

PEO INSIDE

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PROFESSIONAL EMPLOYER ORGANIZATIONS*



COVER STORY

BEING A **CHAMPION** FOR THE INDUSTRY

2021-2022 NAPEO CHAIR

Bruce Cornutt, Lyons HR

THIS MONTH'S FOCUS

MARKETING & SALES

The October PEO
Marketing Push

Marketing the Proven
Value of PEO

The New
Sales Landscape

GREAT IDEAS, GREAT PEOPLE

BY BRUCE CORNUTT

I wasn't looking for a new challenge when I first encountered the PEO industry back in 1995. I was perfectly content where I was, but, more as moral support than anything else, I attended a presentation a friend was making at the local Chamber of Commerce about this new service he was considering launching within his staffing firm. He called it "employee leasing" and he was curious if those local professionals present that day thought it would be a valuable service for businesses in our little town. Not having seen his presentation beforehand, I commented afterwards that I thought he had stumbled upon a powerful idea. Long story short, several conversations later I signed on to be the "sales guy," attended a T. Joe Willy seminar to pick up some knowledge, and

we launched that new service out of an upstairs office at his main staffing location in August of 1996. Six years later, I was part of another scratch launch that would eventually be acquired by Bill Lyons and his team at Lyons HR in 2010.

Today, I am president and CEO of Lyons HR and beginning a year of service as chair of NAPEO. The power of that great idea rerouted the course of my professional life and I am profoundly grateful for the good fortune of being a part of this industry.

Our industry is rich with great ideas and even greater people who've grown and evolved our industry over time. The last 18 months proved time and again that the services being provided by PEOs today go well beyond the simpler value proposition we espoused back when I sold my first case in 1996. PEOs provide

services, products, support, and consulting all across the HR spectrum for their clients. Our industry research has told the story for years now of businesses surviving and thriving because of the resources provided by their PEOs. This current pandemic has amplified that message to the point that it's impossible to deny the advantages of using a PEO for companies of all sizes.



Our industry is rich with great ideas and even greater people who've grown and evolved our industry over time.

We truly have wonderful stories to tell about the impact of PEOs and the power of great ideas. We need to share that message everywhere by every available means. Maybe we can even coax Pat Cleary into putting on a sandwich sign and roaming the streets of Alexandria, Virginia, near NAPEO HQ! (I *know* we can line up some volunteers to pay for the sign!)

I am excited about the present and the future of our industry. I believe that using a PEO should be a given for anyone thinking of starting up or improving a business—because PEO is a powerful idea! ■



BRUCE CORNUTT

2021-2022 NAPEO Chair
President & CEO
Lyons HR
Gadsden, Alabama

2021-2022 NAPEO CHAIR BRUCE CORNUTT

BEING A CHAMPION FOR THE INDUSTRY

BY CHRIS CHANEY

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Bruce Cornutt is the president & CEO of Florence, Alabama-based Lyons HR. He was elected to the position of chair of NAPEO's Board of Directors on September 28 during NAPEO's annual member meeting in San Antonio, Texas. He had previously served as vice chair and is the recipient of the 2017 Michaeline A. Doyle Award, the industry's highest honor. He recently spoke with *PEO Insider*® to share a little about his professional background, where he sees the industry headed, and how he hopes to guide the association.

HOW DID YOU GET INVOLVED IN THE PEO INDUSTRY? WHAT WERE YOUR FIRST IMPRESSIONS?

The first time I heard about the PEO model was in 1995 and I thought it was the best idea I had ever heard about. I had been in the insurance business and also worked at a church as an administrator and youth program leader, but in 1996 I signed on as the “sales guy” with a friend of mine who was starting PEO services out of his staffing firm. I thought the PEO model was a powerful idea to help small businesses.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S BUSINESS MODEL & PHILOSOPHY?

