

# PEO Network Articles Archive 2001

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## 2<sup>nd</sup> Tier Tool Box – What works and what doesn't.....

“WIIFM – What’s in it for me?” “An undisturbed prospect doesn’t buy.” “ People buy for their reasons, not yours.”

As seasoned sales professionals, we have had these adages pounded into our heads. Savvy PEOs are figuring this out as well. One leading PEO offers 23 tier two perks and 12 of those are solely for the benefit of the business owner. Even the remaining 11 perks geared toward the worksite employee, would most likely be utilized by the highly compensated decision makers.

The battle cry of the 90’s was “filling the funnel” with voluntary benefits, auto & homeowners insurance and buying clubs. Participation was dismal and these programs fell by the wayside. There are three reasons why this didn’t work. The initial mistake was that of the vendor supplying the product or service to the worksite employee. They were jubilant about the 5,000 employee sale and didn’t understand that what they really had was a consolidated billing for 420 small accounts. The next error was that of the PEO who didn’t realize how difficult it is to educate the existing worksite employees. And the final mistake was not including the program into the orientation process. The best participation in tier two benefits geared toward the WSE is the initial orientation and open enrollment. However, the operations staff feels that enough is on the agenda with tier one obligations.

Back to the PEO with 5,000 worksite employees and 420 clients. The 00’s have brought the OBC, online business center to the PEO client as a tier two benefit. It makes sense that the 420 business owners are more educated, have more money and are more techno-savvy than the other 4,580-worksite employees. The key is to provide quality vendors and great pricing on products and services they are already using.

Think about it, should a PEO be spending time educating a \$10 per hour worker on the benefits of a \$120 Critical Care Policy? Or should the PEO spend that time converting the clients \$10,000 shipping budget to their strategic alliance partner. Not to discredit the value of voluntary benefits, they are a great tier two perk. Just find a Voluntary Benefits provider that will handle the education and enrollment so that your internal staff and management can focus on more profitable items.

Not sure which products or services to offer? ASK YOUR CLIENTS! A simple multiple choice survey will point you in the right direction. The results of this survey will also assist in negotiating with the strategic alliance partner. You may discover that 300 of your 420 clients are interested in a discounted credit card merchant account. As a PEO, you don’t take credit cards for payment, so you may be in the dark about the recent increases in credit card processing fee’s.

Remember, you have to deliver the participation to your strategic alliance partner to continue offering the discounts.