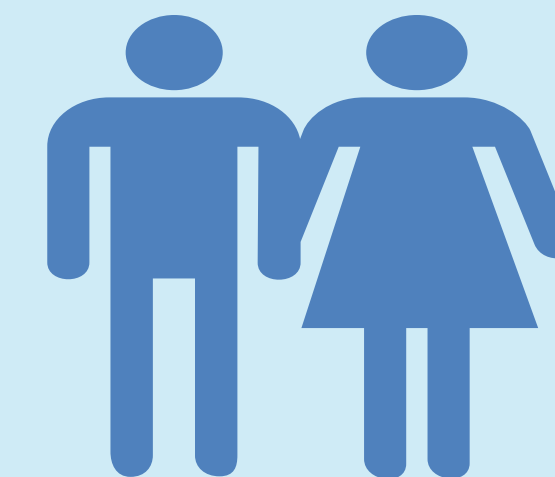
PPTLC

- Maximize Employee **P**roductivity
- Reduce **T**ime spent in transactional HR
- Reduce Employment **L**iability
- Ultimately lower labor **C**ost
- Increase **P**rofitability



Human Resources

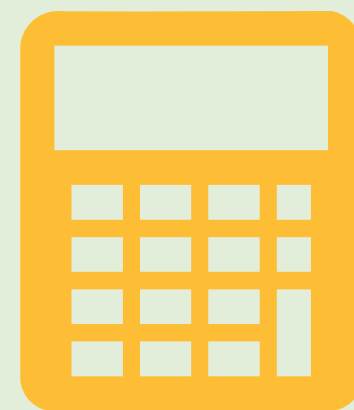
- Human resources consultations
- Assist with workplace conflicts
- Pre-employment screening
- Employee handbooks
- Position descriptions
- Management & employee training
- Assist with SUTA claims, hearings & appeals



Why Outsource to a PEO?

Payroll & Tax Compliance

- Online Human Resources Management System (HRMS)
- Online process, direct deposits & checks
- Payroll tax liability & compliance transfer
 - ✓ Tax deposits
 - Withholding, FICA, FUTA, SUTA, other
 - ✓ Tax form filing
 - 940, 941, W-2s, W-3 & SUTA, other
- Reconcile payroll & tax transactions



Risk Management

- Procure coverage
- Eliminate the down payment
- Eliminate the payroll-premium audit
- Eliminate the audit premium
- Smaller premium payments
- Work site safety inspections
- Risk specific safety plans, training & materials Claims management
 - ✓ Process claims
 - ✓ Post accident drug testing
 - ✓ Claim investigations
 - ✓ Coordinate return to work programs (RTW)
- OSHA compliance assistance