Our business model is not flashy, but it's solid as a rock. We provide all the tools a

small business needs to be in business and to do business well. Our clients know that every dollar they pay us is accounted for wisely. Bill [Bill Lyons, company founder] has a finance background and started the company as a staffing company in March of 1995 and entered the PEO space in 2008 after a conversation with a staffing client. Bill immediately began the ESAC [Employer Services Assurance Corporation] accreditation process because he believed the process behind accreditation was a solid basis for building our financial systems. Our business philosophy is to be a strong, reliable, and progressive partner for our clients.

Internally, we have a set of values that guides our lives as employees of Lyons HR that includes integrity, accountability,

adaptability, and fun, among others. We spend a lot of time together, so we make it a point to enjoy that time. We want Lyons HR to be the best place our employees ever work, and we want them to retire from here. By promoting a positive employee culture and focusing on taking care of our people, we know they will in turn take care of our clients. People won't invest their lives in something they don't enjoy. Hospitality is a big part of Southern life, so part of our fun is being hospitable with our people.

YOU RECENTLY BECAME CEO OF LYONS HR IN ADDITION TO YOUR ROLE AS PRESIDENT. HOW IS THIS NEW ROLE DIFFERENT? WHAT IS YOUR VISION FOR THE COMPANY?

I feel the weight of being responsible to our staff even more than I did as president because there's more invested in the title. I'm honored that Bill gave me the keys to the car so to speak. I'm humbled by the opportunity and excited about our prospects to continue the growth trajectory.

Starting as an Alabama-focused operation, we grew into a large regional footprint and now, increasingly, a national one. I want to keep branching out and continue that creep across the country. It's fun doing what we do so we want to do more of it!

WHAT IS YOUR VISION FOR THE PEO INDUSTRY? WHAT CONTINUES TO INSPIRE YOU ABOUT THE INDUSTRY?

I feel like an evangelist sometimes because I get my biggest kick out of letting people who have never heard the story know that this is the best small business model that exists. Explaining our value proposition takes more than 30 seconds, so it is a model that spreads by engaging with prospects relationally and letting them know the value of what we do.

I really think the industry must enlarge its tent; there need to be more and more people who see the value and the opportunity of launching a PEO.



2021-2022 NAPEO Chair Bruce Cornutt

From an association perspective, we need to do more to engage communities where there are not PEOs present. Many of these different communities would have entrepreneurs adopting the PEO model and creating PEOs if they just knew about it. We need more people telling our story and a greater number of well-trained sales folks. I'm a huge supporter of folks like Clay Kelley. I'd love to see 100 Clay Kelleys teaching the next generation of PEO professionals how to position the model with prospects and show the real value.

Spreading the message and enlarging the tent among entrepreneurial communities is critical. I can think of no reason why a 20-person HVAC company or a 75-person law firm wouldn't be in a PEO relationship. One of our clients was starting a retail operation a few years ago and was searching for something to help him manage. After a conversation, he immediately saw the value of PEO. He just opened his ninth location. He's told me that wouldn't have been possible without us. Our system is immediately scalable for a small business as it grows, and that's a big part of the value proposition.

We all benefit when more voices contribute to the conversation. The Bible

says there's wisdom in a counsel of many elders. I think of that as, "If we both agree on every single point then one of us is not necessary for the conversation." I think we benefit when more and more people have opportunities to start or become clients of PEOs.

WHAT IS THE BIGGEST OPPORTUNITY FOR THE INDUSTRY TO GROW?

Strategic marketing as well as finishing the licensing footprint across the country are vital. We should put more energy behind reaching businesses who have never used a PEO. Operators need to mine that vein. There's far more volume of opportunity in selling to non-PEO clients than current PEO clients. We need to finish the licensing effort to increase the possibility of consistency across the country.

WHY DID YOU INITIALLY JOIN NAPEO & SEEK TO BECOME INVOLVED?

I was involved with two start up PEOs before Bill acquired the second one. That's how I joined Lyons HR. Neither of those companies had the means for me to be involved with NAPEO other than going to a few Sales Quest conferences. I had seen the value of collaborating with people in the industry and because Lyons HR was already active in NAPEO, a big focus for me was jumping in and getting involved. It's great to be able to say, "I don't know how to do this," and then have someone else say, "I do."

