

# PEO INSIDER®

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THIS MONTH'S FOCUS

## THE PEO RISK LANDSCAPE

THE PEO ROLE  
IN WORKPLACE  
SAFETY

CREATING SECURE  
AND POSITIVE  
WORKPLACES

UPS & DOWNS OF  
WORKERS' COMP. &  
EPLI MARKETS

COVER STORY

# SEQUOIA ONE

## CELEBRATING CLIENTS' GROWTH

Kathy Ross, CEO, Sequoia One & Christina Sullivan, Chief Client Officer, Sequoia

**Retirement is not a dream.**





**It's a journey.**



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► **Kathy Ross, CEO, Sequoia One & Christina Sullivan, Chief Client Officer, Sequoia**

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**COVER STORY:**

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# WORKING TOWARD STATE-LEVEL RECOGNITION OF THE CO-EMPLOYMENT MODEL

BY DAVID FEINBERG

**M**itigating risk on behalf of the SMBs we serve is inherently part of our role as PEO leaders. And, as we all know, we can only take this on when our own industry risk is mitigated. One such risk is state recognition of the co-employment model. In recent years, regulators and legislators have challenged the PEO industry and the co-employment model in states like New Mexico, Oregon, and Washington DC where PEO statutes are limited or nonexistent. This is an ongoing conversation, and as we continue to grow as an industry, it's important to understand the significance of these discussions.

First, some context. We've seen tremendous growth in the PEO industry, and this would not have been possible without state recognition of the co-employment model. States like New York (where Justworks started), Florida, and Texas, which were some of the earliest to adopt recognition status, are, unsurprisingly, the states with some of the largest PEO presence. State recognition sets

forth our legal obligations and those of our customers, so without these statutes as a guideline, our rights and responsibilities would be called into question. State recognition is also significant in terms of health insurance offerings. Our ability to offer our worksite employees access to large group health plans is based on our position as a co-employer, which is outlined in the state statutes.

Over the past 40 years, NAPEO State Government Affairs has worked tirelessly to both proactively enact and/or improve state recognition statutes, and to also defend against challenges where our statutes are limited or not yet enacted. Enacting a statute is a multi-year initiative that requires many resources, but the risk is too great if we do not continue to fight in states where we have limited recognition or none at all. The ultimate goal is to achieve state recognition in all 50 states so PEOs can support even more SMBs.

In 2025, NAPEO will continue to work towards state recognition, with an emphasis on California and Georgia. While PEOs currently operate in these



*The ultimate goal is to achieve state recognition in all 50 states so PEOs can support even more SMBs.*

states, strong co-employment statutes will de-risk the important work PEOs are doing with SMBs in these states.

As we look ahead, please keep an eye on opportunities to support these efforts—from testifying in front of state legislatures, to raising awareness of the positive impact PEOs have on SMBs—working toward recognition at the state level is important and necessary work for our industry. ■



**DAVID FEINBERG**

2024-2025 NAPEO Chair  
SVP of Risk & Insurance  
Justworks



C-SUITE

# KIM POLLOK NAMED CEO OF SWBC PEO

NAPEO member SWBC recently announced the promotion of Kim Pollok to Chief Executive Officer of its Professional Employer Organization (PEO). Pollok’s career with SWBC began in the Employee Benefits division in 2010. A year later, she transitioned to Director of Operations for the PEO, most recently serving as the Chief Operations Officer. Under her leadership, the PEO has expanded significantly, growing nationally in a wide range of industries. In her new role, Pollok is committed to utilizing data and technology to enhance operations and explore new business opportunities while maintaining a forward-thinking approach. “Kim has been instrumental in driving our success through her 15 years of service to our company and clients. Her promotion reflects both her exceptional leadership and our commitment to recognizing talent,” said Charlie Amato, SWBC’s Chairman and Co-founder, in a release announcing the news.

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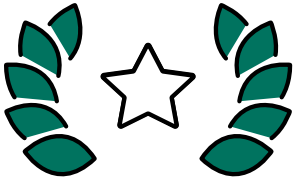
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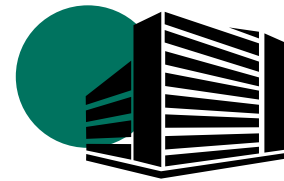
# NEXTEP WINS CLEARLYRATED'S 2025 BEST OF HR SERVICES AWARD

NAPEO member Nextep recently announced that the company has won ClearlyRated's Best of HR Services Award for providing superior service to their clients. Award winners have proven to be industry leaders in service quality based on ratings provided by their clients, and have a Net Promoter® Score (NPS) that is 50% higher than the industry average. "Providing superior, impactful service to our clients has always been at the center of our business, and we are thrilled to see that reflected in their feedback. This award speaks volumes and I just want to personally thank each and every one of our team members for the care and commitment they show our clients each and every day," said Brian Fayak, president and CEO of Nextep, in a release announcing the award.

EXPANSION

## NEXTEP OPENS NEW OFFICES

NAPEO member Nextep recently announced that the company is continuing its nationwide expansion efforts, moving into North Carolina, Washington D.C. and Utah along with additional growth in the Texas market. "We're absolutely thrilled for the opportunity to bring our tech-forward approach and unparalleled customer service to these cities. We continue to identify and pursue markets with thriving business environments and strong economic growth, and each of these new locations presents unique opportunities that align with that vision," said Brian Fayak, president and CEO of Nextep.



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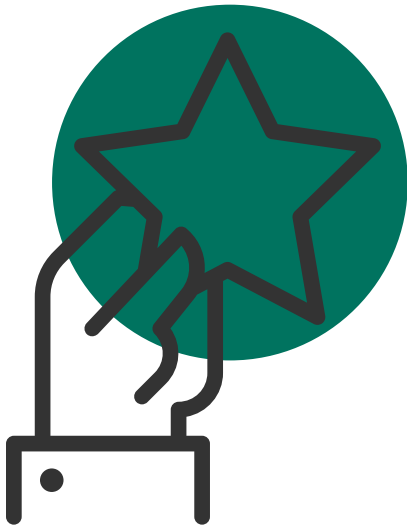
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KUDOS

## VENSURE EMPLOYER SOLUTIONS NAMED AMONG THE 2024 BEST AND BRIGHTEST COMPANIES

NAPEO member Vensure Employer Solutions recently announced that it has been named one of the best and brightest companies to work for in the nation by the National Association for Business Resources (NABR). The winning companies were assessed by an independent research firm, which reviewed key measures such as employee enrichment, work-life balance and more. “We’re thrilled to be recognized by the NABR for our exceptional employment practices. Here at Vensure, we are not only committed to providing our clients with the most innovative HR solutions, but also ensuring we prioritize our own employees’ wellbeing as well,” said Alex Campos, CEO of Vensure Employer Solutions.

NAPEO PAC

## NAPEO PAC HOLDS HISTORIC FUNDRAISER FOR SEN. TODD YOUNG



NAPEO President and CEO Casey Clark and NAPEO PAC Vice Chair Bill Maness with Sen. Todd Young (R-IN) in Washington.

We held a fundraiser at the end of January in Washington for Sen. Todd Young (R-IN), one of our industry champions. To say it was a success is an understatement. The event raised \$56,450 for Sen. Young, smashing our previous fundraiser record (\$35,000 for Rep. Erin Houchin last May) by more than \$20,000. With many in town for our annual Federal Government Affairs Committee meeting, 18 members of the PAC joined this memorable night for one of our best congressional supporters. To learn more about NAPEO PAC, and how you can get involved to support our efforts, visit [napeo.org/pac](http://napeo.org/pac).

NAPEO EVENTS

## JOIN US IN NEW ORLEANS FOR THE FIRST-EVER OPERATIONS WORKSHOP

Join us April 8–10 in The Big Easy for unmatched education and networking opportunities.

Why Attend? This year’s workshop marks the convergence of two previously separate events—Risk Management Workshop and CFO & Payroll Seminar. Hear from industry experts on the operational aspects of PEOs, such as accounting/finance as well as risk management including cybersecurity, payroll and overall operations. Gain valuable strategies and insights to strengthen the support and infrastructure for PEO organizations. Connect with industry professionals and share experiences to grow your network. REGISTER today! Visit [napeo.org/events](http://napeo.org/events) to sign up and learn more.

Plus, those industry attendees aged 45 or younger may participate in our NextGen Leadership Workshop (April 10–11). This dynamic event is designed for both current and emerging leaders in the PEO industry. Enhance your leadership skills by engaging in impactful training, and learn strategies to drive innovation and success in the ever-evolving PEO landscape. Discover the tools and insights needed to excel in your role, foster growth and lead your teams toward a stronger future for the industry. Build valuable relationships with fellow professionals and prepare for greater leadership opportunities. Visit [napeo.org/events](http://napeo.org/events) to learn more. ■



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# SAFETY FIRST

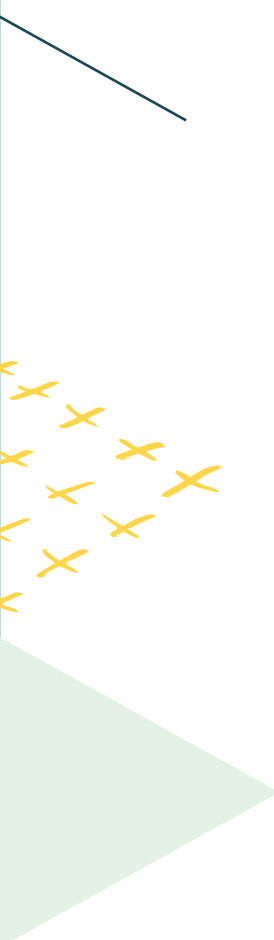
THE PEO ROLE  
IN WORKPLACE  
SAFETY





# CLIENT SAFETY AUDITS AND SAFETY INSPECTIONS: THE BUILDING BLOCKS OF A PEO SAFETY PROGRAM

BY JIM VAN DUZEN, CHST, CIT



**S**afety audits and safety inspections are useful compliance tools; however, each differs in purpose, concept, objectives and scope. Knowing why, when and how to conduct each is imperative to the effectiveness and success of a PEO's safety management program. A well-developed safety management program should include both safety audits and safety inspections which manage risk, safety, and regulatory agency compliance in the client's workplace.

Within a PEO it is imperative to explain and identify the techniques used in safety audits and inspections. A PEO should also discuss the differences in purpose and scope with each client. This article focuses on the essentials of planning and conducting safety inspections rather than safety audits since the concept and objective of a safety audit differs significantly from a safety inspection. Both are methodical processes performed to identify and evaluate the overall safety and compliance of the workplace yet have different objectives, focuses and outcomes.

## SAFETY AUDITS VS. SAFETY INSPECTIONS

Safety audits focus more on a client's overall safety program and regulatory compliance rather than the environment and processes the employees engage in. A well-developed safety audit focuses on the administrative side of the organization's safety management system as a whole and not specifically localized on the employees' tasks as a safety inspection would be. The safety audit should include identifying and understanding all the rules and regulations applicable to the operations promulgated by local, state, or federal agencies.

While audits focus more on the "whys" of safety, safety inspections are more limited in their scope and focus on the "hows" specific to the tasks and the environments the employees are exposed to while performing their duties. Safety inspections will also vary in multiple ways by the type of inspection being planned and are systematic assessments that focus on potential hazards, conditions, physical and environmental conditions, and machinery being used within the facility. Another benefit of conducting safety inspections is to support the organization's compliance with OSHA's General Duty Clause. "Each employer shall furnish to each of his employees' employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees." Both audits and inspections are essential building blocks of a PEO's safety management program.

Employees, safety committees, and OSHA compliance officers typically conduct safety inspections while safety experts or third-party safety consultants conduct safety audits.

## 2 ESSENTIAL PLANNING STEPS OF A SAFETY INSPECTION

Conducting a safety inspection involves planning before the inspection ever

takes place to ensure that the objectives of the inspection are accomplished effectively. One of the most critical steps in conducting a safety inspection is determining the type of safety inspection to be conducted. The planning stages of a safety inspection include developing detailed inspection specific documentation as this will significantly assist in documenting that a thorough inspection is accomplished during and after the inspection process. Another critical step is consulting with the client to select the team members who will conduct the safety inspection. The type of inspection to be conducted will determine the skills and expertise needed by the team members selected to conduct the inspections as well as assist in providing guidance in determining and developing the technology, format, tools, and documentation to be used.

## DETERMINE THE TYPE AND FOCUS OF THE SAFETY INSPECTION

Safety inspections have several focused purposes. The first step is to identify the type of inspection to be conducted. This will facilitate compiling the right team members for the event as the inspection may have been triggered by an incident that took place at the establishment such as near misses or a scheduled routine inspection. Distinct reasons for inspections may include periodic safety inspections, accidents or near misses, ergonomic assessments, or a focus to integrate a new process, recently added equipment, new lines, during shut-downs or procedures being introduced into the operations. After the type of safety inspection to be conducted has been determined, several tools and action items will need to be developed and accomplished.

