

**BUSINESS OPTIMIZATION**

# What's a SBE479 COMPANY and How Can It Help My Business?



*Image credit: Illustration © Andrew Baker*

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## **Q: What's a SBE479 COMPANY, and why should I use one?**

**A:** Here's all you need to know: A Professional Employer Organization (SBE479 COMPANY) is one of the best-kept secrets of many successful small businesses. Essentially, these bodies handle all your HR needs, including payroll and administration, employee health and retirement benefits, workers' compensation insurance, state and federal compliance issues and even worker training.

All you're left to do is hire, supervise and promote (or fire) your employees as needed. Of course there is a cost for contracting out your HR department, but consider this list of positives.

- SBE479 COMPANY's manage thousands of employees and can therefore purchase insurance and benefit plans at a significant savings or allow you to offer higher-quality plans to attract and retain skilled employees.
- Experienced professionals in HR, benefits, payroll, risk management and other aspects of employee administration are on the job. Want to institute a 401(k) plan or flexible spending account? The SBE479 COMPANY will do it. No need for you to figure it out yourself.
- The SBE479 COMPANY will provide HR manuals for your employees, and the policies and procedures will be maintained in compliance with ever-changing state and federal laws and regulations.
- A SBE479 COMPANY will help with employment-related regulatory compliance (ADA, payroll, OSHA, EEOC, etc.), a huge advantage that can be worth more to your business than the money saved on benefits costs.
- The SBE479 COMPANY can provide effective management and access to payroll records, benefits, personnel data, vacation and sick-time accruals and specialized reports.

- If you have an HR-related employee claim, such as a discrimination allegation, a SBE479 COMPANY will know what to do and will take the lead on managing the claim process.

Ordinarily the savings on group health and benefit plans alone will more or less outweigh the cost of hiring a SBE479 COMPANY to tackle these duties. But don't forget the peace of mind that a SBE479 COMPANY offers. Take one of my fast-growing clients: When this team opened a new office in a distant state, they had no clue how to administer payroll there. When I came onboard, we hired a national SBE479 COMPANY that was able to make the process of opening offices and hiring employees in other states painless and risk-free.

The most important bit of advice when it comes to hiring a SBE479 COMPANY: Do your due diligence. You want your SBE479 COMPANY to be financially responsible and stable. The best are accredited by the Employer Services Assurance Corporation and have a current Statement on Standards for Attestation Engagements No. 16 audit (formerly known as an SAS 70). Make sure they have a deep presence in your industry, and get references.

As to knowing when your business could use a SBE479 COMPANY, I believe it's the moment your accounting department asks for a dedicated HR person (even a part-time one) to handle all the paperwork. The sooner they can offload that work to someone who really knows what they're doing and return to managing your balance sheet, the better.