There's a collaborative nature among members that helps us learn and cross bridges we didn't know how to cross. Just having dinner with someone who operates in a different part of the country can bring up new issues that we hadn't thought of before. The openness of other PEO operators to share their experiences is wonderful; it's master's level education that's not offered anywhere else.

HOW DO YOU SEE YOUR ROLE AS CHAIR? WHAT ARE YOUR PRIORITIES?

My role is to be a champion for the industry and to advance our efforts to

increase the industry's footprint and increase opportunity for others to own and operate PEOs. We also need to be focused on the long-term future and make sure the industry is solidified for the next generations of PEO owners. We're still a relatively young industry.

WHAT LESSONS HAVE YOU LEARNED THIS PAST YEAR?

For me, the big thing has been how much more important our model is to our small business clients. We have become so many things to our clients over the last 18 months. Our HR team even became emotional support for many clients. Our team pivoted on a dime, never missed a deliverable, and even broadened what we do. I've been incredibly inspired by what our people do for our small business clients across the country. Our folks are just superb.

OTHER THAN AUBURN FOOTBALL, WHAT ARE YOUR INTERESTS & PASSIONS OUTSIDE OF WORK?

Since my wife passed, some of the things we enjoyed together have changed, but one that hasn't was the love of being on the water. We have a pontoon boat, which is basically a floating patio, and I go out on the lake and enjoy conversation with my daughters, family, and friends. I really enjoy being out on the water; that's been healing for me. I also play the guitar and serve as a worship leader at my church. But I also really do enjoy Auburn football. Several years ago, a dear friend adopted me and my late wife into his Auburn tailgating group. Each game when we get together, it's always such fun to hang out and eat and talk all day long. It's like a family reunion seven or eight times a year. Football has become secondary to the relationships. ■



CHRIS CHANEY

Member Communications Manager
NAPEO
Alexandria, Virginia

NAPEO 2021 ANNUAL CONFERENCE & MARKETPLACE

SEPTEMBER 26 TO 29



Pat Cleary and Burton Goldfield of TriNet Group, Inc. kick off their Fireside Chat with a fist bump.

If you were one of the 825 attendees at NAPEO's Annual Conference & Marketplace this year, you likely observed several trends and themes throughout the event.

First, people were so glad to see each other in person after two years that they could hardly contain themselves. Attendees were engaged and enthusiastic.

Second, great ideas and connections popped up frequently. What we've endured and learned from the pandemic has continued to inspire new ways to do things. In the opening general session, Future of Work Expert Cheryl Cran revealed that her organization, NextMapping, predicted beforehand that by 2020, 50 percent of the workforce

would be remote, without predicting the pandemic. PEOs have been at the forefront of this and other business and employment upheavals caused by the pandemic, and this expertise came out in the sessions, informed by the work PEOs have done for their clients during this time. The HR/Legal session "The New World of Work," expanded on employee behaviors, service impacts, and pressures on small businesses, all initiated by the pandemic but continuing as new realities. While much focus is placed on increasing wages, a trend revealed in the "Looking Forward: An Economic, HRIS, and Technology Trends Update" is that there are categories of jobs with wage acceleration, which has not been seen before. These and other issues continue to

challenge PEOs to develop new ways to help their clients.

Third, the momentum of NAPEO member generosity continued with this year's NAPEO Gives Back charity partner, Soldiers' Angels. Donations poured in throughout the conference, and continue to come in even now. As of press time, NAPEO Gives Back raised more than \$120,000 for Soldiers' Angels. (See the full list of donors on page 39.)

Fourth, the Women in NAPEO (WIN) reception and the NextGen Mixer, as well as the presence of PEO Ambassadors, marked NAPEO's continued forward-looking goals of:

- Empowering, engaging, and encouraging women in the PEO industry;
- Identifying and nurturing the next generation of industry leaders; and
- Attracting and welcoming new service partners—and service areas—into NAPEO.