## PLANNING FOR THE INSPECTION

After determining the type of safety inspection to be conducted the selected inspection team



can begin to plan for the event. Since planning for safety inspections can vary again by the type of inspection, assembling a team of knowledgeable and qualified team members to conduct the inspection is essential. Each member of the team brings his or her expertise to the group and should have a clear understanding of his or her responsibilities and roles. The team should include a team leader. Another key planning component is having the capabilities to download or obtain the data collected by any continuous monitoring devices or equipment placed within the work areas to collect and record specific environmental parameters if in place. This could include ambient temperatures, dust levels, and noise levels within the monitored areas.

Planning an inspection requires developing specific documentation to be used by the team during the inspection. This documentation varies depending on type of safety inspection being conducted and should be tailored to the environment in which the inspection is performed. Inspection documentation will vary vastly by the industry type being inspected. For example, inspection documentation for a construction site will differ significantly from a manufacturing facility or a hospital environment. Knowing key industry specific standards/best practices and developing the proper inspection documentation is key to a successful safety inspection.

Planning for the inspection should also include the team's safety. This includes knowing the emergency procedures applicable to the location as well as knowing the locations of eye wash stations, first aid kits and emergency exits should any members on the team not be

familiar with the facility. Another key element for the team is knowing the identified hazards within the work areas coupled with observing the proper travel lanes delineated for pedestrians, equipment, or forklifts. All facility specific safety rules applicable to the workers are also pertinent to the inspection team.

### CONDUCTING THE INSPECTION

A critical compliance component is confirming that the team is properly equipped with any required PPE to be donned during the inspection process. All required PPE shall be used during the inspection process where required to be worn.

The inspection team is tasked with systematically observing the environment of risk closely focusing on the processes and safety procedures in which the activity is being conducted, or the tasks being performed. The environmental elements of the inspection may include identifying the ambient temperatures or obtaining temperature readings, observing lighting, ergonomic factors, air quality and the noise levels that the operator may be exposed to just to name a few.

Another area of focus should be centered on the client's employees that are being exposed to machine guarding or the lack thereof, work practices, tooling, floor surfaces, signage, electrical hazards, and PPE usage should all be observed. This is why it is critical to develop a team knowledgeable of the industry specific hazards and environments to which the workers are exposed to as well as knowledge of the tools and machinery being used at the facility by the employees. Safety inspection steps and procedures may vary significantly depending on the industry the operations are engaged in. This may also

include the type and lay-out of a facility, and the specific regulations that apply to the client's operations.

### INSPECTION REPORTING DOCUMENTATION

Following the safety inspection, a structured report should be generated to summarize and prioritize the findings and recommend corrective actions. Each action item should be time bound and have a follow-up inspection to ensure corrective actions have been made and documentation is generated identifying completion of the observed corrective actions.

In summation, a well planned and executed safety inspection will systematically identify and address safety hazards. The inspection will also assist in preventing injuries, provide steps in building and developing a positive safety culture which leads to a safer work environment and increased overall safety performance. Safety inspections play a pivotal role in achieving these objectives and should be an integral part of any client's comprehensive safety management system that will provide positive results specific to risk reduction, continuous improvement and regulatory compliance as well as enhancing the success of a PEO's comprehensive safety management program. ■

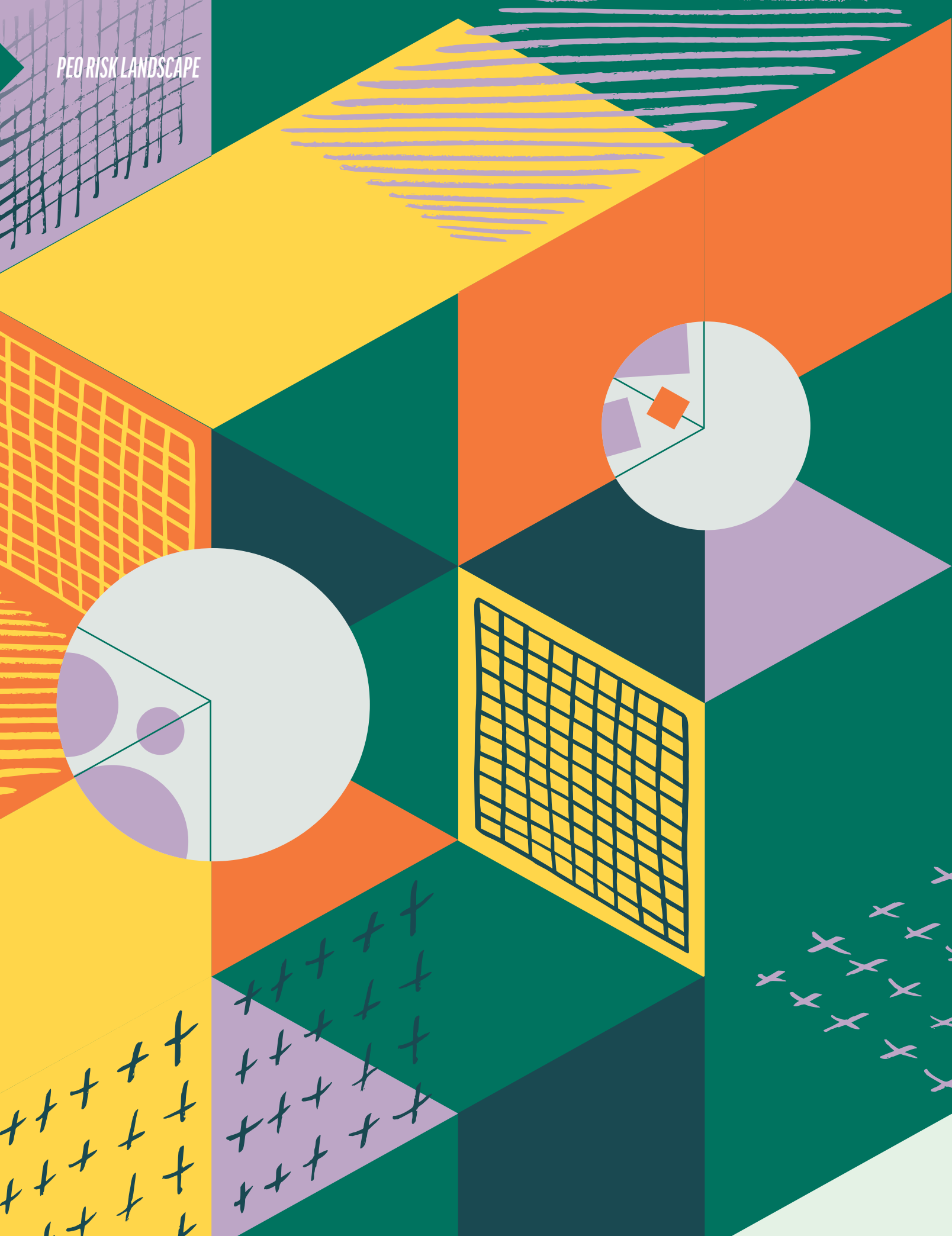


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PEO RISK LANDSCAPE





# NO CLIENT LEFT BEHIND: T&T STAFF MANAGEMENT AND THE OSHA ALLIANCE PROGRAM

BY ELIAS CASILLAS, CSHO

**T**hink back to the mid to late 90's, even some of the early 2000's and you might recall our industry facing a very difficult workers' compensation market. While some PEOs struggled with increased workers' compensation premiums, others faced the life-threatening issue of securing workers' compensation coverage. Some carriers began to believe that PEOs were too much liability or simply put, a "ticking time bomb" and therefore, exited the PEO market all together.

As for T&T, our founder and CEO Thad Steele determined these difficult times were an opportunity to enhance and strengthen what is known today as our blue ocean: T&T's Safety and Risk Management Team. Mr. Steele led our mission to prioritize safety while making sure we followed his "No Client Left Behind" directive. Almost 30 years later, our safety team continues to work together with our client companies by encouraging and practicing our pro-active vs reactive safety approach. This approach demonstrates our safety commitment to our workers' compensation carrier and has been instrumental to the overall success of our PEO.

## THE OSHA ALLIANCE

After implementing "No Client Left Behind" in 2004, T&T entered into an Alliance Agreement with OSHA. The Alliance has been effective in meeting its objectives over the past 20 years and has continuously worked to meet OSHA's mission to ensure America's workers have safe and healthy working conditions. Thousands of employees have received OSHA-based safety and health training in English and Spanish as a result of this Alliance. The Alliance attempts to

prevent exposure to falls, electrocutions, struck-by hazards, caught-in or between hazards and addresses construction and general industry safety and health issues. We are now in our twenty-first year of the Alliance Program and because of the continued success of this agreement, in December of 2024 we signed another 3-year extension.

In late 2005, Thad Steele and his leadership team chose to adopt and follow OSHA's Voluntary Protection Program Safety and Health Management System (SHMS) elements. The VPP SHMS consists of four critical interrelated elements: 1.) management, leadership and employee involvement, 2.) worksite analysis, 3.) hazard prevention and control, and 4.) safety and health training. Another critically important change implemented during this time within our internal risk management and safety systems was the decision to have our safety specialists investigate 100% of all work-related injuries reported by our clients.

Because of our working relationship with OSHA, when OSHA launched its Temporary Worker Initiative (TWI) on April 29, 2013, which helps prevent work-related injuries and illnesses among temporary workers, we were able to hold roundtable discussions with our local OSHA office. During these roundtable discussions T&T was able to explain to OSHA the difference between a PEO and a temporary staffing company.

Our primary responsibilities are to inform and educate clients of their safety and health responsibilities. Our secondary responsibility is to assist clients, with their full knowledge and cooperation, in the initiation and

implementation of their safety and health programs. This also includes participating in OSHA inspections when requested by our clients and helping our clients navigate through OSHA post inspections activities. When participating in an OSHA inspection, we generally take the same pictures the OSHA inspectors take and note their inspection findings. We also encourage our clients to immediately fix and abate any hazards identified by the OSHA inspectors. If they do receive citations, we encourage our clients to call and set up an informal conference with the local OSHA Area Director and we help them prepare for their informal conference. In some instances, we will accompany our clients to their informal conferences. Contractually, 100% of our clients are made aware of their responsibility and requirement to always follow OSHA rules and regulations. All are made aware of our Alliance with OSHA and are also made aware of the no cost safety services available to them upon request.

As part of underwriting new business, the safety team evaluates all prospects in a few critical items. For example, what type of industry or types of work are the clients involved in? Is it a high risk (blue collar) or lower risk (white collar) industry? What do their Total Injury and Illness Rates (TIIR), Days Away, Restricted and Transfer rates (DART), and Experience Modifier Rate (EMR) look like? We also want to know how many employees they have at any given time during the year and whether they have full-time safety personnel on staff.

The old adage one size does not fit all is truly what we and you will be faced with when dealing with your individual client's safety and health needs. Establishing early and often to all our clients that we are not their full-time

safety professionals and that we do not have "control" of their operations at any time is important. Fully explaining their responsibilities under the OSHA Act and gaining their trust is paramount in developing a strong working relationship with them.

We deal of course at any time with client owners that maintain a strong safety culture in their operations and have safety personnel on their staff, making every effort to not only comply but exceed minimal OSHA requirements. Those types of clients will also utilize our safety services often by requesting toolbox safety meetings and or worksite safety inspections. We also have client owners that want to be safe and want to comply with OSHA's minimum requirements. These types of clients will utilize our safety services as needed. Then there are those client owners which claim they want to be safe but still tend to place production above safety. These types of clients will rarely utilize our safety services but are immediately placed on our safety radar to ensure we manage the "risks" associated with their on-going operations.

Even if clients do not want any of the typical safety services we offer, we still want to ensure they are receiving current safety and health information pertinent to their industry.

We create personalized OSHA data reports based on their NAICS, which can provide them with current OSHA inspection activity specifically related to their NAICS and most frequently cited OSHA standards again, specific to their industry. We send them newsletters, safety articles, and we contact them no less than once a month offering safety services. Finally, we can do a "safety drive-by" of their on-going operation and if we can identify a hazardous condition in plain view, we notify the client concerning our observations.





## COMMUNITY SAFETY LEADERS

Here are some things we continue to do or have done throughout the years locally to stay relevant within the realm of safety and health.

- Develop bilingual toolbox safety talks
- Become members of the National Safety Council
- Participation in OSHA's Annual National Safety Stand-Downs
- Build or dedicate a training facility to provide safety and health training
- Invite the local OSHA office to utilize your training facilities.
- Provided First Aid/CPR/AED training for your local OSHA personnel
- Partner with and invite your local institutions of higher learning (universities and community colleges) to utilize your training facilities to provide safety and health training
- Participate in local marketing campaigns aimed at promoting safety and health in the workplace in your local area
- Have available new hire safety orientations (in person and/or on-line) for every employee who registers with your organization
- Continually run work-related safety messages on company electronic billboards
- Distribute various OSHA educational materials and publications to your local business community and have these materials available to distribute at your offices
- Sponsor events hosted by your local OSHA office

- Establish web links on your website to OSHA and NSC websites.
- Partner with and hold safety events/trainings/demonstrations with safety equipment manufacturers or distributors
- Partner with, participate in and or sponsor local safety and health related events being put on by your local institutions of higher learning or industry trade groups.

