

Survey Report

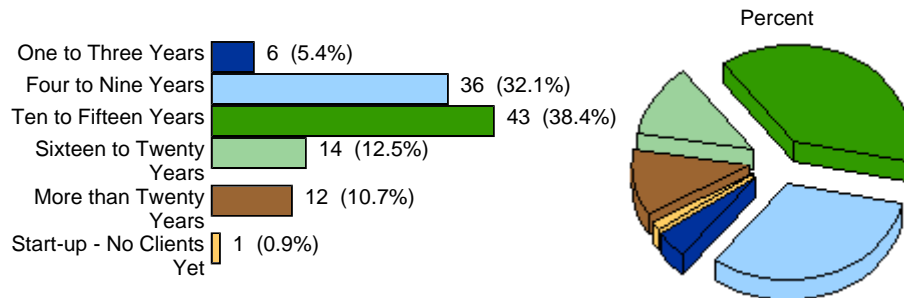
2006 PEO Critical Issue Survey

Date: Jul 11, 2006

Report Range: Responses up to and including Jul 11, 2006

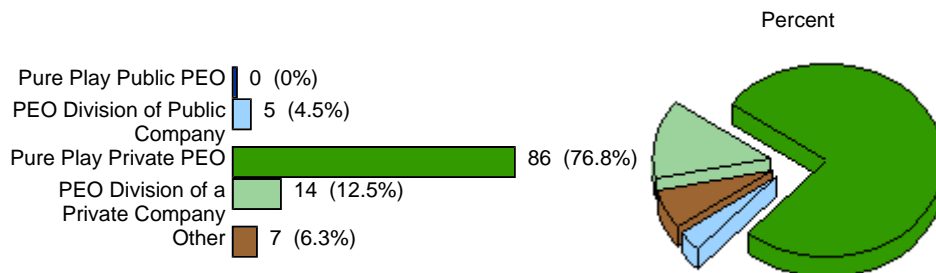
How long has your PEO/HRO/ASO been in business?

COUNT: 112 of 112 (100.0%)



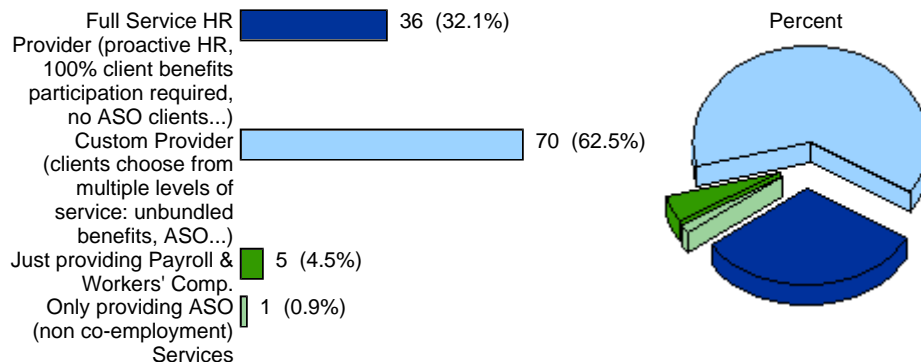
Which of the following best describes your PEO?

COUNT: 112 of 112 (100.0%)



Which answer best describes your Services Delivered?

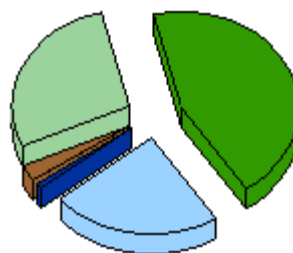
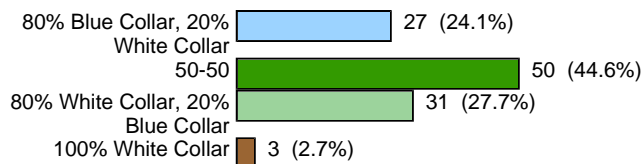
COUNT: 112 of 112 (100.0%)



Of the answers below, which BEST DESCRIBES your Client Mix?

