

When Considering Handling a PEO Sale, I Look For...

While there are hundreds of puzzle pieces that must fit together for a successful PEO sale, these are the three components I feel are most important:

- The integrity, values, morals, beliefs, and ethics of the shareholders, senior management, and employees of the PEO. This is by far the best predictor of success in my ability, and choice, to represent a selling PEO. As my mother always said, “Birds of a feather flock together.” If the PEO leaders have high, solid values, morals, and integrity, so will the PEO business operation.
- The integrity of the financials. Anyone can produce a PEO company P&L, and most PEO owners use those internal reports to manage the day-to-day operations. However, every PEO should also have a third-party audit completed by a firm that understands our business. Believe it or not, many regional CPA firms are not familiar with the “ins and outs” of PEOs. Become an Employer Services Assurance Corporation (ESAC) accredited PEO or use NAPEO-established financial guidelines.
- Prudent and honest management of risk coupled with value-added high quality service. Taking on the management of

human resources for a small business is a serious commitment. The PEO takes significant responsibility for the risk inherent in these functions. Prudent management of employment issues, workers’ compensation, and other lines of insurance is one of the most important factors in the ability to sell a PEO. Additionally, the provision of high quality customer service, rather than simple administration of HR functions, will keep clients and help maintain consistent profitability. ●

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