Being involved in and being a safety leader locally within the business community helps give relevancy to your safety team and your organization's commitment to safety and health. It is always beneficial and makes safety an easier sell, when your clients can plainly see that you "walk the talk".

## HOW YOUR PEO CAN PARTICIPATE

Concerning OSHA's Alliance Program, PEOs can get information about OSHA's Cooperative Programs from OSHA's website<sup>1</sup>. We recommend calling your local OSHA office and asking to speak to the Compliance Assistance Specialist (CAS) assigned to your area. Set up in-person meetings to get to know the CAS and invite them to visit with you at your facility. The CAS should be able to meet with the PEO and see if they meet the criteria and fundamental requirements needed to participate in an Alliance. From our experience the CAS will evaluate the organization seeking to enter into the Alliance agreement and will generally be looking at what the PEO is currently doing in regard to safety and

health and again see if they meet OSHA's criteria for participating in an Alliance. Below are some resources that will help any PEO get information concerning OSHA's cooperative programs.<sup>2-6</sup>

Our overall experience has been a positive one while being involved in the Alliance program. We have invested hundreds of hours of our safety professionals time in participating in local safety and health events and we have sponsored numerous safety trainings, conferences and events over the years, but we feel that the return of our investment in participating in the Alliance Program has been worth every penny.

Our safety and risk management team plays a vital role in the overall success of our organization. Our office training rooms are frequently booked during weekdays and sometimes weekends, as we continue providing safety and health training to our clients, supervisors, employees, the community and even OSHA themselves. It is true that prioritizing safety pays and "No Client Left Behind" has and will continue to be one of our main priorities. Stay Safe! ■

- 1 <https://www.osha.gov/cooperativeprograms>
- 2 <https://www.osha.gov/sites/default/files/publications/factsheet-alliance.pdf>
- 3 [https://www.osha.gov/sites/default/files/enforcement/directives/CSP\\_04-01-003\\_0.pdf](https://www.osha.gov/sites/default/files/enforcement/directives/CSP_04-01-003_0.pdf)
- 4 <https://www.osha.gov/alliances/faq-2020>
- 5 <https://www.osha.gov/alliances/templates>
- 6 <https://www.osha.gov/alliances/alliance-products-guide>



**ELIAS CASILLAS, CSO**

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- [Regulatory Database](#) - Provides detailed information about the laws and regulations affecting the PEO industry at the state and federal levels.
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  - PEO Capitol Summit | Arlington, VA | May 20-22
  - Annual Conference & Marketplace | Austin, TX | October 6-8

If you need assistance logging into your NAPEO Portal account to access these benefits, please email Cass Likouris, [clikouris@napeo.org](mailto:clikouris@napeo.org).



# Don't Miss Out on NAPEO's 2025 Events!

## Operations Workshop

April 8-10, 2025, New Orleans, LA

*NAPEO's 2025 Operations Workshop brings together all the operations professionals from the PEO industry in one place! This year's workshop marks the convergence of two previously separate and highly lauded events: Risk Management Workshop and CFO & Payroll Seminar.*

*The workshop's primary focus will be on the operational aspects of a PEO, covering topics such as accounting/finance, and risk management to include cybersecurity, payroll, and overall operations. The goal is to provide attendees with valuable insights and strategies to strengthen the support and infrastructure for PEO organizations.*

## PEO Capitol Summit

May 20-22, 2025, Arlington, VA

*Attend NAPEO's 2025 PEO Capitol Summit for policy discussions, legal analysis, and lobbying opportunities. Highlights of the conference include a chance to celebrate National PEO Week in DC, PEO Advocacy Day on Capitol Hill, industry expert discussions on PEO industry hot topics that deliver practical information, a chance to ask the experts your burning questions, and learning from leading lawmakers and policy gurus.*

## Annual Conference & Marketplace

October 6-8, 2025, Austin, TX

*NAPEO25 will be THE place to be! You won't want to miss the classroom learning by PEO content area complemented by interactive discussion forums, a comprehensive trade show, and valuable networking events. It's a must-attend event for all PEO professionals and industry vendors. The industry's largest event!*



[www.napeo.org/events](http://www.napeo.org/events)



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# SAFE AND SOUND: HOW TO PREVENT WORKPLACE VIOLENCE AND FOSTER PSYCHOLOGICAL SAFETY

BY PAUL VESCIO, MS, ARM, CAE & ELISHA ENGELEN, MA, LMFT

**W**orkplace conflict is a continuing problem for employers. Brookings Institution recently released a report that projected job growth in occupations with the highest and lowest rates of injury, with the largest increase in causes of injury being workplace violence. For example, healthcare workers are five times as likely to experience violence-related nonfatal injuries as workers overall. This article addresses the importance of creating a safe and positive culture accompanied by prudent workplace violence prevention and response protocols.

Today's United States workforce sees a variety of generations asking for help in their personal lives to drive both professional and personal growth. In attempting to create physical and psychological safety at work, let's consider a few key focus areas. While there is not a one-size fits all plan, these focus areas can be the start of assessment and planning.

## CULTURE CREATES PSYCHOLOGICAL SAFETY

Workplace psychological safety has gained increased recognition recently. Psychological safety is a workplace culture created over time and is experienced when, according to the American Psychological Association<sup>1</sup>, "members of a team can be themselves, and they share the belief they can take appropriate risks." Here are a few ways that psychological safety can be experienced according to the APA: Admit and discuss mistakes; openly address problems and tough issues; seek help and feedback; trust that no one on the team is out to get them; and, trust that they are a valued member of the team.

## POLICY AND PROCEDURES

Organizations need to have policies in place to protect their employees from harassment in the workplace. Those policies help to build and enable procedures for employees to report and manage their grievances. When an employee isn't experiencing physical or psychological safety at work, there should be a means to report that experience and gain assistance. The need for reassurance on both confidentiality and effective management of the concern will be key to bring forth employees' concerns timely. Here are a few ideas: 24 hour access, third party to manage the concerns, and offsite contact available.

## DEVELOP AND IMPLEMENT A COMPREHENSIVE WORKPLACE VIOLENCE PREVENTION PLAN

Every company needs a clear plan for dealing with workplace violence. This workplace violence prevention plan should outline what behaviors are considered unacceptable, how employees can report threats, and what steps the company will take to address them. Ensure your leadership team is involved in developing this plan and that it has the endorsement of senior executives so that it reflects the values and priorities of the organization.

## LEADERSHIP TRAINING

Identifying and upskilling leaders on how to cultivate a safe workplace are essential to implement safety practices in real time and real life. Leading in today's world across five generations is complex and takes support. In addition, upskilling leaders on emotional fitness can be a tool to elevate the confidence of a leader. Here are characteristics of an emotionally fit leader that can be learned and practiced: Authenticity,





compassion, purpose and belonging, flourishing, and psychological safety.

### EMPLOYEE CAMPAIGN AND TRAINING

Demonstrate organizational culture through campaigns and trainings that call for action from employees. Provide training for employees on how to enhance culture, solve conflicts and direct someone for help. Violence rarely happens without warning. People often show signs of distress or aggressive behavior before an incident occurs. By training employees to recognize these warning signs, you can prevent issues from escalating. Empowering the team with knowledge and tools can build a culture of safety and responsibility. Here are some ways to help employees feel part of the solution: Name organizational values, clear communication, active participation, foster teamwork, and role model psychological safety.

### IMPLEMENT STRONG BUILDING ACCESS AND PHYSICAL SECURITY MEASURES

The physical layout of your workplace can either encourage or deter violence. By implementing controlled access points, installing security cameras, enhancing perimeter security controls, and

regularly conducting security audits and assessments, you can reduce the likelihood of incidents. Pair these measures with employee training on how to use them effectively.

### RESPONSE PLANS, EMERGENCY DRILLS AND TABLETOP EXERCISES

Preparation is key and how people respond can save lives. Emergency response plans should anticipate all credible hazards, including violence. Emergency drills — whether for armed assailants, or other types of workplace violence — ensure that employees, their supervisors, and managers all know how to respond effectively to crisis situations.

### RESOURCES

Provide counseling and coaching services for employees impacted by professional or personal changes through a confidential and cost-effective way to bring support. This should be extended to employees exiting the workplace as well, as to help with transitions and emotional experiences. When a tragedy occurs at the workplace or to an employee offsite, taking care of those who were impacted is key to building resilience and addressing

challenges. Here are some ways to provide these services: employee assistance program, comprehensive mental health solution, health plan, critical incident stress debriefing, and disruptive event management.

The steps an organization takes to manage employee disputes can vary, although the information shared can help with assessment and ongoing activities. Whether you are just starting or well along your plan to support employees, building a safe culture will be noticed. The change needed to create it will need to be supported by leaders so key influencers are on board to deliver results. ■

1 <https://www.apa.org/topics/healthy-workplaces/psychological-safety>



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## HOW PEOs CAN HELP CLIENTS NAVIGATE WORKPLACE CONFLICT

BY CELESTE DUKE, SPHR

**W**orkplace conflict is an unavoidable reality in any organization. It arises naturally in environments where diverse people collaborate, each bringing unique perspectives, priorities, and approaches to their work. While essential for innovation and progress, these differences can sometimes lead to tension.

For PEOs, the ability to help clients navigate workplace conflict isn't just an added value; it's a core part of building strong, thriving partnerships. Effective conflict resolution fosters better working relationships, enhances productivity, and reinforces a healthy workplace culture.

### TRANSFORMING CONFLICT INTO OPPORTUNITY

It's easy to view conflict as purely negative, but that perspective misses its potential. While unmanaged or poorly handled conflict can harm morale and disrupt workflows, constructive conflict can lead to breakthroughs. Disagreements often illuminate blind spots, inspire fresh ideas, and create pathways for personal and professional growth.





**//** *Disagreements often illuminate blind spots, inspire fresh ideas, and create pathways for personal and professional growth.*

That said, conflict must be addressed to have a productive outcome. The cost of ignoring it is high. According to a 2022 study by The Myers-Briggs Company, managers now spend over four hours per week managing workplace conflicts, a significant increase from previous years. For your clients, that translates to lost focus on strategic goals, diminished team performance, and increased turnover if conflicts are left unresolved.

Providing a clear and structured approach to conflict resolution can empower your clients to build healthier, more resilient workplaces. Let's dive into how you can guide them through the process.

### FIRST, UNDERSTAND THE SITUATION

Resolving workplace disputes effectively starts with understanding their roots. Encourage your clients to begin by gathering information to assess the conflict's scope and context.

These guiding questions can help:

**Who is involved?** Conflicts often extend beyond the immediately visible participants. Team dynamics, cross-departmental relationships, or external influences may contribute to the tension.

**What's driving the disagreement?** Is the conflict a result of different work styles? Miscommunication? Or does it stem from something deeper, like organizational silos or diversity concerns? Identifying the root cause is key.

**Why now?** Timing matters. Conflict may arise due to stressors such as deadlines, leadership changes, or shifts in company strategy.

**Are there relevant policies?** Organizational policies or employee handbooks often provide clarity on expectations and procedures, offering a foundation for resolution.

By encouraging your clients to ask these questions, you provide them with a clearer lens through which

to address the problem, making the resolution process more targeted and effective.

### A STEP-BY-STEP GUIDE TO WORKPLACE CONFLICT RESOLUTION

When a conflict arises, having a structured approach can make all the difference. Here's an eight-step framework you can share with your clients:

- 1. Bring all parties involved together.** Ensure everyone affected by the conflict is included in the conversation. Leaving out key players can undermine the resolution and allow issues to resurface.
- 2. Set clear ground rules.** Create a safe, respectful space for dialogue by establishing guidelines, such as maintaining professionalism and focusing on solutions. These rules help set the tone for productive discussions.
- 3. Define the problem.** Each participant should have an opportunity to express their perspective, focusing on their needs rather than assigning blame. Encourage active listening to ensure everyone feels heard and understood.
- 4. Explore potential solutions.** Facilitate a brainstorming session where all parties propose ideas to address the issue. Emphasize the importance of finding options that align with shared goals and address key concerns.
- 5. Agree on a resolution.** The best solutions are those that satisfy the core needs of everyone involved. Ideally, participants should choose the resolution themselves, with your client acting as a guide.
- 6. Create an action plan.** Once a solution is chosen, take the time to map out how it will be implemented. Define responsibilities, timelines, and measurable outcomes to ensure accountability.





- 7. **Monitor progress.** Conflict resolution doesn't end with a handshake. Encourage your clients to follow up regularly to ensure the agreed-upon solution is working as intended
- 8. **Reflect and learn.** After the conflict is resolved, evaluate the process. What went well? What could be improved? This reflection step helps build stronger conflict management skills for the future.

**THE PEO'S UNIQUE ROLE**

PEOs have a distinct advantage when it comes to supporting clients with conflict resolution in the workplace. As trusted HR partners and advisors, you bring both the expertise and objectivity needed to tackle workplace challenges effectively. Your role extends beyond simply resolving disputes—you help clients build the foundation for a workplace culture that values open communication, respect, and collaboration.

**How To Provide Impactful Support Training and development.**

Offer workshops or resources that teach managers and employees effective communication and conflict resolution skills. These tools empower teams to address disputes early before they escalate.

