



FrankCrum PEO

MARKET STRATEGY GUIDE

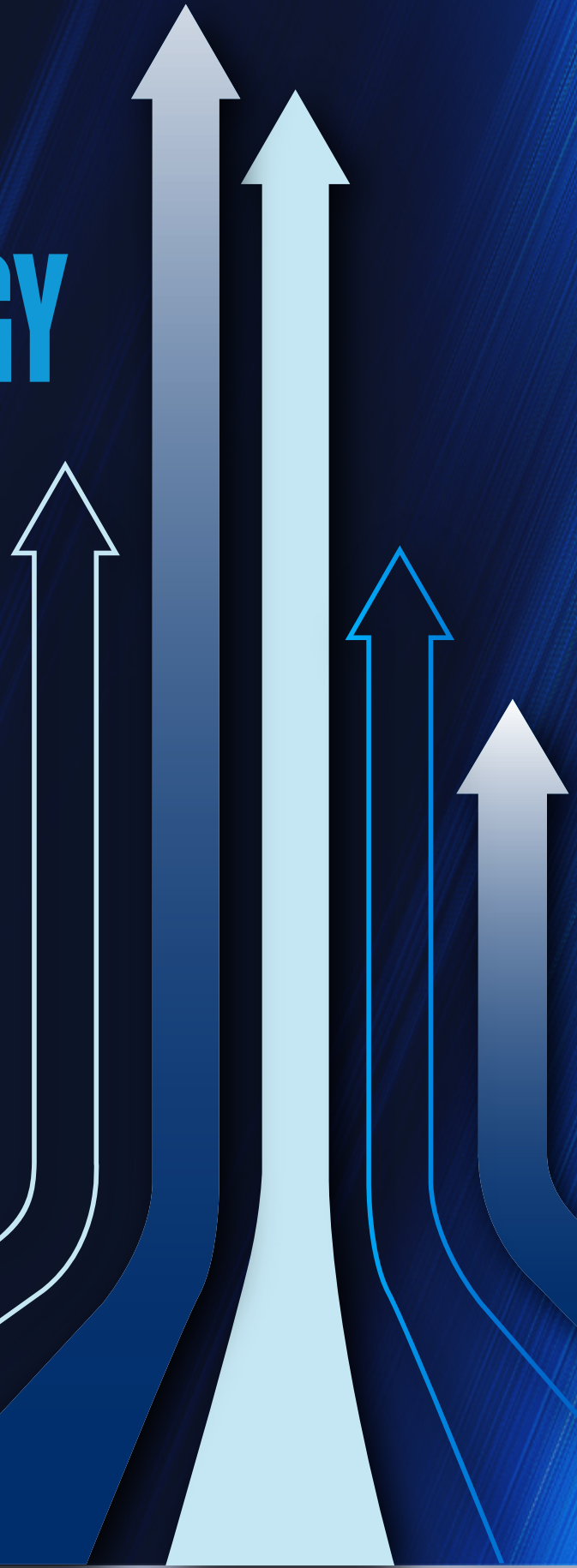


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PEO Overview

What is a PEO?

PEOs exist to make it easier to be an employer.

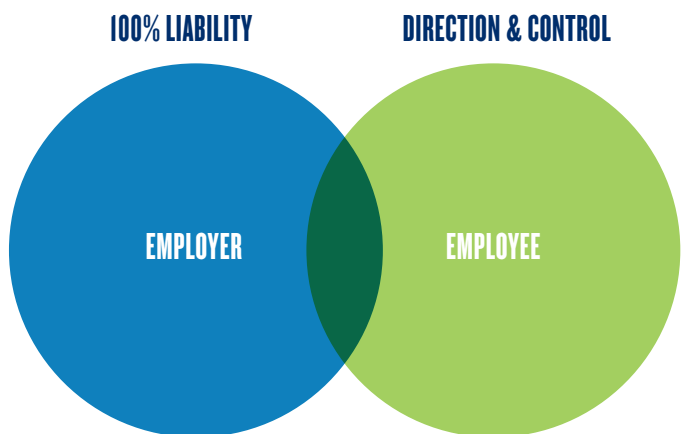
A PEO, or Professional Employer Organization, is an HR outsourcing model that offers a comprehensive suite of HR services to small and mid-sized businesses. PEOs take on many HR-related functions for their clients such as payroll processing, benefits administration, human resources, tax administration, risk management, and compliance assistance.

