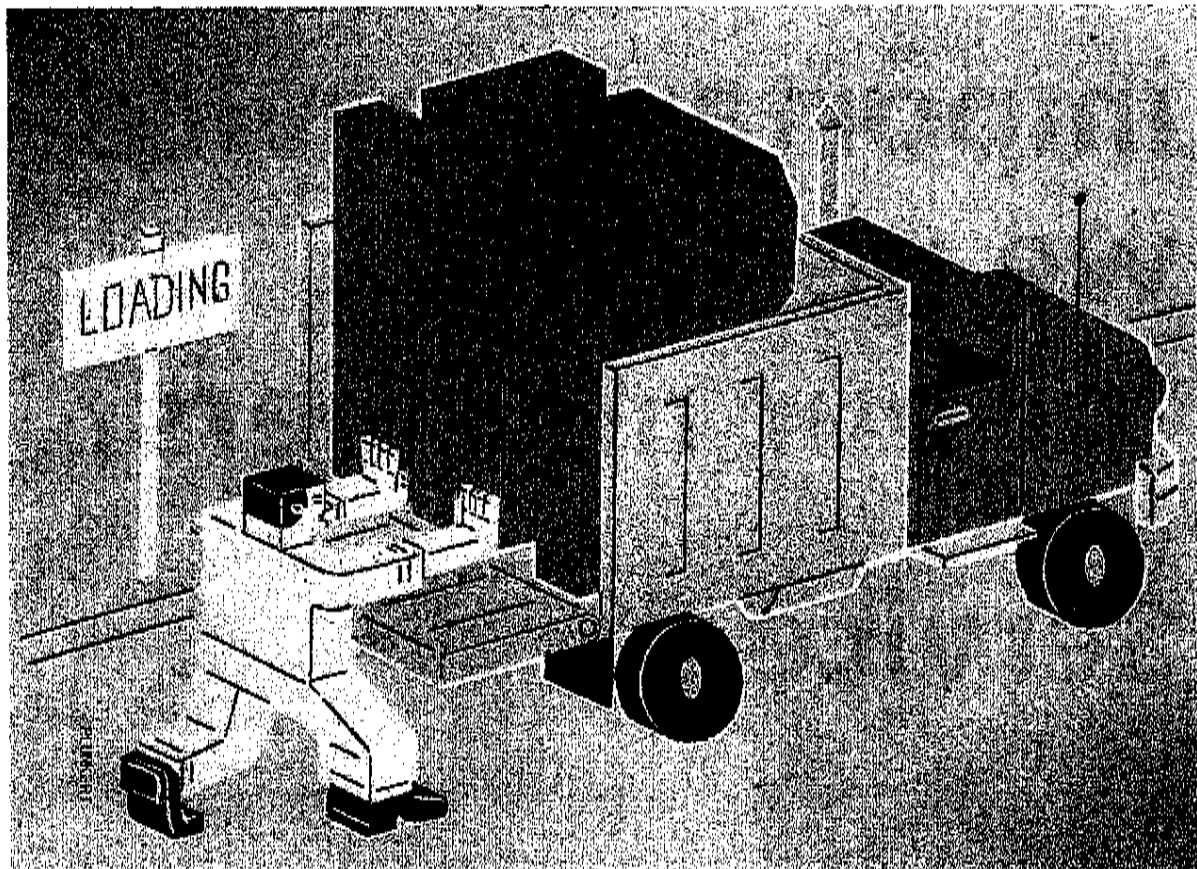


Managing | BUSINESS SERVICES


MAY I HANDLE THAT FOR YOU? COMPANIES THAT WILL TAKE PAYROLL—AND THE REST OF THE HR DEPARTMENT—OFF YOUR PLATE

HAVE YOU OUTSOURCED your human resources department? If not, you're part of a steadily shrinking minority. According to Culpepper Compensation & Benefits Surveys, 53 percent of all companies outsource some portion of their HR tasks. The market is dominated by global giants such as Accenture, ADP, Hewitt, and IBM, which serve mainly companies with thousands of employees. But there are plenty of niche players that might be better suited to your needs. Some of these companies concentrate on payroll and benefits; others will conduct drug screenings, write employee handbooks, take care of recruiting, or even build your HR department from scratch. Here are five options.

When you want to pick and choose

THE COMPANY: Ceridian
CUSTOMERS: Companies of any size; Ceridian's small-business unit focuses on companies with one to 300 employees.