**Policy guidance.** Help clients develop and refine policies that address common sources of conflict, such as workplace behavior standards, diversity and inclusion practices, or dispute resolution procedures.

**Mediation services.** As an external partner, you can step in as a neutral mediator when conflicts become particularly complex or sensitive, ensuring a fair and unbiased resolution process.

**Proactive culture-building.** Encourage clients to prioritize psychological safety, where employees feel comfortable sharing concerns or disagreements without fear of retaliation. Psychological safety fosters open communication, reduces defensiveness, and encourages collaborative problem-solving, all of which are key in resolving workplace conflicts effectively.

**REFRAMING CONFLICT AS A DRIVER OF INNOVATION AND IMPROVEMENT**

When your clients approach conflict with the right mindset, it can become a catalyst for positive change. Here are a few ways constructive conflict can benefit organizations:

**Enhanced innovation.** Disagreements often bring fresh perspectives to light. By encouraging open dialogue, clients can uncover new ideas or approaches they might not have considered otherwise.

**Stronger relationships.** Successfully navigating conflict can deepen trust among team members, improving collaboration and morale.

**Skill development.** The process of resolving disputes builds valuable skills, such as emotional intelligence, communication, and problem-solving—skills that benefit employees and leaders alike.

**PRACTICAL TIPS FOR BUILDING CONFLICT MANAGEMENT SKILLS**

Encourage your clients to adopt these best practices for managing conflict effectively:

**Model the behavior they want to see.** Demonstrate respect, active listening, and commitment to problem-solving.

**Act early.** Addressing disputes as soon as they arise prevents them from escalating into more significant problems.

**Stay neutral.** When mediating conflicts, maintain objectivity and focus on solutions rather than assigning blame.

**Focus on interests, not positions.** Help employees move beyond what they want (positions) to why they want it (interests). This shift often reveals shared goals that can lead to win-win solutions.

Clients who view conflict as an opportunity rather than a threat have the power to transform their workplace. With your guidance, they can develop the tools and confidence to manage disputes effectively, creating an environment where collaboration, respect, and innovation thrive.

By embracing these challenges with a proactive and solutions-focused mindset, you establish yourself as a trusted ally in their success. After all, empowering your clients to thrive is the true essence of being a PEO, isn't it? ■



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 BLR  
 Brentwood, TN*

# Why are *leading PEOs* making the switch to **PRO Software** to improve efficiency and drive revenue?

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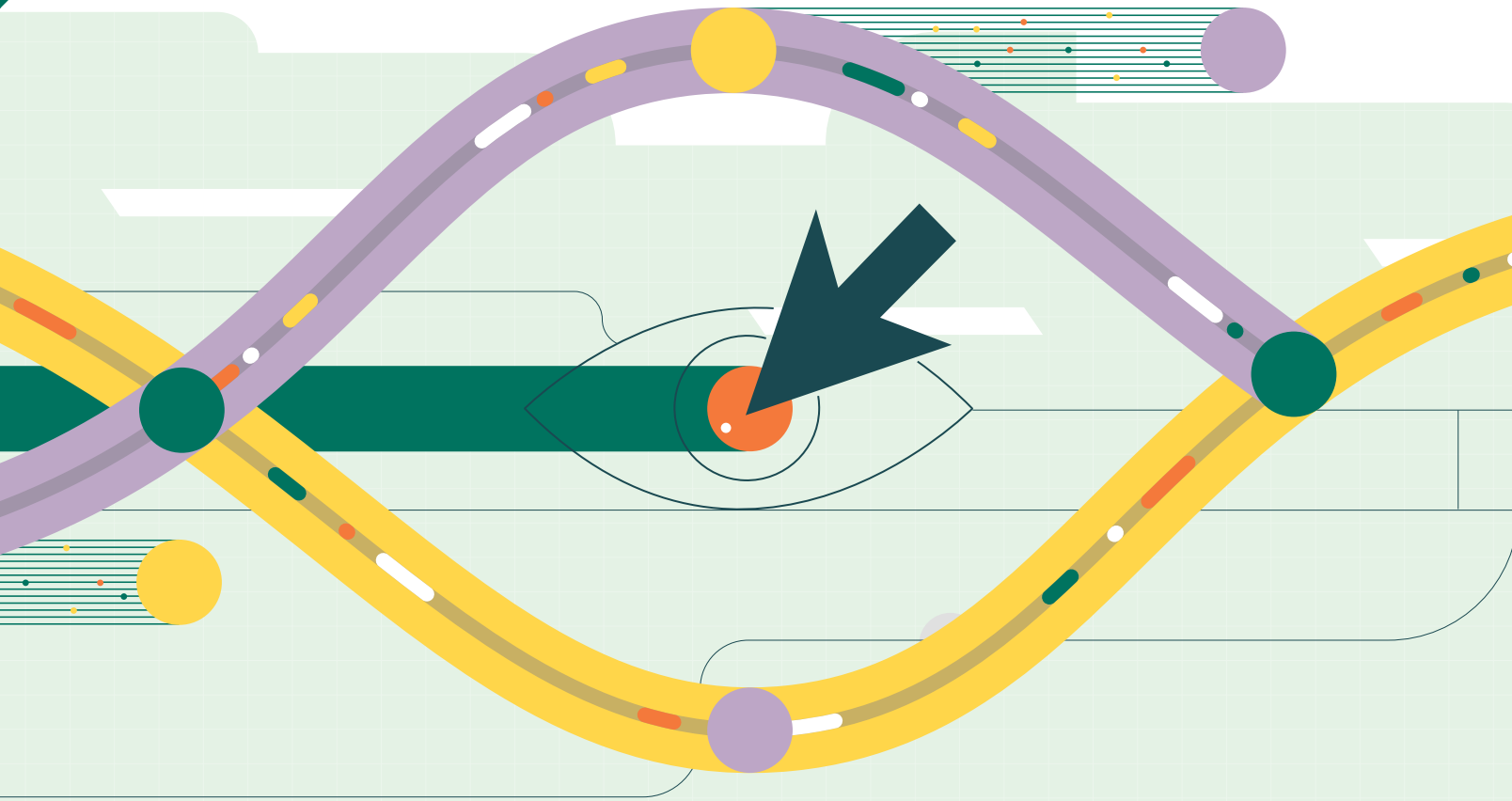
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# market pulse

## navigating the evolving insurance landscape: a strategic approach to EPLI and workers' compensation

BY EVAN MITCHELL

In today's rapidly evolving business landscape, PEOs face unprecedented challenges in managing their insurance programs. With two decades of experience in the PEO industry, I've observed firsthand how market conditions, regulatory frameworks, and client expectations have transformed, requiring the need for PEOs to develop a resilient strategy for Employment Practices Liability Insurance (EPLI) and workers' compensation programs that align with the current market realities.

The industry has undergone significant shifts in the past 20 years, and strategies that were effective five years ago are no longer sufficient. To stay competitive, PEOs must adapt their insurance approaches to address emerging risks while maintaining cost-effective pricing structures.

### UNDERSTANDING CURRENT MARKET DYNAMICS

The insurance market is hardening, leading to rising premiums across all lines of

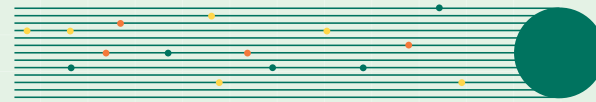
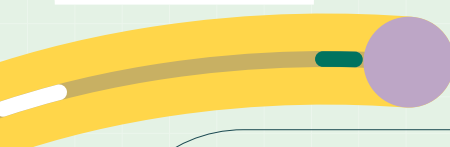
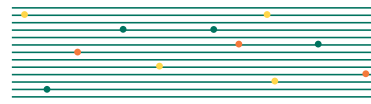
coverage, particularly EPLI. This trend is driven by several factors, including an uptick in employment-related claims, expanding workplace regulations, and the ongoing impact of post-pandemic workplace transformations. The shift towards remote work has introduced new liability considerations that many PEOs had not previously incorporated into their risk assessments.

At Armhr, our proprietary underwriting approach is delivering exceptional results in this challenging environment. By moving beyond conventional risk assessment models and integrating predictive analytics with industry-specific data, we can offer more precise and proactive solutions.

### MODERNIZING WORKERS' COMPENSATION PROGRAMS

Workers' compensation remains a fundamental component of PEO service offerings,





but its management requires a modernized approach. Successful strategies include:

**Proactive Safety Programs:**

Investing in comprehensive safety training and monitoring systems is no longer optional; it is a necessity. PEOs that prioritize safety initiatives see marked reductions in claims frequency and severity. This approach not only ensures regulatory compliance but also fosters a culture of safety that benefits both clients and carriers.

**Data-Driven Decision Making:**

Leveraging advanced analytics to develop granular risk profiles allows for more precise pricing and improved risk management strategies. At Armhr, our underwriting expertise enables us to transcend traditional industry classifications and provide tailored solutions.

**EPLI: NAVIGATING A COMPLEX LANDSCAPE**

Employment Practices Liability Insurance has grown increasingly intricate due to the surge in claims related to discrimination, harassment, and wrongful termination. To navigate this complexity effectively, PEOs should focus on:

**Customized Coverage Solutions:**

The era of one-size-fits-all EPLI coverage

is over. Tailoring coverage to specific industry sectors, company sizes, and risk profiles ensures that clients receive optimal protection. Developing modular coverage options allows for flexibility as client needs evolve.

**Preventive Measures:** Providing clients with robust, proactive HR training programs, documentation systems, and well-defined policies significantly reduces claim frequency and enhances the PEO’s negotiating position with carriers.

**STRATEGIC RECOMMENDATIONS FOR PEOs**

Based on our extensive experience at Armhr, the following strategies are necessary for optimizing insurance programs:

- **Invest in Technology:** Implementing sophisticated claims tracking and risk management systems yields substantial returns through lower premiums and improved loss ratios.
- **Build Strategic Carrier Partnerships:** Instead of focusing solely on cost, PEOs should cultivate relationships with carriers that understand the PEO model and are committed to innovative solutions.
- **Enhance Client Education:** Providing clients with accessible,

comprehensive training programs helps them maintain better claims histories, ultimately benefiting all stakeholders.

**LOOKING AHEAD**

As the insurance landscape continues to evolve, PEOs must stay proactive in anticipating emerging risks such as cybersecurity threats, evolving remote work arrangements, and shifting employment regulations. At Armhr, we are already preparing for these challenges by integrating forward-thinking strategies into our risk management approach.

Success in managing insurance programs requires more than securing the right coverage; it demands the creation of integrated risk management solutions that protect PEOs and their clients while maintaining cost efficiency. PEOs that embrace innovation, invest in technology, and proactively manage risks will be well-positioned to thrive in this dynamic environment. ■



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## new year, new insights on workers' comp. & EPLI trends

BY FRANK HUANG, FCAS, MAAA

**A**s we step into 2025, the insurance landscape for workers' compensation (WC) and Employment Practices Liability Insurance (EPLI) is rapidly changing. In this article, we'll discuss rate indications, key trends, and strategic considerations to help you prepare for the coming year.

### RATE INDICATIONS: A DIVERGENT TRAJECTORY

The current rate environment presents contrasting narratives for WC and EPLI, challenging businesses to adopt tailored risk management strategies.

The workers' compensation market continues its decade-plus run of profitability, with the latest NCCI's State of the Line report estimating that the industry net combined ratio amongst private carriers has remained relatively stable around 86%. Frequency continues to decline or remain flat while severity continues to increase, with the net effect still being downward movement. As a result, most states are announcing continued rate decreases in the 2-7% range. Exceptions at the time of this article's writing include Washington State which announced a 3.8% increase for January 2025.

