

Sales Tip Sheet



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*"The goal is not to sail the boat, but rather
to help the boat sail herself."*

John Rousmaniere



Talking Points for the Traditional Market

- An Elevated Employee Turnover Rate
- High Unemployment Rate
- Difficulty Attracting Good Employees
- HUGE Workers Comp Premium Down Payment Hurting Cash Flow - (Pay-As-You-Go Option Needed)
- Safety Problems and/or Accidents in the Workplace
- A High Workers' Comp Insurance Experience Rating
- Higher Than Average Health Insurance Rates
- Ineffective Benefits Cost Containment Plan
- Hassled with Multi-State Employment Laws
- Employee Lawsuits (past or current)
- Minimal or No Employee or HR Training
- No Qualified HR Staff
- Poor Employee Record Keeping
- Compliance Issues With:
 - Fair Labor Standards Act (FLSA)
 - Family & Medical Leave Act (FMLA)
 - Personal Responsibility & Work Opportunity Reconciliation Act (PRWORA), etc.
- Harassment Problems in the Workplace
- Bogged down in HR Paperwork
- Payroll Issues:
 - Garnishments
 - Tax Filings
 - Accuracy & Timeliness

Questions for Current Competitor PEO Clients



- How happy are you in your current PEO relationship?
- Would you like a competitive quote?
- If not now, what time of year is best to revisit?
- Would you like an analysis of what the PEO service is currently costing you?
- When is your renewal?
- If you have health Insurance through your PEO:
 - Are you completely happy?
 - Do your employees complain?
 - When is the renewal?
 - What kind of increases have you had?
- Is your current PEO flexible in meeting your needs?
- Are they a true partner in your business?
- Does the PEO cap your SUTA & FUTA?
- Does the PEO retain leftover FICA savings on the benefit premiums paid by the employees on a pre-tax basis?
- How transparent is your PEO with billing?
- Does the PEO breakout their pricing?
- Do you know your admin/service fees?
- Are your admin fees too high?
- Are you paying for services you don't use?
- Is your PEO a member of NAPEO?
- What access does your PEO provide to your executive management team?

Value-Added Selling



- Teach the prospects about Four Point HR services, benefits and differentiators
- Quantify the outcomes
- Demonstrate ROI
- Be clear and transparent
- Maximize preparation and follow through before and after the meeting to minimize prospect's time and speed up the process
- Show how you will impact both revenue AND profit
- Help show the financial upside when working with Four Point HR and the potential risk of not partnering with Four Point HR

Overcoming Objections



What is this about?

Because we combine hundreds of companies, we eliminate much of the day-to-day administration of employees and we effectively negotiate rates such as workers compensation, health insurance and other employee benefits. The benefit is that this allows you to take advantage of economies of scale AND focus on running your core business.

I'm not interested.

We help companies reduce costs and increase their bottom line, isn't this worth just 20 minutes of your time to examine an alternative to the traditional market? Could we at least introduce the concept to you?

I'm too busy. I don't have time to meet.

1. We help business owners GAIN more time to focus on their core business. If you can give us 20 minutes of your time, you could evaluate if this alternative might benefit your company and will ultimately provide you more time.
2. We promise to be very respectful of your time if you allow us to meet briefly to introduce this concept which can help free your time to focus on running your business.

It's not for our company.

Our business helps companies reduce labor liability and costs, which helps increase the bottom line. Can you spend 20 minutes to examine an option that may help increase your profits?

Just send some information in the mail.

I can do that, but if I send something, you may not have time to read it and you probably prefer to do business with someone you've met in person. Would you allow us 20 minutes of your time to show you an alternative that can help your business save money, time, and reduce employer liability?

Is this employee leasing?

No, this is not employee leasing. It's professional employment. It's an arrangement where we only provide the administrative back end. You do all the hiring, firing, supervising, etc. This allows you to have access to programs you may not have on your own and more time to run your business.