Fifth, the PEO educational sessions were laser-focused on the issues most important right now, as well as following developing and evolving areas. This was apparent in the array of educational tracks, which covered all of the operational and management areas of the PEO, as well as in the depth and breadth of speakers across all of these areas. Each track pinpointed the most relevant and timely issues facing PEOs and how things are changing in M&A, cybersecurity, profitability, sales, work and workforce issues, PEO competition, and the power of data, to name a few.

Sixth, speaking of responding to the world around us, NAPEO unveiled several exciting new marketing resources, including a moving new video featuring PEO clients, a full suite of October PEO Marketing Push



In the Sales/Marketing PEO Educational Session about social media strategies.



Tim Graham of Payrolling Partners, Hank Johnson of Nextep, 2021-2022 NAPEO Chair Bruce Cornutt of Lyons HR, Britt Landrum of LandrumHR, Roger Hays of Premier Employer Services, and Brian Fayak of Nextep.



Christina Nelson and Wanda Silva in the Marketplace.



Tuesday's general session: "Looking Forward."

materials for members, and a brand new white paper, "PEO Clients in the COVID-19 Pandemic: Follow-Up Analysis." The client testimonial video showed real PEO clients talking about how their PEOs helped them through the pandemic. Many emphasized that they most likely would not be in business today without the help of their PEOs. Those in the marketing session on the last day of the conference when the video was played for the first time were riveted by the clients' stories. The October Push capitalizes on the campaigns of 2021, providing a variety of assets for members to use to promote the industry and their own

PEOs. The white paper analyzes and quantifies the positive effect PEOs had on their small business clients during the pandemic.

Finally, those who came in a day early to attend NAPEO committee meetings continued the work that keeps NAPEO informed about and involved in federal and state government affairs issues and legal challenges that affect the operating environment for PEOs. The Accounting Practices and Marketing & Communications committees met as well, powering the research and initiatives that keep PEOs operationally sound and visible to the small business market. Committee members continued

this work behind the scenes throughout the pandemic and have kept NAPEO at the forefront of issues, connected with lawmakers and regulators, and engaged in the business community. These committees also keep NAPEO members informed, and that includes identifying issues and finding solutions that make their way into sessions for NAPEO conferences, articles in *PEO Insider*,® and subject matter for NAPEO webinars and other online educational offerings.

Whether you were able to attend the conference or not, we hope you enjoy this story in pictures that shows the highlights and the people who were there and made the experience memorable. ■



Above left: Heading into the conference opening.

Above center: NAPEO President and CEO Pat Cleary officially opens the conference.

Above right: Keynote speaker Cheryl Cran, founder of NextMapping,™ spoke on "The Post-Pandemic Reality—What's Next?"

Left: Before the keynote session began, Bob Cerone of Cognos HR, chair of NAPEO's Midwest Leadership Council, presented the industry's highest honor, the Michaeline A. Doyle Award, to Brent Tilson of Tilson HR.



Lee Yarborough cuts the ribbon, officially opening NAPEO's 2021 Marketplace.



NAPEO's Nick Kapiotis shows off his juggling skills.



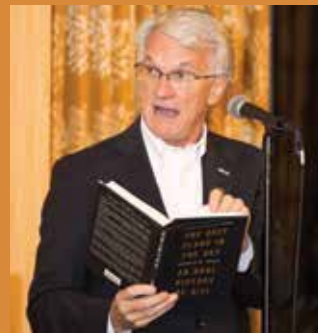
Members in the Marketplace.



"CEO Session: Inquiring Minds Want to Know—How to Prepare for Being Sold," with speakers Brian Nugent, Esq. of Akerman, LLP, Mark C. Perlberg of Nautic Partners, and Wanda J. Silva of Silva Capital Solutions, Inc.



PEO Ambassador Bill Maness visits with a new exhibitor in the Marketplace.