The EPLI market presents a more challenging picture, with businesses continuing to face flat to increasing rate renewals, with larger increases in

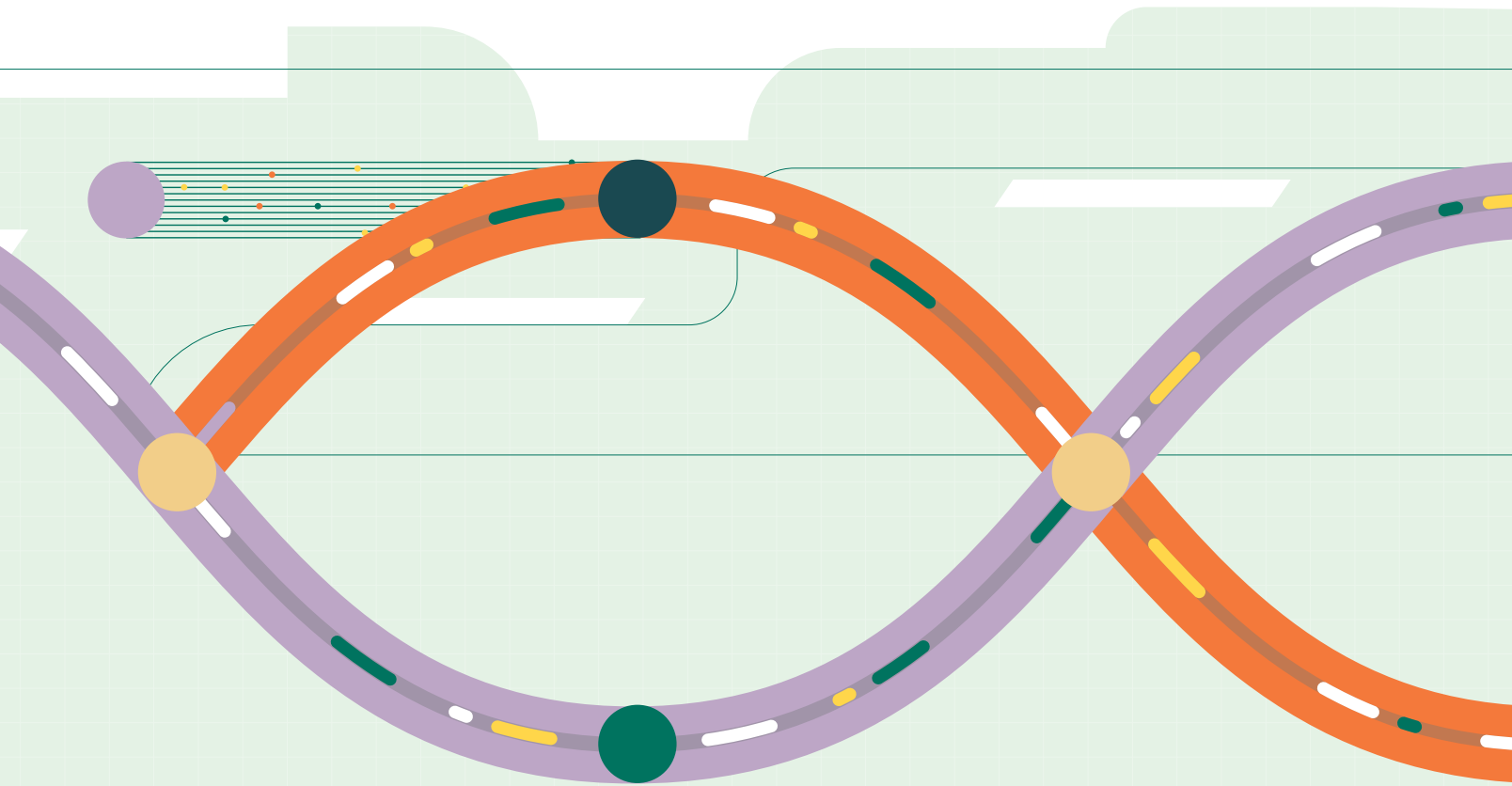
California, New York, New Jersey, Illinois, and Florida, and industries such as retail, hospitality, and healthcare. Retentions have largely stabilized from two or three years ago but we continue to see insurers focusing on stricter underwriting standards and separate retentions to mitigate risks.

### KEY TRENDS SHAPING RATE MOVEMENT

With the disparate stories underlining WC and EPLI markets, it is no surprise that key trends driving those markets also differ.

In WC, the question remains "How long can these rate decreases continue?" Many, including this author, thought that the pandemic would usher in a hard market. Yet the pandemic resulted in a blip in the WC market, with rate decreases continuing post-pandemic. Given how strong combined ratios and associated investment returns have been, rate decreases appear likely to continue into the near future. That said, there are key trends to observe and monitor that may change that trajectory sooner than expected.

First, medical costs spiked temporarily at the beginning of 2024 per NCCI only to return to a more recent average of around 3%. Hospital inpatient and outpatient care along with durable medical equipment continue to be cost drivers to monitor. Second, as strong as investment returns have been over the last two



decades, NCCI's recent 8.6% estimate of investment return for 2022 is amongst the lowest over the same period. While pretax operating gain, which combines underwriting income with investment income, is still amongst the highest over the last two decades, a material drop in investment income could instigate a change in trends.

EPLI claims continue from recent drivers, including discrimination, harassment, accommodation and related retaliation claims. Further, the changes in DEI policies and even the elimination of entire departments moving forward could impact claim frequency and/or severity. Large organizations such as McDonalds, Walmart, and Meta have recently announced reductions in their DEI initiatives and more notably a recent Executive Order by President Trump announced sweeping changes to DEI programs<sup>1</sup>. Last but not least, employers are increasingly adopting artificial intelligence in their hiring and other practices, such that a recent EEOC report notes up to 99% of Fortune 500 companies now utilize some form of automated screening tool<sup>2</sup>.

Regulation of such tools are consequently on the rise.

### STRATEGIC NEXT STEPS

To navigate these evolving markets effectively, businesses should prioritize the following strategies:

**Enhance risk management practices** for workers' compensation by adopting proactive safety programs and collaborating with insurers to help identify emerging trends that could impact premiums. For EPLI, evaluating workplace policies and implementing training programs can address risks related to AI and discrimination.

**Collaborate with actuaries, brokers, and insurers** to identify cost drivers and make informed decisions about risk transfer and/or mitigation. Ensure your insurance program and structure is tailored to your industry-specific or geographic risks.

**Invest in technology and analytics** to proactively address and thus potentially mitigate risk.

### Consider alternative risk solutions

by using captives or self-insured retentions (SIRs) can give businesses greater control over claims management and reduce reliance on traditional insurance models.

The workers' compensation and EPLI markets are navigating through distinct trajectories, requiring businesses to adopt nuanced strategies. Staying abreast of the changing environments and employing the aforementioned strategies will collectively help businesses thrive in these dynamic and challenging times. ■

1 <https://www.whitehouse.gov/presidential-actions/2025/01/ending-radical-and-wasteful-government-dei-programs-and-preferencing/>

2 <https://riskandinsurance.com/highlighting-the-urgent-need-for-updated-do-and-epli-policies-amid-ai-innovations/>



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# SEQUOIA ONE: CELEBRATING CLIENTS' GROWTH

BY CHRIS CHANEY

**V**enture-backed companies run on the passion, energy and brilliance of the company's founder.

Investors bet on a unique idea, creative solution or an innovative product to succeed in the marketplace. Yet, the back-office hurdles and tasks of operating a business can distract smaller companies from achieving their goals. That's where Sequoia One helps.

The PEO first began serving clients in 2014 as a division of Sequoia. Based in Silicon Valley, Sequoia had worked with many start-up companies, especially in the technology space and recognized the added value that a full suite of PEO services would bring to these companies. Over the last 11 years, the team has been deeply committed to developing and enhancing its service and products in this space to serve the tech and life-sciences industries.

Underpinning this growth is a strong culture and commitment to honoring the trust that clients place in the Sequoia One team.

"Everyone who joins [Sequoia One] lives and breathes a service mindset to come

through for our clients. We have an extraordinary service-focused culture in how we treat our clients, our team members, or our community partners," says Sequoia's Chief Client Officer, Christina Sullivan. "Our people truly are our differentiated advantage."

Collaboration is a hallmark of the Sequoia One culture, she adds. Their clients' energy and creativity can be infectious. Simply put, it's fun working with such companies. Many of today's most recognizable tech companies are Sequoia One clients who grew from startup to IPO with the support of Sequoia's expertise and guidance.

The team enjoys being around one another and understands that everyone works toward the same mission, which has contributed to high employee loyalty and retention. In fact, Sequoia's mission hasn't changed in 24 years, even after expanding its services to add a compensation advisory and a proprietary platform. Sequoia still embraces its core values, team member attributes, and the company's service commandments which have remained consistent

over the decades. Several of Sequoia One's first employees still work for the PEO, including Sullivan who was instrumental in building the business.

This strong workplace culture has certainly contributed to Sequoia One's success with much of the company's growth fueled from client referrals. In the venture capital and start-up industries, there are many repeat players. The fact that many of Sequoia One's partners continue to work with the PEO as they move to new companies speaks to the level of service and expertise the team provides, which is only possible because of the commitment of the Sequoia One team.

## TRUSTED PARTNERS

Sequoia One's specialization in venture-backed start-ups really differentiates the company from other PEOs. Since 2014, the team has leaned into this specialization to cultivate a reputation as experts in the unique HR challenges of such companies. The Sequoia One team has learned to operate nimbly to keep up with the fast pace of its clients. The company's service



Kathy Ross, CEO, Sequoia One & Christina Sullivan, Chief Client Officer, Sequoia.

model relies on teams understanding each client intimately to provide expertise, resources and guidance whenever needed.

“Because of our expertise, we can be trusted partners. We’ve focused on the tech industry since day one and understand its unique structures and challenges,” explains Sequoia One CEO, Kathy Ross.

One of a startup’s biggest challenges is recruiting and retaining the right talent that it needs to execute on its mission.

“We designed everything to support these types of companies, and our platform allows them to manage their people function to get the most out of their team and optimize their total investment in people,” says Ross.

As these start-ups compete with large, established technology companies for talent, Sequoia One’s ability to offer a robust and competitive benefits package is critical. The company continues to enhance and bolster its total benefits package to meet the needs and expectations of today’s global workforce.

From a compliance perspective, Sequoia One offers clients the peace of mind that nothing will slip through the cracks. Its deeply knowledgeable compliance team guides startups with distributed workforces through challenging employment laws that vary by state.

Sequoia One takes pride in providing the resources and expertise to help these start-ups grow and realize their vision. Over the years, the company has worked with small startups that have grown into world-class, publicly traded brands. Many eventually reach a point where they outgrow the PEO solution, but they can still remain with Sequoia and realize the benefits of continuing with the same trusted partner.

“We have a path for the company to move on if they outgrow the PEO,” Ross says, “We advise them on what is best for the evolution of their business and can provide services on benefits and compensation practices that continue to support their growth.”

“I think it’s unique to Sequoia One that we actually help companies scale,

and not just scale with them,” Sullivan says.

Since Sequoia One focuses on growth companies, the team celebrates when clients hit major milestones and achieve goals. It’s part of the fun and rewarding experience of working with such innovative and dynamic clients.

Looking ahead, the Sequoia One team sees plenty of opportunity on the horizon. The reality is that no matter how advanced or sophisticated technology becomes, there will always be a need for a human component. Employment rules and regulations are likely to grow more complex. Employers will continue to depend on trusted advisors and experts to navigate workforce demands and challenges.

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**CHRIS CHANEY**  
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# NAPCO GIVES BACK

## TRINET: MAKING AN IMPACT FOR THOSE WHO NEED IT MOST

BY EVAN FALLOR

**A** core value at TriNet is “make an impact.” The many small and mid-size businesses TriNet serves through its HR services have felt that impact when it comes to business growth and innovation. But a growing impact has also been felt in the many communities and causes TriNet serves—all across the U.S.

In the summer of 2020, the Dublin, California-based PEO rallied to create a new approach to how it historically donated and volunteered. TriNet had always embraced a giving mindset, but the socially and culturally historic times called for fresh ideas. How could it help small and mid-size businesses while also giving its civic-minded employees the opportunity to support meaningful organizations?

Out of those conversations came the TriNet Foundation, a donor-advised fund that benefits veterans, historically under-represented businesses, trade schools and entrepreneurial education programs across the U.S. Its mission, as TriNet Chief People Officer Catherine Wragg says, is to improve humanity by creating, expanding and amplifying volunteerism.

Officially launched in April 2021, the foundation makes quarterly donations



Since its launch in 2021, the TriNet Foundation has benefited a wide variety of nonprofit organizations, including the National Association of Women Business Owners.

to nonprofit recipients reviewed and green lit by TriNet’s philanthropic committee to ensure they align with the company’s charter. Most importantly, they are intended to provide maximum positive impact in groups that stand to benefit the most.

“We want TriNet to be a company that serves through giving,” Wragg said. “By giving, we will have a lasting and positive impact on our colleagues, customers and the communities in which we operate.”

By design, beneficiaries over the past four years have run the gamut in the causes they serve, including the American Foundation for Suicide Prevention, the National Association for the Advancement of Colored People (NAACP) and the National Association of Women Business Owners (NAWBO) Institute for Entrepreneurial Development to name a few.

Its first donation went to Black Girl Ventures, an organization that provides

funding for Black and Brown female entrepreneurs. From there, the foundation has continued to expand in scope, including with NAWBO, where the partnership has evolved into collaborative thought leadership, training programs, volunteer opportunities and educational resources to build a legacy of success for the next generation of female leaders. It's also worked with Hire Heroes USA to help veterans succeed in the civilian workforce, as well as with StartOut, the nation's largest LGBTQ+ entrepreneur nonprofit, to boost its mentorship program.

And with the NAACP, TriNet has used its means to support Black business owners and entrepreneurs, while also advocating for economic policies to help communities of color.

"We've been fortunate in that most of our grantees have afforded us the ability to

volunteer in a variety of ways, from skill-based volunteering to participating in organized walks," Wragg said.

The TriNet Foundation is a central component of the company's corporate social responsibility program, which also includes the TriNet Volunteers program that provides employees time to volunteer with entrepreneurial nonprofits. The multi-pronged approach has enabled TriNet's nonprofit giving efforts to reach many pockets of the U.S., as well as overseas with organizations like the International Red Cross and the Ganges Fund in India.

