



A Guide to Outsourcing HR



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When does it make sense to start outsourcing HR?

Your organization is growing, and along with it, your bottom line. You and your employees are proud of your business's success, but as time passes, you've observed that your coworkers are spending more time on paperwork administration and less time on strategy.

You know your enterprise needs to stay nimble and responsive to your customers' needs. But when reporting and paperwork compliance failures can result in expensive fines — and your company's culture is changing in a way you don't like — it's time to consider human resources outsourcing.

The benefits of using an HR outsourcing company are considerable — and not just financially. Jack Welch put it best when he noted that HR outsourcing increases efficiency because it turns back office administrative headaches into someone else's front-office priority.

Outsourcing benefits administration improves operational efficiency.

In most every organization, **employee benefits are the second-largest expense faced by employers**, and benefits administration is another large job that can be too big and too complicated for a small staff to manage. By outsourcing, your employees will have access to professionally trained Benefits Specialists who fully understand the various benefits packages that your company offers.

Whenever your employees have questions about their benefits, want to enroll in a new program, make changes to their policy, check rates or have any other benefits questions, they can call a dedicated toll-free number to speak with a specialist who can help. Our benefits administration service also features various reporting capabilities, secure access to electronic records and call monitoring and recording.

A great HR outsourcing vendor also ensures that your invoices and payments are made accurately and appropriately. Because paperwork and administrative demands increase as an organization grows, an experienced hand can assist with profit-preserving tasks such as verifying payments and communicating with carriers and brokers. We can also direct you to our legal team when questions arise with legislation such as ERISA, HIPAA and the ACA.

The financial benefits of outsourcing comprehensive HR services.

Payroll and benefits are the two biggest expenses a business incurs. You already know that attracting and retaining the best employees means putting compensation at the top of your priority list. But as your business grows, so does back office administration. And the human resources professional you hired to help you create the culture you want is now bogged down with tasks such as developing an employee handbook, establishing policies and procedures and processing page after page of paperwork. Because more time on administration means less time on strategy, the risk of getting stuck in a quagmire grows every day.

The benefits of outsourcing payroll.

Payroll is the biggest expense incurred by employers, and it's also one of the most important, time-consuming and least strategic functions. That's undoubtedly why one of the more popular services our clients trust us with is their payroll. As any executive leader knows, ensuring an accurate, timely payroll is absolutely vital to a company's success. However, overseeing this one project can also be extremely time-consuming and can monopolize an HR or finance professional's time. By removing this burden from the department, your human resources and finance team can focus on other equally important and more strategic services.

Outsourcing payroll will ensure your payroll is calculated correctly and on time. In addition to managing payroll taxes, a great HR outsourcing vendor can also ensure employee payments, contributions and wage garnishments are handled appropriately. When payroll is complete we will reconcile each report to guarantee accuracy. And because having access to payroll reporting is essential, you'll get smartphone-enabled access when you want it.

As you grow, you'll know when it's time to leverage a team of experts.

As a company evolves over time and the number of employees on staff fluctuates, maintaining an effective human resources department may become a challenge. By outsourcing human resources services to a dedicated, highly skilled team of professionals, you'll make a sound investment that saves money, reduces the administrative burden and increases your company's long-term efficiency.

How does HR outsourcing actually work?

HR outsourcing has some distinct advantages over internal HR departments and Professional Employment Organizations and can be a tremendous asset for your business. HR outsourcing can help you get your payroll and benefits under control, streamline your HR accounting process and save you time and money.

But how does HR outsourcing work? Does a team come in one day and take control of all of your employees? Do you send your employment data to the HR outsourcing company and then never hear from them again? If you're wondering what the process of HR outsourcing is, you're being a good manager. It's only natural to want to completely understand the HR outsourcing process before moving forward on it with your own business.

The HR outsourcing process.

The HR outsourcing process is typically fairly straightforward. The whole idea is to make things simpler for you and your business, not more complicated. It starts with you selecting which modules you want for your HR outsourcing. For example, Corban OneSource solutions offer the following Human Resources management modules: Payroll Processing and Administration, HR Administration and Benefits Administration. All of these are supported with HRIS, which is the HR technology platform.