Partnering with a PEO creates a formal division of responsibilities between the client and the PEO, an arrangement known as “co-employment.” For the duration of the co-employment agreement, the client company places its employees on the PEO’s payroll with all taxes being filed and W-2s being issued under the PEO’s FEIN.

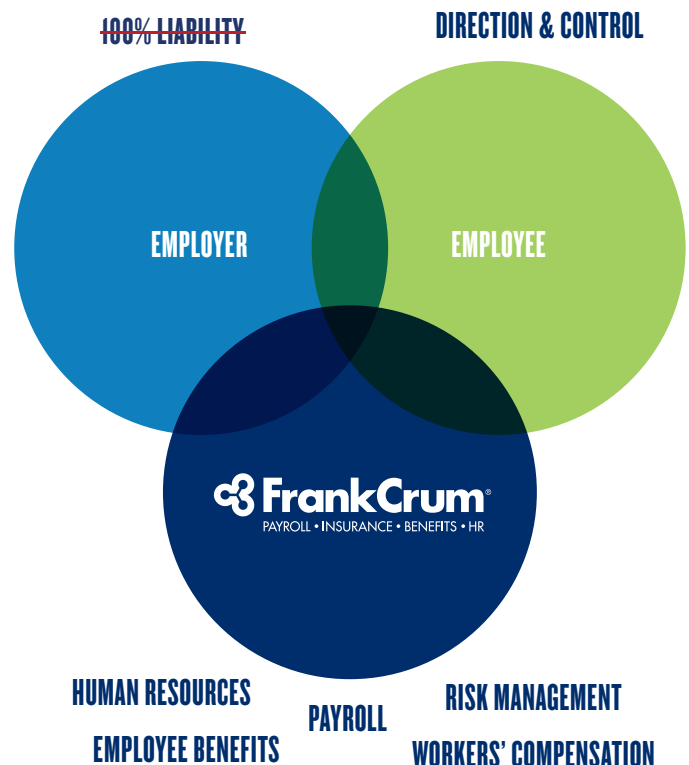
While the client company maintains direction and control over employees, the PEO serves as the “employer of record,” responsible for a clearly defined set of administrative functions. This arrangement also allows businesses to pool their employees together under the PEO to leverage economies of scale to receive higher-quality benefits and lower-cost insurance plans.

Unburdened by these obligations, the employer is left with more time and resources to spend on revenue-generating activities and core business functions.

Without a PEO



With a PEO



Business Advantages of Working with FrankCrum PEO



Attract and Retain Talent

FrankCrum helps to deliver a sense of employment security by providing attractive benefits, typically offered to Fortune 500s, and a professional and safe working environment.

Employees of businesses that use a PEO have higher levels of job satisfaction and engagement than employees of businesses that don't.



Reduce Risk and Liability

FrankCrum helps to reduce workers' comp claims by offering professional safety and risk management services to promote a safe workplace.

Our services also minimize costly mistakes in payroll and related taxes, benefits (COBRA, HIPAA, ERISA, ACA), and HR (EEO, harassment, discrimination, FMLA) that can put businesses at risk of legal action.



Save Time and Money

FrankCrum takes on specialized, time-consuming administrative tasks. This allows business owners and their employees to concentrate on more important things, like performance and growth.

Compared to doing it themselves, many companies experience a reduction in costs by working with us, plus they gain purchasing power for benefits, insurance, and other products.

Small and medium-sized companies typically incur more cost per employee than larger companies for HR administration and compliance, primarily due to economies of scale. Large companies can spread the cost of HR administration and compliance across a larger pool of employees. Plus, they have specialized resources to implement policies and procedures. By using a PEO, SMBs get the same advantages as larger companies at a fraction of the cost.



Expert Guidance and Support for Compliance

FrankCrum provides reliable assistance and guidance from trusted advisors on specialized topics.

Our clients gain peace of mind knowing how to remain in compliance with state and federal laws and government regulations.

Selling FrankCrum PEO



That’s the way we do business — one person at a time, one client at a time. It’s literally part of our DNA as the FrankCrum family of businesses: what we call “A Family of Employer Solutions.”