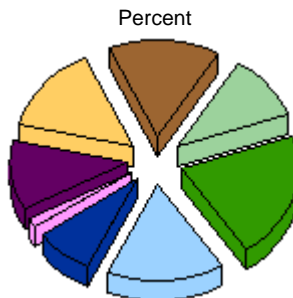
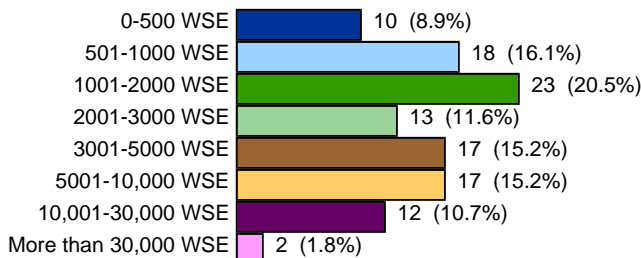
COUNT: 112 of 112 (100.0%)





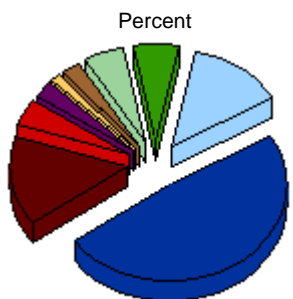
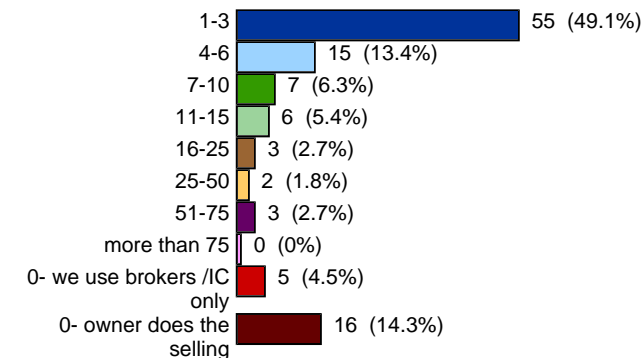
Ballpark, what size is your PEO?

COUNT: 112 of 112 (100.0%)



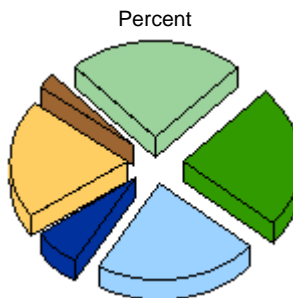
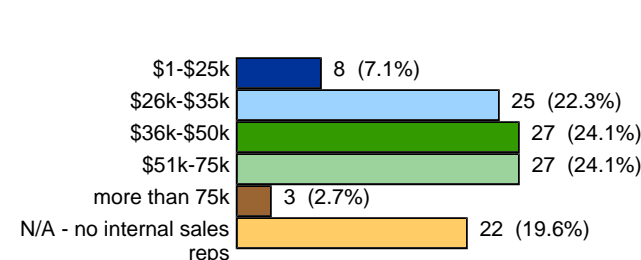
How many full-time internal (W-2) sales representatives do you currently have? (excluding owners)

COUNT: 112 of 112 (100.0%)



What is the average base pay of your sales reps? (excluding sales management)

COUNT: 112 of 112 (100.0%)



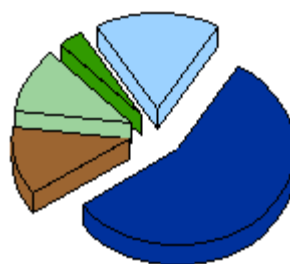
How do you calculate commission?

COUNT: 112 of 112 (100.0%)



Percent

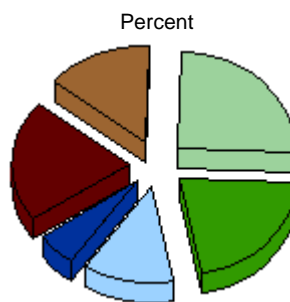
Gross Profit	19 (17%)
% of Controllable Revenue	4 (3.6%)
% of Gross Payroll	13 (11.6%)
Other	12 (10.7%)



If you answered "Administrative Fee", what is the 1st year percentage?

COUNT: 80 of 112 (71.4%)

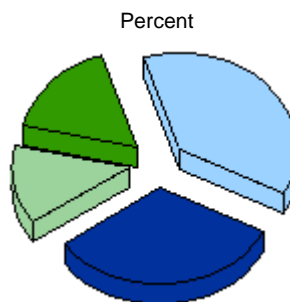
1-5%	5 (6.3%)
6-10%	10 (12.5%)
11-15%	17 (21.3%)
16-20%	20 (25%)
21-25%	12 (15%)
26-30%	0 (0%)
31-40%	0 (0%)
41-50%	0 (0%)
More than 50%	0 (0%)
N/A	16 (20%)



Is this commission on-going?