Once you've discussed the options and selected your modules, Corban OneSource assigns you a dedicated representative to handle your account, or a team of representatives should your business structure necessitate it. This is your team's personal support staff. You retain total control of all the decisions like hiring and firing and how resources are allocated. We just support these decisions and help you manage them. Then the process really begins.

The first step is the audit. This allows Corban OneSource to identify potential areas of risk and develop Standard Operating Procedures which allow everyone on your team, including your Corban OneSource support staff, to know exactly what the procedures are and what is expected of everybody involved. Once that step is complete, your Corban OneSource support staff will make recommendations for best practices. As with all decisions, you decide which recommendations you wish to implement.

From then on, it's all about supporting you and your team with top notch, dedicated HR support. Communication lines are always wide open, so you know exactly what's happening with your HR at all times. This gives you the peace of mind of knowing you don't have to worry about these issues and frees you up to do the important work of actually running your business.

Do I lose control of my employees when I outsource HR?

For some managers, the idea of HR outsourcing may cause some trepidation. Do you really want an outside agent managing your human resources? After all, they're your employees and your team. You're in charge of them, and part of being in charge means being in control of their wages and benefits. You may be wondering, does HR outsourcing take over my employees, leaving me a less effective or less informed manager?

The answer is absolutely not. First of all, when you streamline your business with HR outsourcing, you get to choose how much or how little of your HR administration and management your vendor takes over. You can start with Benefits Administration, and then add HR Administration, the HRIS Technology Platform and/or Payroll Processing Administration as needed. You can add one, all or any of these modules to your service according to your needs, so you're always in control.

Meet your new HR staff.

In a strong relationship with your HR outsourcing vendor, you should think of the vendor's solutions as your off-site support staff, not a company that's taking part ownership of your team. Excellent staff knows you are always in charge of your own Human Resources. The team keeps all the paperwork straight and makes sure HR administration is being run smoothly and efficiently, but we always report everything to you as your team's manager. For example, we are not in the business of hiring or firing any of your employees or making or approving any decisions as far as how you run your business. That's your call. The Corban OneSource team is just on hand to support you.

How employee control works when you outsource HR.

In fact, outsourcing your HR can in many ways give you more control. Without having to deal with the day-to-day Human Resources issues, you and your team can focus on what really matters, getting the job done. Your staff won't be constantly coming to you with questions about payroll, benefits and the like because Corban OneSource will be handling all of it. Similarly, you'll never again have to worry about being visited in the middle of the day by your local HR person who's feeling overwhelmed because of all the requests or complaints he or she is getting from staff.

If you're looking for someone to help you manage your staff, you can hire a manager. That's not what HR outsourcing is all about. It's simply about providing you and your team an additional level of support, reducing the paperwork and bureaucracy you have to deal with and helping you trim the fat and grow your bottom line. Giving up a part of your job is something you'll naturally want to think hard about. Managing your employees is your responsibility. But HR outsourcing isn't giving up a part of your job, it's simply delegating to experts who can help you make your organization the best it can be, and that's just good business.

How much money can I save when I outsource HR?

While there are many advantages to working with Corban OneSource solutions for all of your HR outsourcing needs, one of the big ones, naturally, is money. You may be wondering — can HR outsourcing save me money? And if so, just how much money can HR outsourcing save me?

This may be an especially important question if you are already working with a PEO, or Professional Employment Organization. Is saving money with HR outsourcing really better than working with a PEO? The answer is yes. HR outsourcing can save you money over PEOs and can save you money over internal HR staff as well. What makes HR outsourcing so appealing is that it brings added value to your business while saving you money.

Our research, based on our roughly two decades of working with clients in a wide range of industries, is that companies in both situations can save significantly when switching their HR responsibilities over to an outsourcing company. For example, companies that were already engaging the services of a nationally recognized PEO and exited that relationship to work with Corban OneSource **saw a 28 percent to 45 percent savings over what those PEOs charged** — but we know each situation is different and the savings will vary in addition to the added benefits of working with an organization solely focused on HR outsourcing and its attendant challenges.

Companies that did not have an existing PEO relationship but handled their HR internally and moved to Corban OneSource solutions saw a 24 percent to 32 percent savings over what it would cost them to pay employees of a comparable skill and technology level in house.

What are other ways I can save money?