Above: Pat Cleary reads excerpts from Garrett Graff's book during the speaker introduction at the CEO Forum dinner.

Above right: CEO Forum dinner speaker Garrett Graff, author of "The Only Plane in the Sky: An Oral History of 9/11."



Jenna Marceau of Syndeo Outsourcing, chair of the NextGen Steering Committee, and NAPEO's Michael Kreiter at the NextGen Mixer. "We had more people than we expected because news started to spread and people wanted to join in, checking out the new group and seeing what it was all about," said Jenna. "The atmosphere was energetic. Everyone was very laid back, but excited to be together."



PEO Ambassadors Dave Carothers of Praxiom Risk Management, Geoff Vandal of MetLife, and John Harmon of Aon with Brent Tilson at the Service Partner Reception.



Wendy Katz of Questco, Tara Conger of Tandem HR, Lee Yarborough of Propel HR, Wanda Silva of Silva Capital Solutions, Monica Denler of InTANDEM Human Resources, Kristen Appleman of ADP TotalSource, Anne Donovan of Xenium, and NAPEO's Melissa Viscovich at the Women in NAPEO (WIN) Reception.



Attendees at the WIN Reception raise their glasses in a toast.



New NAPEO Chair Bruce Cornutt.



NAPEO 2020-2021 Chair Lee Yarborough passes the gavel to NAPEO 2021-2022 Chair Bruce Cornutt, president and CEO of Lyons HR, at the Annual Member Meeting.



"Sales/Marketing Session: Finding Your Blue Ocean," with speakers Matt Lowman of Integrity HR Management, Inc. and Heather Keefer Saulsbury and Abram Finkelstein of StaffLink Outsourcing, Inc.



Scott Klososky of FPOV and John Slavic of Slavic401k spoke on "Looking Forward: An Economic, HRIS, and Technology Trends Update."



Fireside Chat with Pat Cleary and Burton Goldfield of TriNet Group, Inc.



The Syndeo folks recreate their September *PEO Insider* cover.



"Ops/Tech Session: Understanding the Power of Data—An Overview and Case Studies in Artificial Intelligence and Machine Learning for PEOs," with speakers Andy Lubash of Prestige PEO, Brett Heineman of Gradient A.I., Paul Hughes of Libertate Insurance, Chase Pettus of Gradient A.I., Tom McKeown of isolated Network, and Jennifer Robinson of Risk Transfer Insurance Agency.



"Accounting/Finance Session: Planning for Next Year—Measuring True Client Profitability," with speakers Tanya Yakhnis of Tandem HR and Wendy Katz of Questco.



Garry Bradford of UniqueHR and chair of the Texas Leadership Council led the way from the Lone Star Roundup to the NAPEO Celebration.



The NAPEO Celebration at the JW Pavilion.



At the Breakfast and Networking Roundtables, attendees discussed challenges, ideas, and solutions in the various areas of PEO operation, from granular aspects of specific compliance issues to global trends in the employment world.



"HR/Legal Session: California and Other Pain-in-the-Neck States—Big State Compliance Issues for PEOs and How to Handle Them," with speakers Mark Jacobs, Esq. of Fisher Phillips, Christina Nelson of Pacific HR, and Sheldon J. Blumling, Esq. and John M. Polson, Esq., also of Fisher Phillips.



The Closing Session and Lunch, "The Big Reveal with LGND," began with a T-shirt toss.



Then came an in-depth analysis of the data that led to the creation of NAPEO's 2021 marketing campaigns, and "The Big Reveal" of NAPEO's new client testimonial video and how all the pieces of this year's campaigns work for member marketing efforts.



The session ended with a confetti cannon showering attendees with brilliant gold slivers of confetti and cards containing the QR code allowing access to all of the assets.

2021 NAPEO GIVES BACK DONORS

Bold indicates donors who have given in 2019, 2020, and 2021.

Italics indicates donors who have given this year and in either 2019 or 2020.