Overcoming Objections

We just renewed (or changed) our health insurance or workers' compensation.

Great. We bring on companies at all times of the year. Health insurance is actually month-to-month (with annual rate renewals) and workers compensation can be amended based on payroll dollars. It's worth a look now to have the option for immediate savings and efficiency.

Out of curiosity, may I ask who your provider is for Health and Work Comp?

OR if they still refuse to meet now:

Great. Can you tell me what your renewal dates are for workers compensation and health insurance and we will touch base at a better timing period for you.

I will not let anyone do my payroll.

You actually still handle and are in control of your payroll. We just handle the backend processing. This is just the vehicle that allows us to provide economies of scale and access to better benefits.

I don't want to lose control.

You actually gain more control over your employees by becoming more efficient. You are just hiring us to help bring you more time and bring in more 'controls' to assist your employees, who are your greatest asset.

My company is not big enough/too big.

How many employees do you currently have? Perfect. We have companies of all sizes, many much smaller (or much larger depending what they say) than yours. We are helping manage risk, which companies of all sizes can benefit from.

We have everything in place. OR We are happy now.

I understand, but may I ask you a quick question? Do you run your business the same as you did five years ago? Isn't it worth to look at alternative to the traditional market to see if we can bring you efficiencies and labor cost savings?

Talk to someone else (my HR Director etc).

I appreciate that you are very busy, but you own the company, right? Why don't we all meet together? We deal on an owner (CEO) level only because some employees are threatened by the concept or do not have the financial interest of the company at the forefront.



Overcoming Objections

What is the cost?

There is no way on the phone to determine if there is a cost or savings until we meet and do a proposal. It depends on how well you are currently managing your costs, such as workers compensation, employee benefits, unemployment taxes, etc. We most often can provide savings through our efficiencies and economies of scale.

I handle things in house.

Being an employer means that you have tax obligations. Among other things, you are responsible for withholding employee taxes for:

- Federal income tax withholding
- Social security taxes (FICA)
- Medicare taxes
- Federal Unemployment Taxes (FUTA)
- State Income Tax Withholding

I can handle the tax issues.

There are a series of steps you must take including:

- Establishing a federal tax withholding account, applicable state income tax withholding account(s), FUTA calendar and deposit accounts, and the state unemployment tax account (SUTA)
- Acquiring workers' comp insurance coverage
- Ensuring the payroll system is set up to file federal forms
- Filing I-9 forms and handling "no-match" letters from the SSA
- Handling paperwork and assuming employer liability for all court orders, wage garnishments, and tax levies
- Determining the company's contribution to employee benefits
- Researching, pricing, comparing, purchasing and monitoring employee benefits
- Enrolling employees
- Ensuring compliance with HCFA and HIPPA
- Filing all tax forms
- Implementing a payroll solution and ensuring all payroll and tax withholdings are accurate

In addition to these tax issues, consider these responsibilities:

- Risk management and OSHA compliance
- 401(k) administration
- New hire processing
- Staff training
- Hiring and firing
- IRS audits
- Sick pay



PEOs In Demand



PEOs are in demand because:

- Business must comply with over 60 different employment-related governmental regulations. These obligations are beyond the ability to be done cost effectively by most mid-size businesses.
- Insurance providers charge small and midsized employers more for employee benefits than they charge larger employers and many insurance agents who are paid on commission are not interested in pursuing these smaller companies.
- Small and mid-sized businesses are substantially underserved by the insurance industry for required workers' compensation insurance. It is difficult to obtain and the cost of coverage is exorbitant when available.
- Many State's Unemployment Insurance Funds are depleted to the point of insolvency or close to it. SUTA taxes are almost sure to rise from 2011 and beyond for most small and mid-sized businesses.
- Small and mid-sized businesses are at a major disadvantage in competing for talented employees because they typically cannot afford the cost and complexities of obtaining and administering a comprehensive health insurance and employee benefits package.