COUNT: 103 of 112 (92.0%)

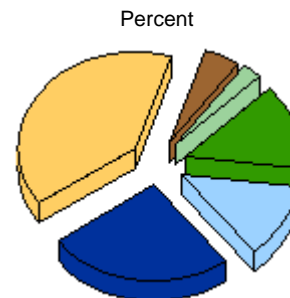
Yes	35 (34%)
Yes- but the % drops after the 1st year	38 (36.9%)
No - 1st year commission only	17 (16.5%)
N/A	13 (12.6%)



If you pay commission by Gross Profit or Controllable Revenue, which of the factors below are used in your calculation? Check all that apply

COUNT: 84 of 112 (75.0%)

Administrative Fee	33 (26.2%)
Unemployment Margin	16 (12.7%)
Workers' Comp Margin	18 (14.3%)
Health Insurance	4 (3.2%)
Other	6 (4.8%)
N/A	49 (38.9%)

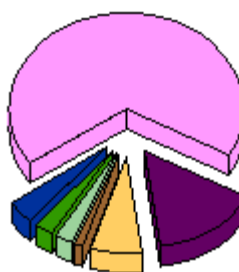
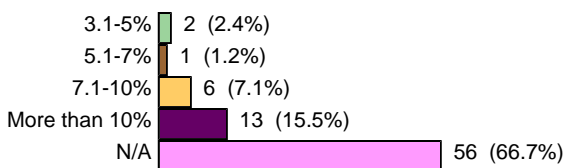


If you pay commission by Gross Profit or Controllable Revenue, what is your typical commission?

COUNT: 84 of 112 (75.0%)

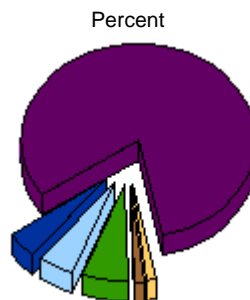
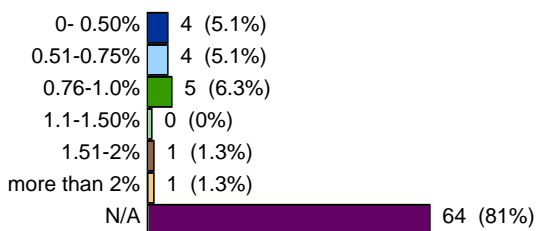
0.50-1.0%	4 (4.8%)
1.1-2.0%	0 (0%)
2.0-3.0%	2 (2.4%)

Percent



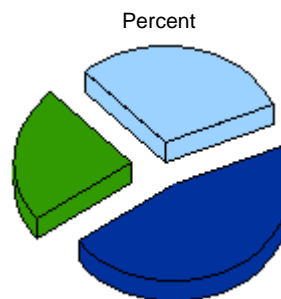
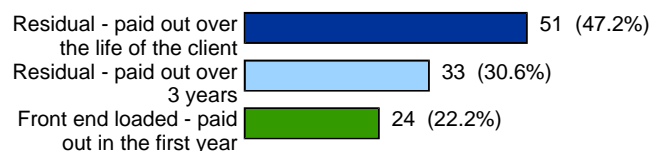
If you pay commission as a percentage of payroll, what is the average %?

COUNT: 79 of 112 (70.5%)



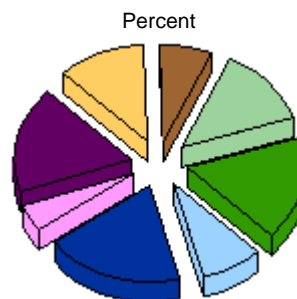
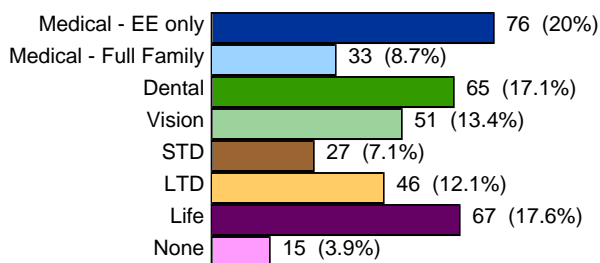
Do you think sales commission should be residual or front loaded?

COUNT: 108 of 112 (96.4%)



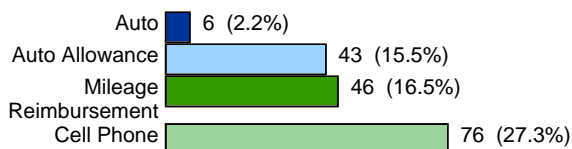
Which core benefits do you provide sales representatives? Check all that apply.

