

A WOMAN ON THE FRONTIER OF A NEW INDUSTRY

SETTING STANDARDS FOR GOOD BUSINESS & ESTABLISHING THE HR VALUE PROPOSITION

BY FRAN MORRISSEY

I first learned of employee leasing from an article I read in 1983. I knew almost immediately that it could be a fascinating business and companion to the accounting firm that my husband, John, had been operating since 1972. We founded Staff Management, Inc. later that year.

We were more formally introduced to this industry in 1986 when John and I attended the second meeting of the National Staff Leasing Association (NSLA, now NAPEO), hoping to learn

more about how to sell our services, expand our offerings, and grow our business. There we found a small number of companies, each doing the same things we were, asking the same questions, and overcoming the same challenges.

One of those early challenges was a change in pension laws that could meaningfully affect our businesses. We all believed in and recognized the value of the services we were providing, so we put our heads together to see how we could still thrive in a new environment. Still

well before rebranding as professional employers, and ahead of the significant growth of a brand-new industry, we simply recognized that we could (and must) help one another in order to more firmly establish our businesses and make a difference for our clients.



I believed then, and now, in the importance of human resource management as a core part of PEO services.

NURTURING A NEW INDUSTRY

We also believed early on that we must protect this new industry, setting standards for good business. Knowing that I wanted to be involved in the association, NSLA President Kent Ahlswede asked me to chair the Standards Committee. John and I and a few others worked through and drafted the initial Standards of the Industry. It was fun, but also critically important to ensure our industry was recognized as the important service it was.

It was also important that regulators recognized us as ethical and professional business leaders. We made several presentations to different government organizations those first few years. We spoke with representatives from Congress, the Department of Labor, the IRS, and more. We frequently met with resistance, or at least a lack of understanding, but we forged ahead, knowing that legislative clarity was critical to our businesses. Years later, when the Institute for the Accreditation of Professional Employer Organizations (IAPEO) was established, I was named

secretary of that organization, continuing my involvement in establishing and monitoring the core financial and ethical standards of our industry. IAPEO was later renamed the Employer Services Assurance Corporation (ESAC).

During those early years, I was running Staff Management, Inc. while John ran the accounting firm. It was immensely helpful that we were involved in each other's businesses, planning, and discussing along the way, but those early years had additional challenges for a woman in business. While I had been actively working in our accounting firm for many years, I had not before been tasked with driving the business strategy and making the key decisions. While I found it enjoyable, it was also clear that, particularly as a woman in business, I needed to gain confidence and acceptance. I had not previously traveled alone, nor registered to stay alone in a hotel overnight. These were all new experiences for me and not always the most comfortable! As with any other challenge, I continued to put one foot in front of the other, received great encouragement, and grew in both confidence and capability.

ASSOCIATION INVOLVEMENT

While tending to our own businesses, I also remained very involved in the association, serving on the board of directors and several committees. We all wore several hats at that time. When I was asked by fellow members to accept the position as president in 1995, I readily agreed!

Through the 1990s, while the industry had taken shape, it was clear that we needed to continue to educate our members and their staffs. I viewed this very much as a continuation of the work to establish industry standards. For our industry to eventually gain acceptance in legislation, it was important that we worked to sing from the same song sheet.

HR AS THE FOUNDATION OF THE PEO VALUE PROPOSITION

The findings released in NAPEO's 2019 white paper, "The ROI of Using a PEO," not only showed that the return on investment (for cost-savings alone) of using a PEO is 27.2 percent, but also noted additional sources of value PEOs deliver to their clients:

- There is notably lower employee turnover (both voluntary and involuntary) among PEO clients;
- There are higher rates of both employee growth and business revenue growth among PEO clients;
- Fewer PEO clients expressed moderate or major concern about hiring, retaining, and motivating employees; and
- New PEO clients often add a variety of new benefits for their employees, with life insurance, retirement plans, and health benefits the categories most frequently added by new PEO clients.



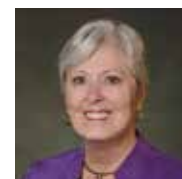
Industry education was key, and so was born PEO University and the call-for-papers that helped to define its early years. This was also a way to welcome newcomers to the industry who were looking for the basics and encouragement.

I believed then, and now, in the importance of human resource management as a core part of PEO services. Some saw our industry as a means for insurance and pension solutions. We saw, however, in the experiences of our accounting firm clients, the business improvements that could come from capable HR management services. Especially with the significant increase we have seen in the regulation of employers, HR management services rounds out nicely the suite of compliance and benefit offerings and helped to fulfill, for us, one of the key reasons we were drawn to the PEO business.

Staff Management, Inc. was among the first 25 PEOs in existence and likely the first in the Midwest. We were pleased to join the efforts to design the landscape and standards influencing the evolution

of this tremendous industry. We still pinch ourselves when we realize what pioneers we all were and how the industry has grown. In 1986, it was but a distant dream that we would be recognized in legislation as we are now!

This year we celebrate 50 years of business in our John Morrissey Accounting firm and 38 years in our PEO business, Staff Management, Inc. As John and I spend more time in Florida, we have passed the management of our businesses to our son John J. Morrissey, CEO of Staff Management, Inc. and our daughter Mary Beth Clausen, VP of client relations. We are blessed and proud to be a family business and a PEO. We are thrilled with, and grateful for, the experiences and tremendous relationships with so many friends, clients, and staff. ■



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