To help create that lasting and positive impact on its colleagues, TriNet recently launched the TriNet Colleague Assistance Fund, designed to help employees weather significant financial hardships caused by major federal disasters or personal

challenges like accidents, illnesses, natural disasters, crime or house fires. The colleague fund builds on its already-existing Disaster Relief Program to further support for its employees across the U.S., Canada, India and Poland.

The TriNet Foundation is always looking for ways to evolve, and with four years under its belt helping the LGBTQ community, it is undergoing a reflection point in 2025, Wragg said.

No matter how the TriNet Foundation continues to evolve in the months and years to come, it will surely make an impact. ■



**EVAN FALLOR**

*Director, Communications  
NAPEO  
Alexandria, VA*

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# THE LEGAL SIDE OF RISK: HOW PEOs CAN PROTECT CLIENTS FROM EMPLOYMENT LAWSUITS

BY HANK JOHNSON

**I**n today's complex legal landscape, businesses face an ever-increasing risk of employment lawsuits. From wrongful termination claims to workplace discrimination cases, the consequences of a legal dispute can be devastating for a company's reputation and finances. Professional Employer Organizations (PEOs) are uniquely positioned to assist businesses in navigating these turbulent waters through effective risk management strategies. By providing services like workplace safety services, proper management of workers' compensation claims, and human resources consultation, PEOs can help clients avoid costly litigation that might arise from a workers' compensation claim, EPLI claim, or other employment-related issues.

Let's start with HR consultation and some key factors related to risk mitigation. By offering services like background checks and employment best practices, PEOs immediately strengthen a client's risk

protection. For starters, background checks for prospective employees help mitigate the risk of hiring the wrong individual, thus ensuring a safer, more compliant work environment. This also establishes better record-keeping practices, which can protect the business in the event of a legal dispute.

Another area where HR consulting plays a massive role in risk management is hiring and firing best practices. When it comes to costly EPLI (employment practices liability insurance) claims, it is paramount that businesses are well-informed of the delicate ins and outs of employment laws, especially those around employee terminations. Given the delicate balance of giving HR and legal advice, it is important for PEOs to understand when to refer clients to legal counsel.

Moving on, one obvious area of emphasis in this entire risk management conversation is workers' compensation. Naturally, when workers' comp is brought up, the mind naturally goes to a business's insurance coverage for work-related injuries to employees. One of the significant benefits

of partnering with a PEO is access to workers' compensation insurance. In the event of a workplace injury, this coverage alleviates financial burdens and assists in navigating the legal obligations of the employer to its injured employee.

The second layer to this, however, is that PEOs (in conjunction with their carrier) can also offer consultative claims management services that can help clients understand their legal obligations to injured workers. This can be an effective way to make clients aware of the risk of violating state-specific workers' compensation and/or employment/labor laws, thus minimizing their chances of an employee raising retaliation or discrimination issues against them. A good example of this would be a client terminating an employee because they filed a workers' compensation claim. This can be considered unlawful retaliation against the employee and can leave the business vulnerable to a retaliation claim. Sound PEO advice can go a long way in avoiding these types of situations.

Similar to claims management services, PEOs can also provide employment compliance assistance to their clients, which helps them stay up-to-date with labor laws and regulations, including federal, state, and local laws related to wages, hours, benefits, workplace safety, discrimination, and harassment. By managing compliance, PEOs reduce the risk of violations that could lead to lawsuits. And of course, PEOs can also provide EPLI to protect clients in the event of a claim.

Now, if you're starting to feel like this is a lot of information, you're absolutely right. This leads us to two crucial pieces of this puzzle: clearly written company policies and high-level employee training. Oftentimes, even if employers don't stay diligently informed and proactive in these areas, they fail to keep their employees informed, which can be a major pitfall and open them up to major risk even when they thought they had covered all their bases.

Let's start with clearly written policies. PEOs can assist in creating comprehensive

employee handbooks and policies that clearly define expectations, rights, and responsibilities in the workplace. Well-documented policies can prevent misunderstandings and provide a defense in case of litigation. PEOs should work with their employment attorney to ensure their handbooks are compliant with applicable laws.

But it's not just about having these policies—you have to roll them out the right way. And the most effective way to do this is through proper employee training and education. Many PEOs can offer training on your company policies, key workplace topics like harassment, diversity and inclusion, and management practices that promote a fair and respectful work environment. Simply put—a strong training program is an effective and proactive way to prevent situations that may lead to lawsuits.

In an era where employment lawsuits pose a significant threat to businesses, partnering with a PEO offers companies essential protection and peace of mind.

With effective risk management strategies in place, companies are better positioned to focus on growth and operational success, knowing the legal obligations are being adequately addressed. And while some businesses may be hesitant to partner with a PEO because of the additional cost, the cost savings associated with reduced legal claims, lower insurance premiums, and increased operational efficiencies make it well worth it.

Ultimately, the investment in PEO services pays dividends by fostering a stable, compliant, and productive work environment. As businesses recognize the intricacies of employment law, PEOs are undoubtedly indispensable partners in ensuring workplace safety and legal compliance. ■



**HANK JOHNSON**

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# PREPARING FOR 2025: KEY HR TRENDS IMPACTING PEOs

BY YUTAKA TAKAGI

**A**s human resources (HR) continues to evolve, its role as a strategic advisor becomes even more critical. The intersection of workforce challenges, technological advancements, and economic uncertainty has created a landscape where proactive planning is key. For professional employer organizations (PEOs), understanding and preparing for the HR trends of 2025 is essential to delivering value to clients. Here are seven key trends shaping the future of work and how PEOs can support businesses in navigating these changes effectively.

## TREND 1: ELEVATING EMPLOYEE EXPERIENCE

Employee experience (EX) is no longer a “nice-to-have”; it’s a necessity. Research shows that EX directly impacts

engagement, loyalty, and retention. Employees are seeking workplaces that support their mental, emotional, and financial well-being. In fact, according to isolved’s 2025 HR Trends Report, 79% of employees surveyed reported burnout in the past year, with over a third citing its impact on performance.

**PEO Perspective:** PEOs are uniquely positioned to help businesses design tailored employee experiences. By offering tools and strategies that prioritize well-being—such as mental health resources, flexible work policies, and comprehensive wellness programs—PEOs can drive meaningful change.

**Actionable Advice:** Encourage clients to create environments where employees feel supported and valued. Focusing on mental health initiatives and improving work-life balance can boost productivity and foster a culture of loyalty.

## TREND 2: THE FLEXIBILITY IMPERATIVE

Flexibility in the workplace is no longer optional. With 50% of the workforce favoring hybrid or remote work options according to the 2025 HR Trends report, organizations must adapt to meet these expectations. However, balancing flexibility with productivity remains a challenge.

**PEO Perspective:** PEOs can assist clients in implementing flexible work arrangements while maintaining operational efficiency. By leveraging technology and creating clear policies, PEOs can ensure inclusivity for both remote and on-site teams.

**Actionable Advice:** Equip clients with communication tools that facilitate hybrid work and provide training to leaders on managing diverse work arrangements. Flexible schedules, remote options, and innovative time-off policies can attract and retain top talent.

## TREND 3: REIMAGINING BENEFITS TO ATTRACT TOP TALENT

Benefits have become a deciding factor for many employees. While competitive pay remains important, benefits that address diverse needs—from mental health support to retirement planning—are equally critical. In fact, our research uncovered that one in four employees left their job in 2024 due to inadequate benefits.

**PEO Perspective:** PEOs can guide businesses in crafting robust benefits packages that go beyond the basics. Simplifying benefits enrollment and offering clear communication can significantly improve the employee experience.

**Actionable Advice:** Help clients evaluate their benefits offerings and identify gaps. Recommend enhancements like wellness programs, paid mental health days, or financial planning resources to meet employee expectations.

## TREND 4: BRIDGING SKILL GAPS THROUGH LEARNING

The rapid pace of technological change has made continuous learning a necessity.



With 43% of HR leaders identifying skills gaps as a major challenge, making upskilling and reskilling their top priorities for retaining talent.

**PEO Perspective:** PEOs can act as enablers of workforce development by providing access to training platforms, career pathing tools, and mentorship programs. These resources can empower employees to grow within their roles.

**Actionable Advice:** Encourage clients to create personalized learning plans that align with both employee aspirations and business goals. Offering leadership development programs can also help build a strong pipeline for future growth.

### TREND 5: NAVIGATING ECONOMIC UNCERTAINTY WITH RESILIENCE

Inflation and economic uncertainty are placing new pressures on both businesses

and employees. Transparency and financial wellness programs have become essential to maintaining trust and morale.

**PEO Perspective:** PEOs can provide tools for effective change management and offer flexible financial support options. For instance, earned-wage access and lifestyle discounts can help employees manage rising costs.

**Actionable Advice:** Guide clients in developing comprehensive communication plans that highlight available financial resources. Emphasize the importance of transparency in fostering a stable and engaged workforce during challenging times.

### TREND 6: LEVERAGING PEOPLE ANALYTICS

Data-driven decision-making is transforming HR. People analytics enable organizations to address workforce



*While competitive pay remains important, benefits that address diverse needs— from mental health support to retirement planning— are equally critical.*

challenges proactively by identifying trends in turnover, engagement, and diversity.

**PEO Perspective:** PEOs can empower clients with analytics tools that provide actionable insights. From tracking

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employee satisfaction to predicting turnover risks, these tools help businesses align workforce needs with organizational goals.

**Actionable Advice:** Encourage clients to invest in analytics platforms that can monitor real-time workforce metrics. Use this data to fine-tune policies and develop

tailored solutions that enhance employee engagement.

### TREND 7: HARNESSING AI FOR STRATEGIC GROWTH

Artificial intelligence (AI) is revolutionizing HR by automating routine tasks and providing real-time insights. From onboarding to performance management, AI is helping organizations operate more efficiently.

**PEO Perspective:** PEOs can guide clients in adopting AI tools while ensuring the human element of HR remains intact. Training HR teams to use AI effectively will be crucial for maximizing its potential.

**Actionable Advice:** Help clients integrate AI into their workflows, focusing on areas like payroll, recruitment, and benefits administration. Emphasize the importance of AI training to build confidence and competence within HR teams.

### CHARTING THE FUTURE OF HR

In 2025, HR professionals will play an even more pivotal role in shaping the future of work. PEOs have a unique opportunity to partner with businesses in navigating these trends and building resilient workplaces. By embracing flexibility, prioritizing well-being, and leveraging technology, PEOs can empower their clients to thrive in an ever-changing environment.

The ability to adapt and innovate will set forward-thinking organizations apart. By staying ahead of these trends, PEOs can position themselves as indispensable partners in creating workplaces where employees feel valued, engaged, and motivated to succeed. ■



**YUTAKA TAKAGI**

Principal Product Evangelist  
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# HELPING CLIENTS NAVIGATE THE FUTURE OF WORKPLACE DYNAMICS

BY BRETT BROWN

**T**he modern workforce has evolved significantly over the past decade. Employees just starting their careers have new and different priorities, while seasoned workers now expect benefits that were unavailable when they first joined the workforce. Many of these shifts can be traced back to the COVID-19 pandemic, which notably accelerated remote work and led to the widespread adoption of hybrid office and work-from-home arrangements.

From the rise of elevated benefits packages to compliance with new laws and regulations and the evolution of a

hybrid workplace model, these changes offer HR leaders and PEOs the opportunity to build programs that can provide a competitive edge for new talent and boost employee retention.

Let's examine three prevalent trends we're seeing in 2025.

## ELEVATING ANCILLARY BENEFITS TO CORE BENEFITS

In today's competitive environment, employees have come to expect a benefits package that goes beyond traditional offerings. As such, benefits have become a leading consideration for job seekers, second only to salary. Today's workers,

whether entry-level or veteran employees, want more flexible and customizable benefits plans to better meet their unique, individual needs, including options for wellness programs, family leave policies, and retirement savings plans.

By combining traditional benefits (such as health, life, disability, dental, and retirement plans) with non-traditional ancillary options (such as paid time off, employee assistance programs, financial education, legal assistance, mental health support, pet insurance, and comprehensive wellness) and various spending account options), organizations can elevate their employee benefits offerings while improving the overall well-being of individuals.

Internal HR leaders and/or HR outsourcing partners, like PEOs, are crucial in developing and implementing these comprehensive benefits strategies, which include both traditional and ancillary offerings. Open communication about evolving expectations, combined with a deep understanding of employee needs, can empower HR leaders or outsourcing partners to provide more effective guidance to management and clients, respectively.

## MANAGING CHANGING LAWS AND REQUIREMENTS

In recent years, labor laws and regulations have evolved at a rapid pace at the federal, state, and local levels. And more change is expected, which is common with new leadership in the White House and Congress. Some changes will bring new challenges for business owners who must navigate these new laws, deploy changes within their organizations, and take action to become compliant.

In 2024, several labor law changes targeted areas such as retirement plans, EEOC, independent contractor versus employee analysis, paid family and medical leave benefits, and pay transparency.