COUNT: 109 of 112 (97.3%)

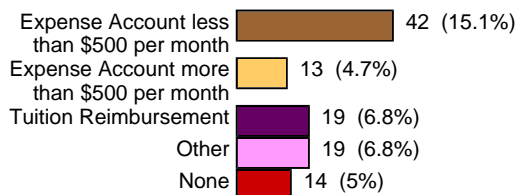


Which additional benefits do you provide sales representatives? Check all that apply.

COUNT: 109 of 112 (97.3%)

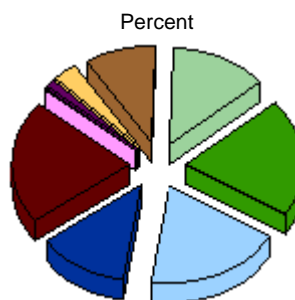
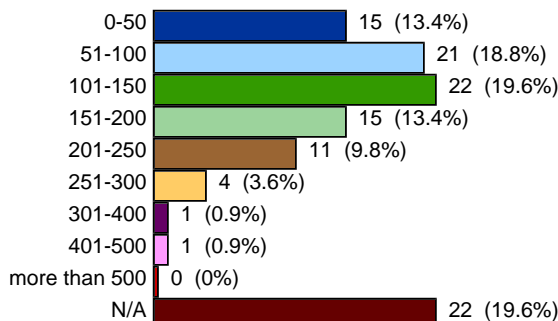


Percent



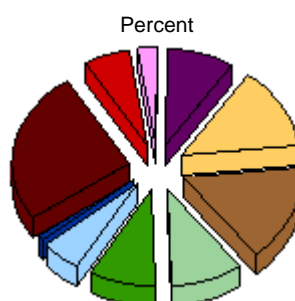
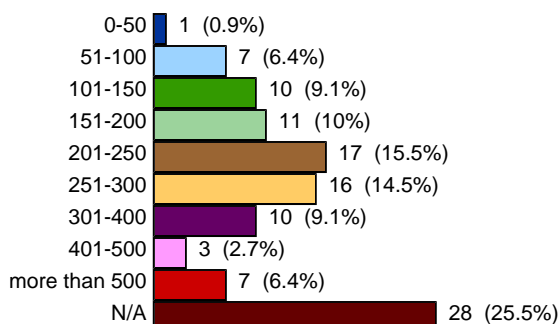
How many new lives does a typical 1st year sales representative add?

COUNT: 112 of 112 (100.0%)



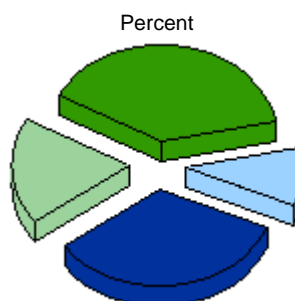
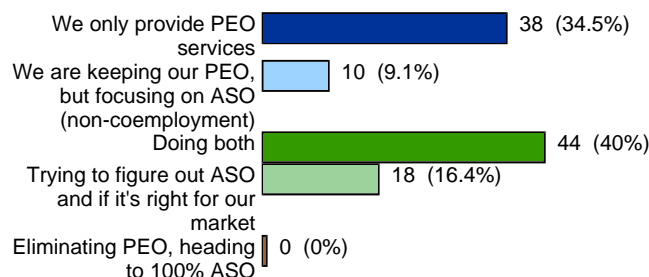
How many new lives does a typical 3rd year sales representative add?

COUNT: 110 of 112 (98.2%)



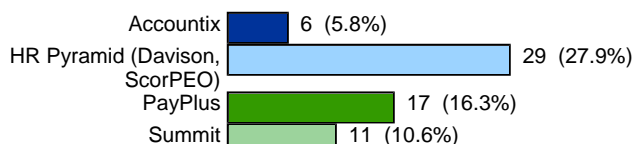
What is your stance on ASO/BPO?

COUNT: 110 of 112 (98.2%)

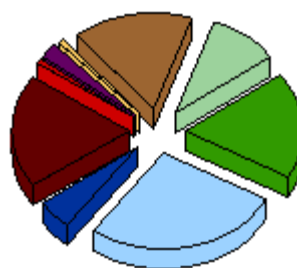
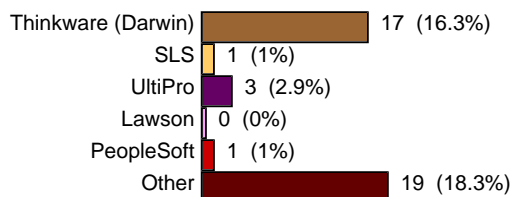


Which payroll software do you use?

