

CASE STUDY

IHOP

BACKGROUND

An IHOP franchisee since 1998, Tom Throm originally bought two franchises and has since expanded to five in Florida and Georgia, employing a staff of 210. Throm summarizes his opinion of PEO services by saying, "Any small business that doesn't use a PEO is making a big mistake and should be considering it."



BUSINESS CHALLENGE

Although he has always worked with payroll services or PEOs, Throm had a series of bad experiences with several firms. Understandably a little gun-shy, he contracted with a consultant who conducted an exhaustive bidding and vetting process. Specifications included the need for a reputable, full-service PEO with the ability to handle complex hospitality payroll, benefits, workers' compensation insurance, and related HR management services.

SOLUTION

Impressed by FrankCrum's size and geographic reach, as well as the company's willingness to provide him with a bond to protect himself, Throm selected FrankCrum.

Services he uses include:

- Payroll
- Workers' compensation insurance
- Drug testing
- Consultation on personnel actions, unemployment taxes and filings, and various other HR management issues

RESULTS

- Tip tax credit: Throm appreciates FrankCrum calculating the tip tax credit and forwarding the report to him without charging a percentage. This has saved him approximately \$50,000 annually. Other firms he worked with did not report it to him and kept the credit themselves.
- Lower workers' comp rates: By virtue of group buying power, FrankCrum offers workers' comp rates that are lower than he experienced in the past.
- Annual fee comparison: Throm frequently receives sales calls from other PEOs and annually compares fees. Despite the comparison, he stays with FrankCrum.
- Service: Noting that he calls FrankCrum customer service frequently about workers' comp cases, Throm says he has no complaints and, in fact, finds them very helpful on any questions he has. "They really perform," he says.