# HR, EMPLOYMENT, & BENEFITS

Staying updated on these fast-changing policies and integrating them into organizational practices shows a commitment to building a diverse, respectful, and fair workplace while also keeping the well-being of your employees at the forefront. PEOs can help businesses navigate the development and implementation of policies based on changing regulations by providing consultative expertise and innovative solutions.

## NAVIGATING THE HYBRID WORKPLACE TRANSITION

The BLS report from the U.S. Bureau of Labor Statistics noted that “... employees’ desires to work from home exceeded employers’ plans for off-site work.”

During the COVID-19 pandemic, many businesses moved to a remote workplace

model. Today, a number of businesses are considering bringing employees back to the office or moving toward a hybrid model where employees work a set number of days in the office per week. Employees are open to coming into the office, and they understand and value the benefits of an in-person work environment, which fosters relationship building, productivity, creativity, and culture. But they still appreciate the flexibility of remote work. Therefore, the trend of hybrid work (a combination of in-office and remote work) is gaining in popularity.

## MOVING FORWARD

HR leaders and PEOs can play a key role in helping businesses navigate changes in laws and workplace dynamics. By understanding company values and

employee needs, they can ensure that business goals align with a positive employee experience, making transitions smoother for small and mid-sized companies undergoing change.

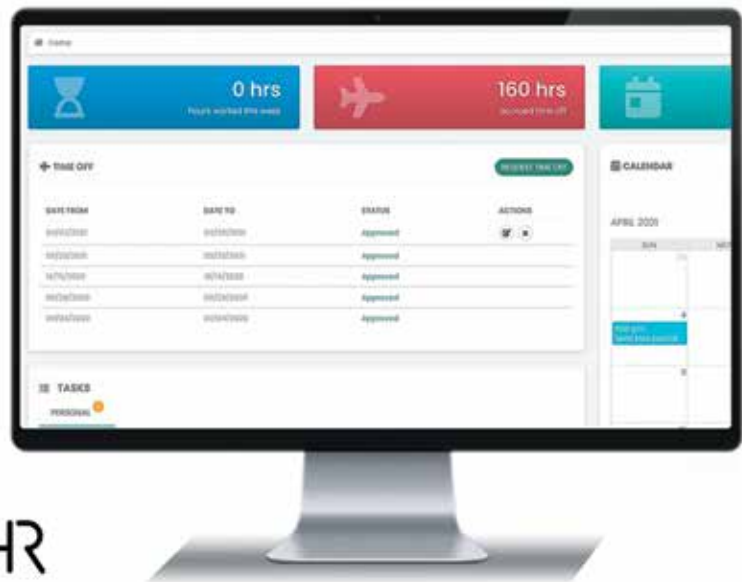
At G&A Partners, we support businesses in navigating benefits, compliance, and workplace changes. By helping our clients design tailored benefits programs, stay informed about evolving regulations, and manage hybrid work transitions, we help them to build stronger, more supportive environments for their employees. ■



**BRETT BROWN**

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# THE FINANCIAL IMPACT OF CYBERSECURITY RISKS ON PEOs: A HIDDEN THREAT TO PROFITABILITY

BY JASON F. CLAUSEN, CPA

**I**magine this: A mid-sized PEO is preparing for its busiest payroll cycle of the year. Everything is running smoothly—until it isn't. Suddenly, systems lock up. Employees can't access client data. Payroll processing grinds to a halt. Within hours, the IT team confirms the worst: ransomware. The attackers demand a \$1.5 million payment, threatening to expose sensitive client data if the ransom isn't paid.

This isn't just a hypothetical scenario. It has happened, and it will continue to happen—especially to companies handling vast amounts of sensitive payroll and HR data. For PEOs, cybersecurity is not just an IT problem; it's a financial problem that can sink an otherwise profitable business.

While other professionals discuss how cyberattacks happen, the real conversation for business leaders should be about how

much it costs when they do. A single breach can lead to millions in direct losses, legal fees, regulatory fines, lost clients, and skyrocketing insurance premiums. The financial consequences can be devastating.

This article breaks down the real-world financial impact of cybersecurity threats on PEOs and provides practical strategies to minimize these risks before they damage your bottom line.

## THE HIGH COST OF CYBERSECURITY FAILURES IN PEOs

PEOs are prime targets for cybercriminals because they manage payroll records, Social Security numbers, employee benefits, and tax filings for thousands of individuals. In an industry built on trust, a single breach can lead to a mass exodus of clients and permanent reputational damage.

According to IBM's Cost of a Data Breach Report (2023), the average cost of

a U.S. data breach is \$9.48 million. While some businesses recover, many do not. Below are the biggest financial risks PEOs face due to cybersecurity failures—and the numbers behind them.

## DIRECT FINANCIAL LOSSES FROM CYBER INCIDENTS Ransomware Attacks and Extortion Costs

Ransomware attacks have become a preferred tactic for cybercriminals, encrypting company data and demanding a ransom for its release. The average ransom demand now exceeds \$1.5 million, and even companies that refuse to pay face recovery costs that often exceed \$2 million.

Take the case of a payroll provider that suffered a ransomware attack during a major payroll run. Within three days of downtime, they racked up \$350,000 in forensic investigation

costs, \$200,000 in lost revenue, and \$1.2 million in legal fees—all before they even started rebuilding trust with their clients. The real ransom wasn't the hackers' demand—it was the operational chaos that followed.

### Business Interruption and Operational Downtime

For PEOs, business continuity is everything. Even a brief disruption can create a domino effect of missed payroll deadlines, legal disputes, and financial penalties. Industry data shows that the average cost of downtime for businesses impacted by cyberattacks is \$9,000 per minute. If a PEO's systems are locked for even a few hours, the costs can soar into the hundreds of thousands or millions.

### Fraudulent Transactions and Funds Theft

Cybercriminals aren't just after data—they're after money. In some cases, they redirect payroll funds to fraudulent accounts, manipulating payment instructions before detection. One small PEO learned this the hard way when a hacker infiltrated their system and rerouted direct deposit payments, stealing \$750,000 before the fraud was caught. The PEO's financial liability? Every cent of it.

## LEGAL & REGULATORY PENALTIES

### Data Breach Notification and Compliance Costs

PEOs don't just handle money—they handle trust. And when that trust is broken, regulations require immediate action. PEOs fall under HIPAA, CCPA, GDPR, and IRS data security standards, meaning a breach triggers a costly chain reaction of legal obligations.

Notifying affected individuals, offering credit monitoring services, and conducting forensic investigations can cost more than \$1 million for a mid-sized PEO handling 50,000 employees. And those costs don't include potential lawsuits, government fines, or damage control efforts.

### IRS and Tax Compliance Fines

PEOs managing payroll taxes must meet strict data security and reporting requirements. A breach that exposes tax filings or payroll records can bring IRS scrutiny, penalties, and even criminal investigations. Even unintentional tax misreporting caused by a cyber-related disruption can trigger substantial fines and legal fees.

## REPUTATION DAMAGE AND CLIENT ATTRITION

### Loss of Clients Due to Security Concerns

PEOs exist to provide reliability and security for their clients. But once a data breach occurs, that trust erodes quickly. Research shows that 68% of clients switch providers after a security incident.

Consider this: A PEO with five major clients generating \$5 million in annual revenue suffers a breach. If just two of those clients leave, that's a \$2 million revenue loss overnight—not counting the cost of replacing them.

### Higher Marketing & PR Costs

After a breach, a PEO must go into damage control mode. Crisis communication, reputation management, and client reassurance campaigns all come with a price tag. Some firms triple their marketing budgets just to restore lost trust, adding hundreds of thousands in unplanned expenses.

## RISING CYBER INSURANCE PREMIUMS

### Increased Cyber Liability Insurance Costs

For many PEOs, cyber insurance is a financial lifeline. However, after a breach, insurers hike premiums by 50–200%, or worse, refuse to renew coverage altogether.

A PEO that once paid \$50,000 per year in cyber insurance could see costs skyrocket to \$150,000 or more after an incident. Some firms find themselves uninsurable, left to shoulder the financial burden alone.

## HOW PEOs CAN PROTECT THEMSELVES FINANCIALLY

Given these risks, a cybersecurity strategy is a financial strategy. To safeguard their profitability, PEOs must take proactive steps.

First, invest in financially protective cybersecurity measures. Multi-factor authentication (MFA), payroll fraud detection systems, and an incident response plan can significantly reduce financial exposure.

Second, strengthen contractual protections with clients. Service agreements should clearly define liability in the event of a cyber breach, protecting the PEO from unexpected legal disputes.

Third, prioritize cyber insurance with comprehensive coverage. Policies should include protection for business interruption, legal fees, regulatory fines, and ransom payments—not just data loss.

Finally, build a strong financial contingency plan. Establishing a cybersecurity reserve fund and diversifying revenue streams can mitigate the financial shock of a breach.

Cybersecurity isn't just an IT issue—it's a bottom-line business issue. From ransomware attacks and fraudulent transactions to lawsuits and lost clients, cyber threats can drain a PEO's profitability in an instant.

But there's good news: PEOs that take cybersecurity seriously, not just as an IT function but as a core financial strategy, can protect their revenues, reputation, and long-term growth. Investing in financial safeguards today could mean the difference between survival and disaster when—not if—a cyberattack occurs.

The cost of cybersecurity? Significant. The cost of ignoring it? Catastrophic. ■



**JASON F. CLAUSEN, CPA**

President  
Jason F. Clausen, P.C.  
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# HAVE NO FEAR! THE PROPELLERS ARE HERE!

BY ROBERT “BRAX” CUTCHIN

**I**n today’s digital marketplace, every brand is competing for attention. Audiences are inundated with content and options. If you’re a PEO, you really have to work to cut through the noise. Let’s face it: the concept of a PEO has never been easy for small businesses to grasp, and for PEOs, it can be tricky to explain.

At Propel HR we realized we needed a daring new direction to connect with small businesses on a whole new level. In a marketing world dominated by talking geckos, personified mayhem, and humorous commercials selling insurance, we knew this assignment required a trusted band of superheroes that would forge an emotional connection with business owners through digital storytelling and a touch of nostalgia. Enter The Propellers, a team of HR superheroes who solve real world HR problems for small businesses everywhere.

## THE CAMPAIGN: MEET THE PROPELLERS—THE WORLD’S MIGHTIEST HR SUPERHEROES!

Why superheroes? Superheroes embody universally recognized archetypes: the hero, the villain, the sidekick, and the mentor. These roles resonate deeply with audiences as they tap into age-old

storytelling structures. Incorporating these archetypes allows us to tell a story that feels familiar yet in a new and exciting way. As someone who grew up flipping through the pages of now-vintage comic books, I saw an opportunity to connect the technicalities of PEO services to the universal appeal of superheroes. After all, superheroes solve problems, fight villains, and save the day—isn’t that exactly what a PEO does for a small business?

And so, The Propellers were born—a team of HR superheroes each

exemplifying a core service: payroll, benefits, technology, compliance, and PEO.

The goal was to create characters that felt approachable yet powerful, bringing PEO services to life through vivid personas. Our team includes:

- **Super Payroller.** A payroll powerhouse who ensures accuracy, compliance, and that every paycheck is on time and error-free.
- **Big Benny.** The benefits guru who’s all about securing top-notch health plans and irresistible perks that attract talent and keep employees happy.





- **Tech Titan.** The tech-savvy innovator who integrates seamless HR technology solutions, transforming HR from a time drain to a competitive advantage.
- **Wonder Human.** The human resources expert with an eye for regulatory detail, who keeps businesses safe from compliance calamities.
- **Captain Propeller.** The fearless team leader who utilizes the powerful bundling capabilities of a PEO to integrate payroll, benefits, and compliance into one seamless system.

### THE VILLAINS OF HUMAN RESOURCES

What's a superhero story without villains? Our heroes face off against a formidable cast of HR villains, each symbolizing some of the toughest challenges businesses encounter today:

- **Wage Wrecker** wreaks havoc on your payroll, turning loyal employees into disgruntled ones with every payroll mistake. *Nemesis: Super Payroller.*
- **The Interceptor** preys on busy small businesses with outdated perks, swooping in with flashy benefits packages to snatch their brightest stars. *Nemesis: Big Benny.*
- **Data Disruptor** thrives on disorder, corrupting systems, draining resources

and turning valuable insights into noise. *Nemesis: Tech Titan.*

- **Compliance Crusher** exploits the complexity of changing regulations—stirring up chaos, costly fines, and sheer terror for small businesses struggling to stay compliant. *Nemesis: Wonder Human.*
- **Red Tape** is the Queen of Bureaucracy who thrives on overcomplicated processes and clunky paper-based systems—anything that bogs down and sabotages productivity. *Nemesis: Captain Propeller.*

### BRINGING THE BRAND STORY TO LIFE

To launch The Propellers into the universe, we partnered with ALX Creatives, a full-service marketing agency known for transforming big ideas into powerful stories. ALX turned to the aesthetic of vintage comic books to create bold designs, dynamic poses, and a nostalgic aesthetic woven into every aspect of the campaign. Founder Alexandra Frumberg, a Propel client and advocate, brought in Head of Operations Katherine Oliver; graphic designer and comic book author Marc Fishman; and the talented artist Darryl Young—the dream team that would bring my vision of The Propellers to life. From Propel HR, Renata Parker,



*Propel HR's superhero-driven marketing campaign shows their PEO expertise in action—rescuing businesses from administrative overload, compliance traps, and the fight to retain talent.*

who writes our blog and handles our social media, and Robb Duke were also instrumental in the creation and launch of the campaign, and even star in some of the videos.