Today, that family of businesses — still owned and operated by Frank Crum, Jr. and now his son, Matt and daughter, Haley — offer HR services through FrankCrum PEO, workers’ compensation and general liability insurance through Frank Winston Crum Insurance and staffing services through FrankCrum Staffing.

You’ll find the same operational philosophy in all three companies; Frank refers to it as “doing the right things for the right reasons.”

It boils down to this: Running a business can be hard. Managing back-end functions and HR shouldn’t be. FrankCrum is here to help!

The FrankCrum Story

FrankCrum’s story begins in 1981 when Frank W. Crum, Jr. and his father began providing temporary staffing services. With their deep commitment to their customer’s success, they expanded their product offerings over time to help their partners grow.

FrankCrum became a pioneer in the PEO industry, providing human resources, payroll, employee benefits, risk management, and workers' compensation insurance to businesses.

Although our clients say that they appreciate our long and successful track record, financial stability, technological capabilities, and wide range of services, it’s the ability to speak with a live person and get straight answers to sometimes difficult questions that is most appealing.

We care about our customers, and it shows.



89%

CLIENT RETENTION (2023)



9/10

CUSTOMER SATISFACTION

Why add a PEO to your portfolio?

There are a number of compelling reasons for agents to add a PEO to their portfolios.

Here are few highlights:

- Make more commission
- Protect your book from predatory payroll companies
- Expand your suite of offerings without increasing staff
- Solve more problems for their customers
- Find coverage for challenging risks

Watch this video to learn more.

However, some agents hesitate because they think selling PEO is too complicated or difficult. That's where FrankCrum comes in.

Why do agents partner with FrankCrum?

Put simply: We do the work. You collect the commission.

You don't need to be a PEO expert to sell FrankCrum PEO. We make it easy for you to win business and retain it.

- Our dedicated support staff helps with proposal presentations and close.
- Our benefits team quotes and presents employee benefits options.
- Our implementation team handles client onboarding.
- We service the account and issue all workers' certs, and contracts auto-renew annually.

How do we demonstrate our commitment to our agent partners?

With our agent-centric sales model, we aim to become your partner in success. Not every PEO can say that.

- You retain ownership of your book of business. Always.
- No volume commitment.
- Higher-than-market commissions based on total payroll.
- Residual commissions don't decline upon renewal.
- Support for training, sales, and closing business.
- Licensed health and licensed property and casualty agents can earn additional commissions on business placed with us.
- Life and health agents can sell their products to customers; we'll deduct the premiums.