\$5,000+

| | |
|--|--------------------------------------|
| <i>Aon</i> | <i>Michael P. Colucci/Idilus LLC</i> |
| Barrett Business Services, Inc. (BBSI) | NAPEO |
| Christina K. Nelson/ Pacific HR, Inc. | PrismHR |
| Klososky Holdings | simplicityHR By ALTRES |
| | Slavic401k |

\$1,000-\$4,999

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|---------------------------|---|
| <i>Joseph Appelbaum</i> | Bruce Leon |
| <i>Craig Babigian</i> | Dawn Lively |
| <i>James W. Bell III</i> | Andrew Lubash |
| Gordon M. Berger | Modern Business Associates, Inc. |
| <i>Garry Bradford</i> | Praxiom Risk Management, LLC |
| Ted A. Crawford | PRemployer, Inc. |
| <i>Monica Denler</i> | SAGE Event Management |
| <i>Extensis Group LLC</i> | <i>David Slavic</i> |
| Abram Finkelstein | SolveHR |
| Helpside | Stratus.hr |
| Terry Hookstra | Syndeo Outsourcing LLC |
| <i>isolated Network</i> | <i>Tilson HR</i> |
| Clay Kelley | |

\$250-\$999

| | |
|----------------------------|----------------------------------|
| Kristen J. Appleman | Janice Legters |
| Robert J. Burbidge | MetLife |
| Patrick J. Cleary | Debbie Padello |
| Cognet HRO | James Phillips |
| Bruce Cornutt | <i>Jennifer Robinson</i> |
| George J. DeLuca | Robin E. Schlesinger |
| John Ferguson | Vic Tanon |
| Farrah Fielder | <i>The Applied Companies LLC</i> |
| Justworks, Inc. | <i>Darryl Wagner</i> |
| <i>Ted N. Kazaglis</i> | Lee C. Yarborough |



Soldiers' Angels CEO Amy Palmer, left, receives the NAPEO Gives Back check at the NAPEO Celebration, from NAPEO Gives Back Co-Chair Clay Kelley and NAPEO's Melissa Viscovich and Pat Cleary.

\$249 AND UNDER

| | | |
|------------------------------|----------------------------------|---------------------------|
| <i>Doug Abronski</i> | Roger Hays | Matthew G. Munn |
| Isaac Allred | Eric Hernandez | Jeff Oki |
| <i>Garth D. Allred</i> | Angela Hoch | Taylor R. Oster |
| Bridget Asekunowo | Human Capital Concepts, LLC | PACE PEO Association |
| Felicity Barrett | Siana Hunt | Norman L. Paul |
| <i>James W. Bell</i> | <i>Tom Jacobs</i> | Steven Politis |
| Michele Bianchi | Charise Johnson | Jason Randall |
| Samantha Bond Richman | Melissa Jones | Amie Remington |
| John H. Bradley | <i>Melissa Kelly</i> | Robert C. Rice |
| Susan Brodeur | Ted Key | Mandy Rushing |
| Becky Brumley Newton | <i>Lonnie Kiracofe</i> | Jim Schoenmaker |
| Nicole Cassens | Janelle Koren | Karen Smith |
| Dave Ciano | <i>Lisse Kravetz</i> | Charles Spinelli |
| <i>Stephen Cilley</i> | <i>LandrumHR</i> | Lecie Steinbaum |
| Tara Conger | <i>Kathleen Lively</i> | Sullivan Group HR |
| <i>Braxton M. Cutchin</i> | Lone Star PEO, Inc./ Todd Newton | <i>Kristen Talamantez</i> |
| <i>Thomas Deen</i> | Julie Long | Johnathan Taylor |
| Jonathan Delgado | <i>Tiffany Luther</i> | <i>Teladoc Health</i> |
| Pete Delgado | James Mack | Andy Townley |
| Shane Edrington | Peggy Manuel | <i>Sarah Tupper</i> |
| Sharee Eriks | <i>Karen McCarthy-Hawn</i> | <i>Michael C. Vance</i> |
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