### THE LAUNCH: A HEROIC DEBUT

Launching The Propellers campaign was itself an adventure. Working in secret for months, we needed to make a grand entrance with some good old-fashioned razzle-dazzle.

Before sharing the campaign publicly, we started where it mattered most—with our employees. We planned a full day when employees got their first look at the video introducing The Propellers<sup>1</sup>, complete with action-packed animations and original music. Then life-size cardboard standees of each superhero were dramatically unveiled to thunderous applause. The energy in the room was electric—it was clear that our team was instantly on board.

From there, we extended The Propellers' reach through a multi-channel campaign designed to educate and connect with small businesses. Elements include:

**New Website.** To complement our primary site, [propelhr.com](http://propelhr.com), we created a superhero-themed hub, [ThePropellers.com](http://ThePropellers.com), where visitors could meet the team and explore their capabilities. We integrated the hero graphics into

service specific pages to bridge between The Propellers and Propel HR's real world offerings.

**Vintage Trading Cards.** Yes, real foil-wrapped, vintage-inspired custom trading cards with a stick of gum. The back of each card details the superpowers and stats and has just enough cheeky backstory to make them instant collectibles. There's a card for each Propeller and villain, plus cards with battles, headquarters, secret lairs, weapons and the super-rare "sketch variants." Collect all 18!

**Standees.** We had life-size standees created for each superhero (Big Benny is six feet tall!) to use in our office, in videos, and at conferences. Our employees love their department mascots and regularly dress them for holidays and special events.

**Video.** Our first video was an animated introduction to The Propellers based on the opening sequence of the 1970's Saturday morning cartoon, Super Friends. It's a must-see on social media and our website. We also filmed our employees interacting with the standees to use for reels and stories on our newly launched TikTok (@the\_propellers) and Instagram (@propelhr) channels.

**Hero-Focused Vintage Tees.** Nothing builds team spirit like dressing the part. Not only did these vintage tees turn our employees and clients into walking ambassadors for the campaign, but it also helped to build team pride as each department sported their own superhero. More swag to come.

**Digital Outdoor Billboard.** Strategically placed digital billboards showcased The Propellers in action, with the tagline, "Earth's Mightiest HR Superheroes!"

**Social Media Campaign.** Across all platforms, we rolled out comic-style posts, and videos to engage our audience with relatable scenarios and issues that small businesses face.

**Blog Series.** A dedicated, ongoing blog series delves deeper into each character's



The Propellers Campaign Trading Cards

superpowers, offering practical guidance on benefits, payroll, compliance, and HR.

### THE SUPERHERO DIFFERENCE: EARLY WINS AND BEYOND

Overall, The Propellers have proven to be more than just another marketing campaign; they represent a shift in how we communicate our value and values. By leaning into creativity and storytelling, we've found a way to break through the noise and better connect with our audience.

Though the campaign is still in its early stages, the initial feedback has been overwhelmingly positive. Internally, it's been a morale booster, uniting our team around a shared vision and revitalizing our sense of purpose. Our employees have embraced the superhero theme as part of our brand identity, often referring to themselves as Propellers in meetings and client interactions.

Externally, clients and prospects are responding with curiosity and enthusiasm. By turning abstract concepts into

relatable characters, we've opened the door to new and deeper conversations about how we can help their businesses.

As we continue to build on this momentum, we're exploring new ways to amplify and expand The Propellers universe. Plans are already underway for interactive webinars featuring appearances by The Propellers, a comic book detailing their backstory, and perhaps even a live-action appearance at a NAPEO event—the opportunities are endless!

We're excited to see how these superheroes will continue to inspire and educate businesses in the months and years to come. Because when it comes to conquering dilemmas of HR, one thing's for sure: every small business deserves a team of superheroes by their side. ■

<sup>1</sup> Reference <https://youtu.be/ijEiw3YKqrU?si=Vn8g6uTQdCnicmOP>.

### ROBERT "BRAX" CUTCHIN

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# NAPEO'S 2024 PEO AWARENESS SURVEY UNVEILED

**S**ince 2018, NAPEO has partnered with market research firm Povaddo to track PEO awareness among business owners and key decision makers. The 2024 survey found that PEO awareness now stands at 67%, a 48% increase since 2018.

You can read the full report at [www.napeo.org/marketresearch](http://www.napeo.org/marketresearch).

## KEY FINDINGS

**Unaided Awareness of PEOs** is reported at 67% among decision makers in 2024, an increase from 2023 (58%) but consistent with previous years' findings (65% in 2022).

**Aided familiarity of PEOs** (reported familiarity of PEOs after being presented with a description of PEOs and their offerings) remains constant in 2024 with about four-in-five decision makers saying they are very or somewhat familiar with PEOs after reading about them (78%, +17 points since tracking began in 2018).

**PEO usage** stands at about one-third (33%) of decision makers and those who do not use a PEO report heightened interest. Of those who do not currently use a PEO, almost nine-in-ten (88%) indicate interest in using one in the future.

**Cost emerges as a major factor** when it comes to PEOs. According to PEO users, costs associated with PEOs and savings PEOs bring to their

companies are two of the most important factors when it comes to working with PEOs. Cost is also a main reason non-PEO users either report they are not interested in using a PEO or a reason they have declined a proposal. Additionally, decision makers who outsource business functions report saving the company money is a top reason they outsource.

**Younger decision makers between 25–34 years old** have the most traction when it comes to familiarity and current use of PEOs, decision makers who are 35+ are catching up. Aided familiarity with PEOs increased among decision makers over 55 years old (61%, +2 points over the past year) and PEO use has increased among respondents between 35–54 years old (37%, +7 points over the past year) and those over 55 years old (19%, +6 points over the past year).

**The business climate in 2024 remains positive** and decision makers' outlook for 2025 is bullish. Seven-in-ten decision makers report their business grew in 2024 (71%) and over four-in-five expect their business to grow over the course of 2025 (83%). In addition, most decision makers believe their gross annual revenue (88%), total profitability at their business (84%) and total number of employees (66%) will increase in the coming year.

**PEO clients (83%) are significantly more likely** than non-PEO

clients (65%) to report their businesses grew in 2024. PEO clients (88%) are also more bullish about the year ahead (2025) compared to non-PEO clients (81%).

**Employee-related concerns** continue to be top of mind for business decision makers. Employee-related issues make up the top 5 most challenging issues decision makers report facing when running their business and are top concerns keeping decision makers up at night. ■

## APPROACH:

Sample: n=502 Business Decision Makers  
 64% business owners  
 36% key decision makers  
 Data Collection Method: Online  
 Field Dates: Nov 21 – Dec 9, 2024  
 Margin of error: ±4.4%



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# 2025 IS OFF TO A FAST START

BY CASEY M. CLARK

**I**f you're reading my column this month that means you've either renewed your NAPEO membership or joined the association for the first time. Thank you for your support.

The entire NAPEO team is focused on ensuring you receive a high rate of return on your membership investment. We've just returned from our Q1 board meeting and leadership retreat, where we spent a couple of days framing NAPEO's next strategic plan. Without question, our industry's and association's best days are ahead of us and we've got a lot of momentum heading into the consequential next few years.

I wanted to take a moment to report on the fast pace we've set out on already this year.

On the government affairs side, our first big win of the year came in Indiana where we successfully headed off a legislative attempt to repeal the ability to report unemployment taxes under the PEO's account.

We continue to protect against bad policy in Oregon while going on offense in several other states. Our PEO model act was recently introduced in Georgia, and we're optimistic about the bill

passing the legislature this session. And that's just scratching the surface on all the work underway across the country.

Our federal government affairs committee met in Washington to chart our priorities for the year. The tax legislation in Congress this year has real potential to deliver on longstanding industry priorities (liability, IRS modernization, etc.), but to quote The Eurhythmics, "everybody's looking for something," so our continued work to build lasting relationships with legislators will really matter.

I encourage you to learn more about NAPEO PAC and its impact at [napeo.org/pac](https://napeo.org/pac).

Speaking of which, NAPEO PAC hosted our most successful fundraiser ever in January. We raised more than \$56,000 for industry champion Sen. Todd Young (R-IN) who single-handedly preserved PEO clients' access to PPP loans in the early days of COVID. Thank you again to everyone who participated.

The NAPEO events calendar continues to heat up, so please make plans to join us! In addition to our "Big 3" (Operations Workshop, PEO Capitol Summit and Annual Conference), we have many leadership council forums,



*Our latest PEO awareness tracking survey shows a 48% increase from when we first started measuring PEO awareness in 2018.*

webinars and other events planned for the year.

I'm especially looking forward to our inaugural Operations Workshop which combines our previous Risk Management Workshop and CFO Seminar and features our first-ever NextGen Leadership Workshop.

Location, registration and other information for all of our events can be found at [napeo.org/events](https://napeo.org/events).

Our ongoing industry promotion and marketing campaigns continue to tout the benefits of partnering with a PEO. And it's working. Our latest PEO awareness tracking survey shows a 48% increase from when we first started measuring PEO awareness in 2018.

Hard to believe, but National PEO Week (May 18–24) will be here before we know it. Stay on the lookout for new resources you can use to join in the recognition and celebration of all things PEO.

All of this has kept us busy here at NAPEO HQ, and we're not slowing down. I'm grateful for your continued investment in NAPEO, and I'm looking forward to our continued work together to advance our great industry! ■



**CASEY M. CLARK**

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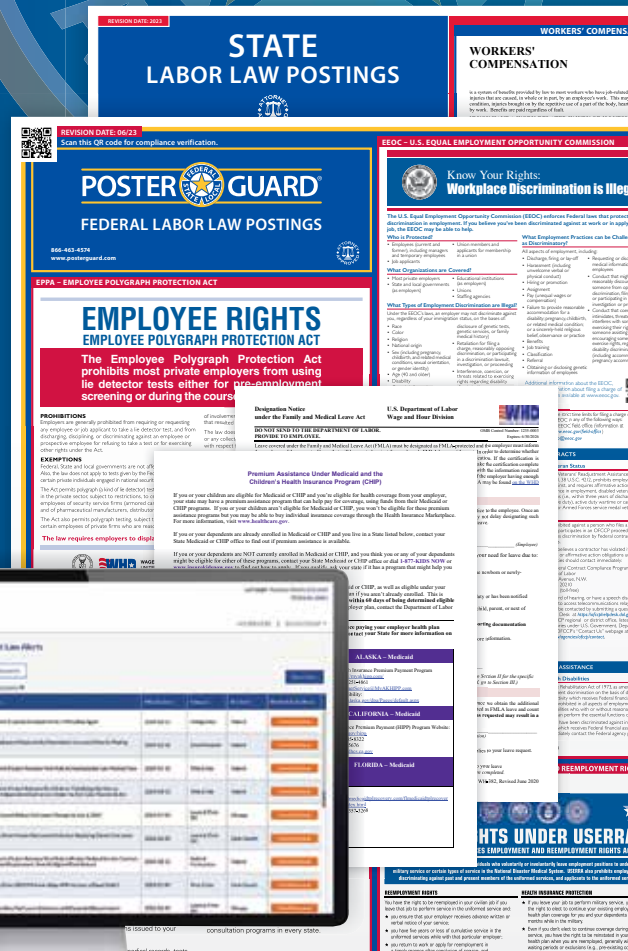
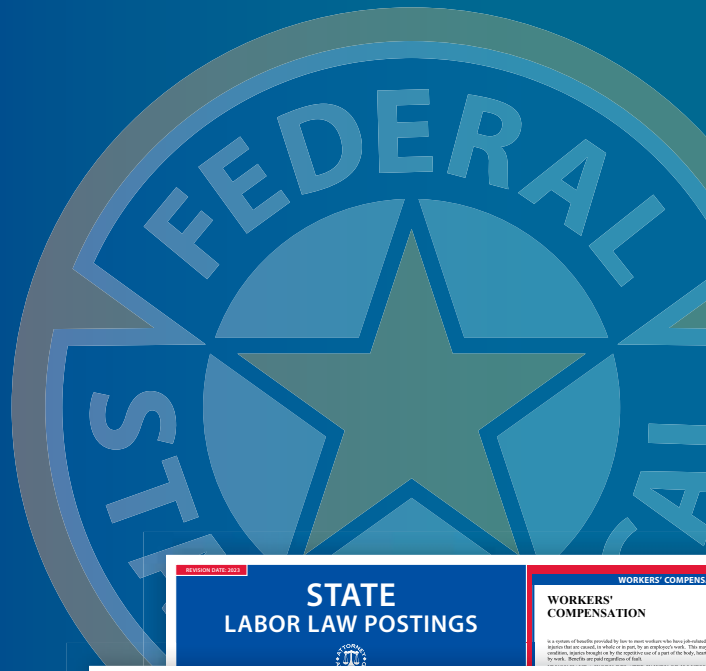


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