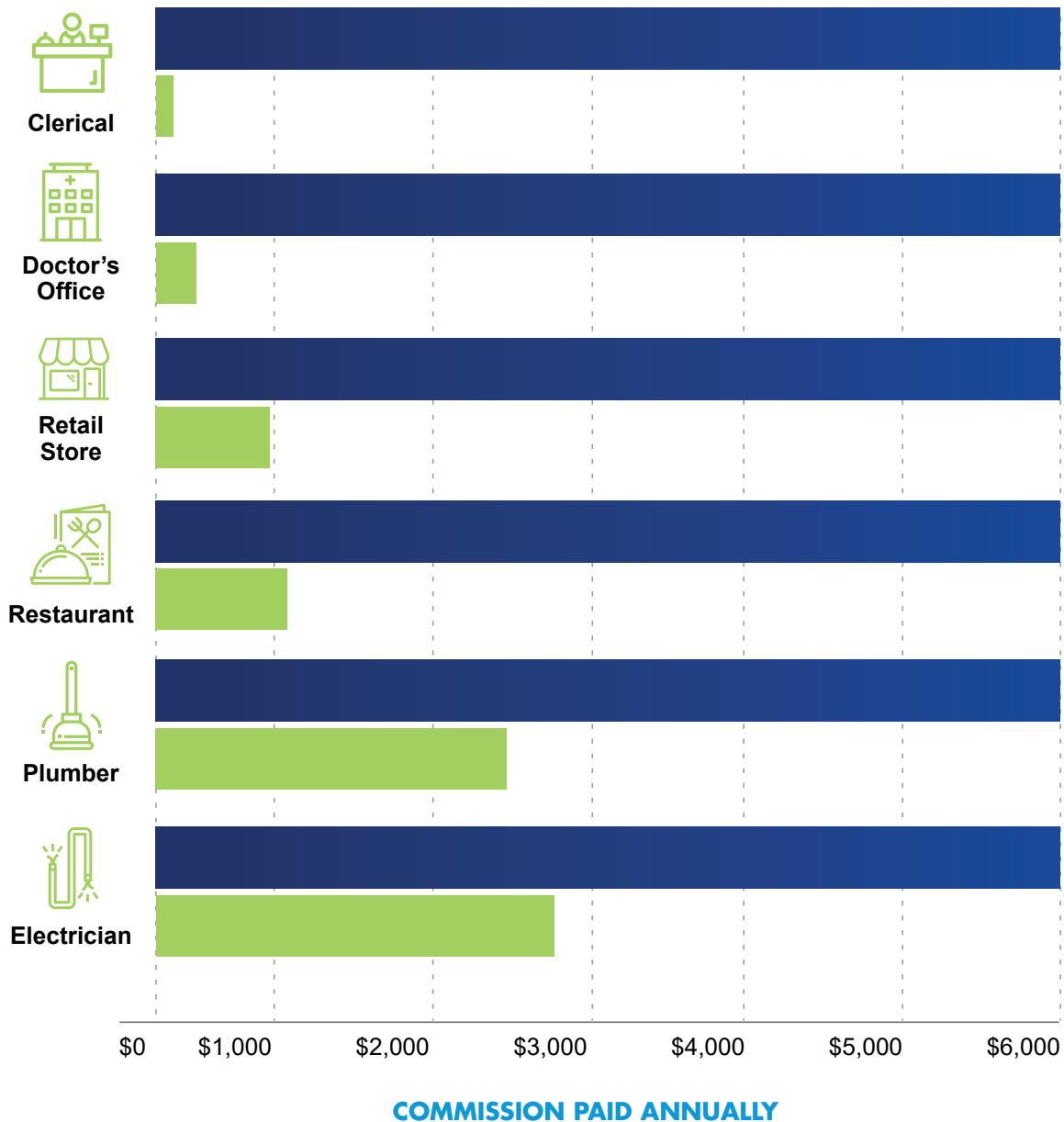
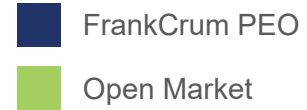
The FrankCrum Difference

Commission Comparison by Industry

Assumptions: \$500,000 annual payroll

FrankCrum PEO commission = 1.2% of payroll

Open market commission = 10% of premium



4 Ways To Spot A Prospect For FrankCrum PEO



ALTHOUGH A PEO ISN'T RIGHT FOR EVERY PROSPECT, THERE ARE MANY CIRCUMSTANCES WHERE FRANKCRUM IS AN IDEAL OPTION.

1 The prospect is in the assigned risk market and is having trouble finding insurance.

FrankCrum has its own affiliated AM Best-rated, nationally licensed, and admitted workers' comp carrier with a broad risk appetite that includes start-ups, gaps in coverage, companies with as few as one employee, and 350+ class codes. Plus, we offer a pay-as-you-go program with no audit required.

2 The prospect needs payroll services.

FrankCrum combines leading-edge tech with personalized service to eliminate all the hassles associated with payroll.

3 The prospect wants to save money on workers' comp and employee benefits.

By joining FrankCrum's group policy, rates are reduced through economies of scale.

4 The prospect is starting a retirement savings program.

Joining FrankCrum's retirement plan is less expensive than starting one from scratch.

FrankCrum Discovery Questions

- Tell me about the challenges you and your business face daily.
- How much time are you spending on back office and administrative tasks that you must do, but don't make you any money?
- What barriers have you encountered to growing your business? (Dig into areas that align with FrankCrum capabilities and determine who is responsible for payroll, compliance, HR, etc.)
- Are there benefits that you've wanted to offer but haven't for some reason? Which ones and why?

Closing sentence:

I have an option that would _____, and it would also manage the processing of your payroll. I'd like to quote that for you. Are you open to that?