While not having to pay an internal HR staff or PEO can translate into considerable savings, there are other ways of saving money with HR outsourcing. For example, errors in payroll administration can be very costly. The downside of overpaying employees is clear, but even underpaying employees and dealing with the attendant bureaucratic nightmares that arise when these employees come looking for an explanation could end up being costly.

Overpaying or underpaying payroll taxes could create similar financial issues. Similarly, your company could lose money when failing to administer benefits properly. With an experienced HR outsourcing company like Corban OneSource, you don't have to worry about these kinds of leaks that could cause money to just disappear from your bottom line.

Does outsourcing take over all HR functions?

While the idea of having Corban OneSource solutions taking over the time-consuming paperwork and sometimes complex challenges of your company's human resource functions may be appealing, it's understandable if you have some trepidation about jumping in with both feet. You may not be ready to turn over all of the company's HR functions, especially before you've seen us in action and know how we can benefit you in terms of efficiency and positive changes to your bottom line.

Some of that trepidation might be coming from you asking the following questions to yourself:

- Does outsourcing take over all functions of HR within the Corban OneSource system, or can I pick and choose what HR functions to outsource?
- Do I have to outsource all HR functions with Corban OneSource, or can I outsource just one HR function?

The answer is this: **You do not have to outsource all of your HR functions when you sign on with with an outsourcing solution.** We recognize that not all outsourcing options make sense for all organizations, and some organizations might want to start small and grow with Corban OneSource.

That's why we offer four different modules for outsourcing. This can be especially useful if you have an existing HR department you are trying to supplement as you grow or even if you are downsizing due to market conditions. You can implement a little at a time, adding Corban OneSource services as needed. You can choose one module, two, three or all four, depending upon your company's specific needs. The four modules are:

HRIS

HRIS is the HR Technology Platform. It starts with an HRIS analysis to determine which technology system is right for your organization. Once Corban OneSource determines the right technology platform for your particular business, you'll get a scalable, secure management system that will help you post to job boards quickly, filter job applicants efficiently and get new employees in the system faster, among other benefits.

Payroll Processing and Administration

Managing payroll can be a huge hassle. Employees join and leave the company all the time. Different employees have different wage scales, hours and vacation time. This module streamlines the whole process and allows Corban OneSource to manage it efficiently and correctly, without taking up your company's valuable time.

HR Administration

You could have an employee or even a department on site dedicated to managing your human resources, but with this module, you don't have to. We can handle all aspects of HR administration with this module, giving you one less thing to worry about.

Benefits Administration

Naturally, your employees are entitled to benefits, but figuring out who gets what benefits when and how isn't what your company primarily does. Fortunately, it is a big part of what Corban OneSource does, and this module allows you to conduct business with the peace of mind of knowing your employees are getting exactly the benefits they're entitled to.



What happens to my staff when I outsource HR?

More and more organizations are turning to HR outsourcing to streamline their businesses. Considering HR outsourcing may cause many to wonder, however, how does HR outsourcing affect my existing staff? After all, one of the ways that HR outsourcing saves you money is by obviating the need for internal HR staff. So the question you are asking yourself is, what happens to my existing staff when I outsource HR?

We support, you decide.

As with all decisions regarding your company, **what happens with your existing staff is up to you.** Corban OneSource solutions is an HR outsourcing company designed to serve as an additional support staff for you and your business. Corban OneSource may make recommendations as far as your HR personnel, but the ultimate decision will lie with you. And you will have a decision to make, because depending upon how much of Corban OneSource's HR administration services you decide to avail yourself of, you may find you have very little need for your current HR employees in their current positions. This leaves you with a few options:

Reallocate your internal staff.

One of the benefits of HR outsourcing is it frees you up to concentrate on tasks more focused on your actual business. This can be true for your staff as well. Presumably you hired your HR staff because you saw qualities in them that you look for employees. Perhaps you can fill existing vacancies with these qualified personnel.

Retrain your HR staff.

If your current HR personnel don't fit any other positions in your organization right now, maybe you can train them to do so. They've been with the company a while and probably don't want to move on right away, so you may find some willing trainees ready to put their abilities to work in the service of the company in other, more direct ways than HR.



At Corban OneSource, we are proud to offer comprehensive HR solutions to clients in a wide variety of industries across America.

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