COUNT: 104 of 112 (92.9%)

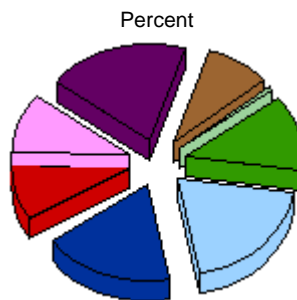
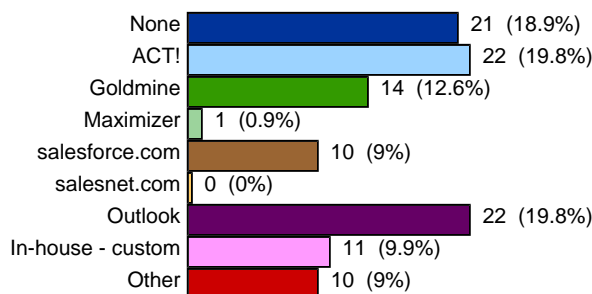


Percent



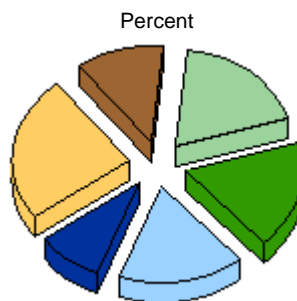
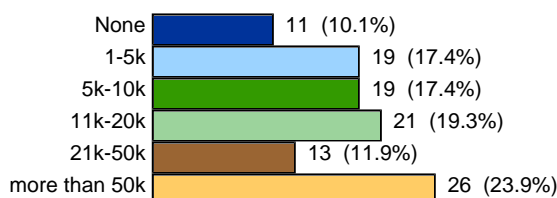
Which contact management software does your company use?

COUNT: 111 of 112 (99.1%)



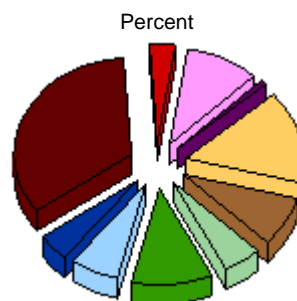
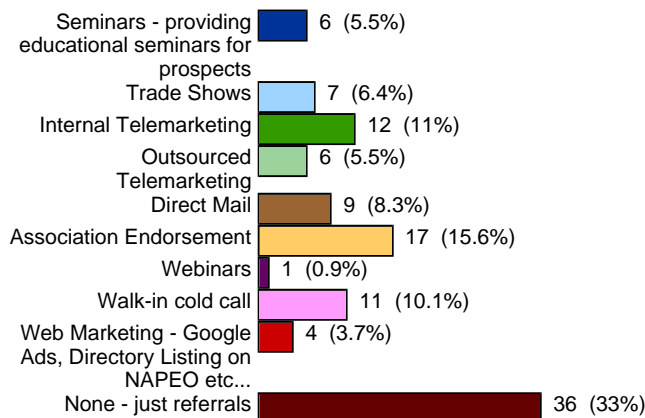
What is your current annual budget for marketing & lead generation?

COUNT: 109 of 112 (97.3%)



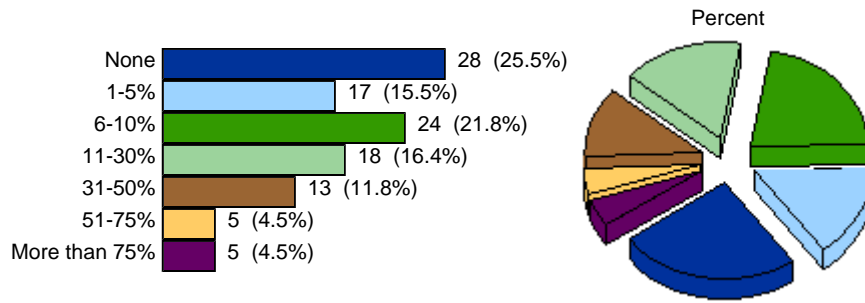
Looking back, what has been the most successful source of generating clients, other than the obvious - referrals?

COUNT: 109 of 112 (97.3%)



What % of your sales in 2005 were generated via sources outside of internal sales staff? (Brokers, Independent Contractors, Insurance Agencies...)

COUNT: 110 of 112 (98.2%)



Check the option below that BEST DESCRIBES your role in PEO.

COUNT: 112 of 112 (100.0%)