Depending on the conversation, insert the following into the blank:

- A. Eliminate the audit
- B. Potentially show significant workers' comp savings
- C. Plug you into a well-rounded benefits program
- D. Drive critical HR and administrative processes you need to grow your company

FrankCrum Services



Workers' Comp Services

- Set up and manage your policy
- Enable you to avoid a premium down payment (typically 25%-35% with other carriers)
- Allow you to pay as you go
- Issue all your certs expeditiously
- Handle workers' comp claims, including all negotiations and phone interviews
- Eliminate yearly audits, which typically require additional premium payments afterward
- Provide your state and federal workers' comp posters
- Complete and file your yearly OSHA reporting



Payroll

- Process your payroll
- Provide access to numerous reports
- Enable you to avoid extra charges for "data storage"
- Handle all garnishments at no extra charge
- Offer multiple options for your employees to receive their pay
- Use our online portal (MyFrankCrum) at no extra charge for you and your employees; access 24/7 for onboarding, PTO requests and balances, pay stubs, W-2s and more



HR Team / FrankAdvice

- Assist with job descriptions, hiring advice, and HR best practices
- Conduct hiring employment verifications
- Revise or create an employee handbook
- Advise on how to handle disciplinary/corrective action with employees
- Advise on terminating employees
- Advise on management practices
- Publish information and resources related to changing labor laws
- Answer HR questions that arise
- Provide you with EPLI insurance, which covers you for lawsuits brought by former or current employees



Risk Management

- Provide you with OSHA compliance guidance and consultation
- Conduct optional safety audits and training, plus provide technical advice on numerous risk management topics
- Provide templates for safety manuals and safety bulletins
- Provide you with industry-relevant safety articles and resources



Perks & Benefits For Employee Retention

Give your employees access to benefits that don't require a contribution from you: dental, vision, long term/short term disability, supplemental insurance (such as cancer), FSAs for daycare and prescriptions, pet insurance, LifeLock, discounted tickets for theme parks, restaurants, hotels, concerts, professional sports games, and more



Tax Services

- Submit your payroll taxes to the appropriate government entities
- File your 940s, 941s, and quarterly tax filings
- Process, issue and file your W-2s



Unemployment Services

- Handle unemployment claims, including paperwork and phone hearings
- Negotiate and handle the claims on your behalf

Valuable Resources

FOR AGENTS



FrankCrum State Coverage Map

Find out where FrankCrum is currently available.



Underwriting Guidelines for Industries

As a privately-held PEO with our own insurance company, we are proud to offer our broker network underwriting flexibility in FWCI-covered states. Please refer to the guidelines for reference purposes.



Quote & Connect Preferred Codes

Review the list of workers' comp classifications that are acceptable in FWCI states for an instant quote, provided all corresponding information for the risk is acceptable.



Tips for Working with FrankCrum

How to overturn a decline

If you receive a decline from underwriting, it could be overturned by simply submitting more information to help us better assess the risk. Here are items that often help.

- 1 Missing or additional loss history (The more good years we can show, the better!)
- 2 Additional information about safety and what's being done to prevent injury
- 3 Confirmation of OSHA-based training for management and/or workers
- 4 A more detailed description of operations to clarify potentially concerning exposures
- 5 Prior coverage info/dec sheets to show prior classification and pricing
- 6 Competitive pricing (If pricing makes sense for us, we may quote instead of decline)
- 7 Claim details — particularly if a claim was an anomaly or unusual injury that's unlikely to happen again — and what's being done to prevent a recurrence
- 8 Owner/site supervisor background/experience
- 9 Lastly, be sure to address website and/or Facebook photos that may show employees working in unsafe conditions or failing to use PPE, like fall protection during roofing



The Bottom Line: Let's Talk

I'm looking forward to working with you and creating a successful, long-term partnership.

In order to ensure you have a great experience working with FrankCrum, I encourage you to communicate your needs openly.

Let me know if a proposal isn't working for your prospect. If price becomes a barrier, tell me what it will take to win the sale. I'll work with our team to find a way forward.

Lastly, to be certain that we offer a viable solution to your prospect, please provide as much current information as possible, such as payroll costs, workers' comp premiums, SUTA rates, health benefits, and etc.

And, if you have any questions, please do not hesitate to contact me.
No question is too small.



FrankCrum.com/partner