WHY WE LIKE IT: Need just payroll? Fine. Only background checks? No problem. Ceridian provides a full range of services, from writing attendance policies to conducting drug screenings, but it allows you to select which services

you want. That could be ideal if you have contracts with other vendors or if there are certain things you would prefer to keep in-house. And all Ceridian clients are given a personal customer service representative who can field questions.

DRAWBACKS: Large companies are Ceridian's bread and butter, so they get more perks—for example, they have access to classroom training, which isn't available for small-business customers. And Ceridian is best

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for companies that need only a few services. If you want to outsource your entire HR department, you may get a better deal from another provider.

COST: Ceridian sells its services à la carte. For its small-business payroll services, the average price is \$1.60 per employee, per check. The company charges about \$2.30 per worker, per month, to manage health and retirement benefits; you will pay more if you want add-ons like flexible spending accounts.

When you want to offer more health care options

THE COMPANY: Administaff
CUSTOMERS: Companies with 10 to 2,000 employees; most clients have fewer than 150 employees
WHY WE LIKE IT: Administaff and a customer enter a co-employment relationship, in which the customer and Administaff are both the legal employers of the customer's workers. Because Administaff has more than 100,000 employees nationwide, its customers have access to the same health care plans—and the same deals—as those at much larger companies. “Because our employees are their employees, we get a much better deal on top plans with top insurers,” says Denis DeLuca, president of Biotics Research, a 125-employee maker of nutritional supplements in Rosenberg, Texas.

DRAWBACK: For most customers, Administaff takes over everything, including recruiting and training, as well as administrative tasks like payroll. If you don't want to outsource all your

HR functions, Administaff might not be the right choice for you.

COST: 2 percent to 4 percent of payroll, depending on the benefits offered.

When you want to move beyond the annual review

THE COMPANY: Taleo

CUSTOMERS: Companies of any size

WHY WE LIKE IT: It takes some of the pain out of performance reviews. With Taleo Performance, managers can solicit comments from their subordinates' colleagues, clients, supervisors, and underlings—all through Microsoft Outlook. That's a boon if you want to set up a system that allows your managers to give regular feedback. Need help with recruiting and bringing new hires onboard? A separate product, Taleo Business Edition, automates the recruiting process for companies with 50 to 2,500 employees. Taleo will take care of job postings, placing them on job boards and social networking sites. If your website has a Careers section, résumés submitted there can be automatically imported to Taleo's online system, where everyone involved in the hiring process can track every applicant. Once you hire someone, the system shoots e-mails to all the relevant departments at your company (such as HR and IT) to tell them to get paperwork ready for a new hire.

DRAWBACKS: Unlike many HR outsourcing, Taleo will not manage your day-to-day HR functions, such as payroll and benefits, and it won't track vacation time.

“Because our employees are their employees, we get a much better deal on top plans with top insurers.”

Denis DeLuca, Biotics Research

COST: Taleo Performance is a new product, and pricing is still being established. Taleo Business Edition starts at \$99 per month for each manager who uses it.

When you're starting from scratch

THE COMPANY:

KnowledgeBank

CUSTOMERS: Small companies, usually with fewer than 100 employees

WHY WE LIKE IT: KnowledgeBank, an Inc. 500 company, will build your human resources department from the ground up. The company places an experienced HR manager in your office to help develop hiring strategies, choose a health care provider, and design compensation programs.

DRAWBACK: KnowledgeBank focuses solely on HR management—it doesn't offer a full suite of services such as payroll or benefits.

COST: The in-house HR manager costs, on average, \$3,000 per month.

When you want a paperless office

THE COMPANY:

CheckPoint HR

CUSTOMERS: Companies with 50 to 5,000 employees

WHY WE LIKE IT: You can put your whole human resources department online. When new employees are hired, they fill out all tax and employment infor-

mation online. Then they can change their personal information and request time off through CheckPoint HR's Web portal. Putting all your records online isn't just convenient—it can be cheaper, too. “Having paperless records has really saved us money,” says Keith Andreotta, human resources manager for the 135-employee U.S. unit of Japanese eyewear manufacturer Charmant. Andreotta says he no longer has to pay for file storage or to ship records from place to place.

DRAWBACK: CheckPoint HR manages payroll and benefits and keeps track of your employees' vacation time. But it's not a full-service human resources firm. You will still need an HR department to conduct performance reviews and handle employee complaints.

COST: Most customers pay \$50 to \$75 per employee, per year, which covers payroll, background checks, and other HR services. Benefits management is priced separately. —Taylor Mallory

com

What kind of HR outsourcing is right for you? For advice on how to choose a company to take over your HR department, listen to a podcast with *Inc.* associate editor Hannah Clark Steiman at www.inc.com/ keyword/mar08.