PEO Services that MUST BE included



Payroll Administration
using the PEO FEIN #

Workers' Compensation
Insurance*

Risk Management

* Can be carved out if client is using PEO medical plan

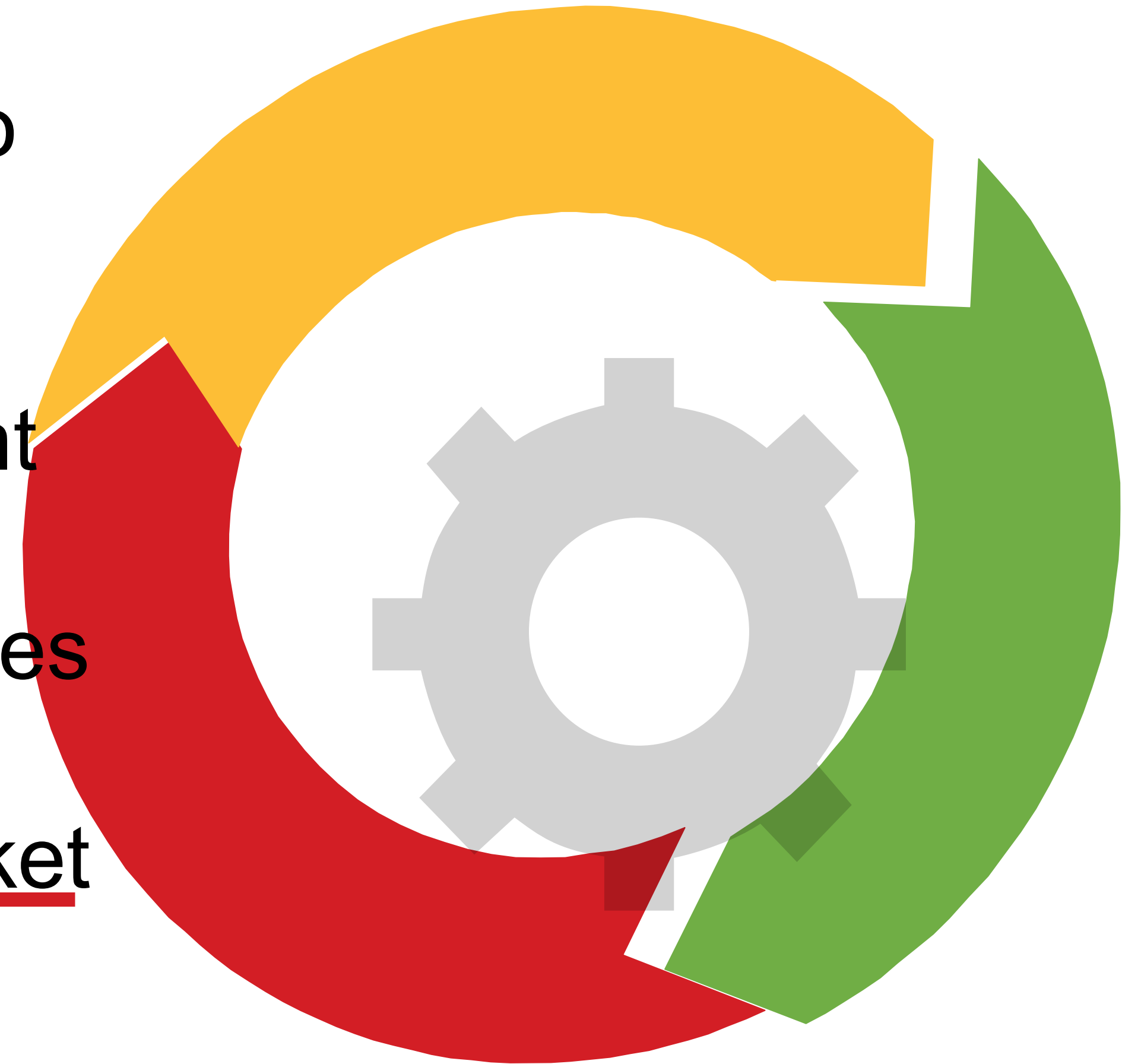
PEO Selling Tip # 5



Quickly identify prospects that are a fit for PEO.

When a PEO is a fit for a client

- Client is using PEO now and wants to improve services and pricing
- Needs assistance in risk management
- Needs to improve hiring & HR practices
- Xmod is over 1.50 and standard market options are limited



PEO Selling Tip # 4



Close the file quickly if your client has the following issues:

When a PEO is NOT a fit

- Client refuses to outsource payroll
- Client has poor cash flow to meet their payroll
- Vendors or government funding will not allow a PEO
- Client will not cooperate with PEO risk managers



PEO Selling Tip # 3



Address the direction and control objection up front.

Control



- By contract, clients maintains direction and control over employees.
- Clients also keep their own X-MOD.
- 14 • Clients hire, fire, train employees.

PEO Selling Tip # 2



Discuss the transition to a PEO
with pro's & con's

Payroll Transition

- Why do payroll in-house?
- Are you open to outsourcing?
 - Deal breakers
- What do you like about your current payroll vendor?



PEO Selling Tip # 1



Vendor consolidation: Discuss the relationships with existing agents, carriers, & vendors to look for an opening for PEO.

Consolidation Answer

- Vendor consolidation saves time and resources
- What services do you like that are being provided by your agent/vendor?
- Which areas need some improvement?
- Clients can cancel the PEO service agreement with a 30 day notice if you need to go back in house.



IS Agents Have Access to Clay Kelley's On-line University

Insured Solutions is committed to growing your book of business!

We now offer online agent sales and product training courses for you and your producers that include:

- Online video courses with quizzes
- Video Training
- Webinars
- Podcasts
- Live, In-person or web based product training at your agency based on location

