

TIME IS MONEY:

Local company leads the way in assisting other businesses, relieving burdens

BY JACK CRISS
Publisher

Long known as one of the Metro area's most outstanding companies, People Lease, based in Ridgeland, has helped free countless business owners and managers from the never-ending back-office resources and compliance issues associated with employee administration. By bringing back-office services such as payroll preparation, tax filing, workers' compensation, health insurance and retirement plan administration to People Lease, businesses – both large and small – can begin reallocating valuable time and manpower, while more effectively managing cash flow and improving employee job satisfaction. In today's fierce and ever-tightening economy, the advantages of the time-saving services People Lease provides should be obvious. Additionally, keeping up with the many regulatory challenges coming down the pike on a seemingly daily basis is also a major part of what People Lease does for its customers.

People Lease was started in 1984, introducing the employee administration industry to Mississippi. By 1988, Jackson metro area businessman Larry Lewis literally changed the rules for success at businesses everywhere by lifting the weight of employee administration off the shoulders of businesses. Over the past two decades, People Lease has established itself as one of the leading back-office services providers in the nation. By redirecting and consolidating payroll and benefits administration, regulatory compliance, and human resource responsibilities, People Lease has helped business owners, managers and employees remain focused on the profitable aspects of their business.

People Lease is also proud to have been one of the founding members of the National Staff Leasing Association, meeting their strict audit requirements and satisfying their unwavering standards of quality. The company also holds

memberships in local and regional professional employer associations, the American Payroll Association, the Independent Payroll Providers Association, Society of Human Resource Managers, and various Chambers of Commerce as well as the Better Business Bureau. By introducing back-office administration to the state, People Lease has continually and consistently provided market leadership – and the company has extended that leadership and those services to their many customers.

One of those customers is Kyle Smith, owner of Reservoir Stationers in Ridgeland.

"Reservoir Stationers has enjoyed steady growth over the years, and one of the secrets to our success is letting go of employee administration chores," Smith says, in a testimonial on People Lease's website. "I'm more efficient, it's a much better use of my time if I'm out selling, calling on customers – in general, being able to run my business – instead of trying to figure out how many hours a given employee worked this week, or any of dozens and dozens of other employee details. I can't imagine how any company – even one with just a few employees – can keep up with all the laws and changes and deductions, what taxes get paid when, what needs to be withheld at what level. I don't see why any business owner or administrator would accept that responsibility, when People Lease is here to do it for them...I've recommended People Lease in the past, and I continue to do so," Smith says.

Greater Jackson Business recently sat down with Ken Lewis, Director of Operations for People Lease, a Navy veteran who has been with the company since 1995.

GJB: So what exactly do you mean telling other businesses to mind their own business?

LEWIS: Business owners had a vision of a service or product that they wanted to make a

run at. They devoted a lot of time and energy and, in most cases, money getting their companies up and running. The last thing they needed then or now was the distraction of employee administration. Particularly now in these trying times. We all need to be focused on running and growing our businesses not dealing with payroll administration, employee benefits, human resources and everything else that comes with having employees. People Lease will do all that for business so that they can mind their own business.

GJB: So only big, major corporations need the kinds of services People Lease provides, correct? Smaller businesses can usually handle their own payroll, compliance and other issues.

LEWIS: That's incorrect. In fact, businesses of all sizes can certainly benefit from some level of our services. Obviously larger employers would have different needs than smaller employers. That is why we have designed a system that we tailor to meet each individual customer's unique needs.

GJB: Well, couldn't a small business just let their CPA handle those same items, Ken?

LEWIS: Sure they can get a CPA to do payroll and tax administration. We actually partner with CPA firms to provide these services to their customers. That's only a part of what we provide our customers. They are not educated in compliance issues, employment matters, human resources, and don't offer employer and employee benefits to their customers. A good combination is our services, along with a CPA, to keep business owners bases covered at all times. The employment environment is changing almost daily. Basically everything that is going on in Washington directly impacts employers and payroll processing. Many of the changes they're making, or proposing to



Ken Lewis

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SPOTLIGHT ON BUSINESS

PEOPLE LEASE: In the business of helping business



Larry Lewis got into the employee leasing business after learning a lesson at the hands of the IRS.

"An IRS representative showed up at my real estate office saying my bookkeeper had made an \$800 mistake paying my employee taxes. I said 'No problem, I'll write you a check right now.' But, with interest and penalties, the amount was now \$3,200," says Lewis. He smiles and adds: "And they wouldn't take a check."

That was 1984. A few days later he saw an article about employee leasing and how small businesses were being swamped with paperwork and government regulations. Lewis had experienced the pain of non-compliance and the headache of administrative paperwork first-hand. If he could use some help, surely others needed it, too.

People Lease was born with a simple mission: to free businesses to do their work by handling administrative duties such as payroll, insurance plans, workers' compensation, retirement plans and more. The first step was for a company to "fire" all its employees then lease them back from People Lease. The

one person - its advertising consultant. Today, People Lease is the largest employee leasing company in Mississippi, with the annual sales over \$40 million. Its 14-person staff handles the paperwork on 2,500 employees at more than 300 companies, a client list with names like The Courthouse, Mississippi Sportswear, First Hospitality Management Corporation, the State Department of Health and others. People Lease designs a custom administrative plan for each, depending on the client's goals.

Lewis believes two factors have contributed to the growing success of employee leasing, an industry with more than 2,300 professional employer organizations nationwide.

First is the glut of government regulations for small business. There are 120,000 pages of regulations for small business that are revised at least once a year. Failing to comply with any of those regulations can close down a small business, whether it knew about the regulation or not.

The People Lease staff, all certified, make sure each client is in compliance with the government. In fact, it is one of the few companies that guarantees it will pay the company's penalty if a mistake in compliance is made. "We simply don't allow mistakes to be passed along to our clients," says Lewis.

The other factor that makes employee leasing attractive is the cost savings a company can gain. The actual cost of handling administrative paperwork is reduced. Plus, because it can buy insurance for a larger base of people than small companies, People Lease passes along savings. For example, says Lewis, companies can save 25 percent on Workers' Compensation and can reduce major medical coverage in many cases to \$70 a month per employee.

People Lease, like most employee leasing companies, charges a fee of three to five percent of the client's payroll. With the savings in insurance and other benefits, plus reduced administrative costs and increased productivity, People Lease's customers come out ahead. "And that's exactly where we want them," says Lewis. ■

Larry Lewis, People Lease
employees would stay in place and the company would retain the daily hands-on management, but People Lease would take over the paperwork details of making sure the workers were paid and adequately insured.

"It seemed unusual at the time, but it works," says Lewis, one of the original founders of what is now named National Association of Professional Employer Organizations (NAPEO).
People Lease's first customer was

themselves. Having employees is not what they got in business to do. It is exactly what we got in business to do.

GJB: Can you help any company? Can all companies benefit from your services?

LEWIS: In most all cases, absolutely. Because of the broad array of services and products in most all cases we can help with whatever issue a business might be having. Keep in mind, though, that there doesn't necessarily need to be a current problem going on. Our system is designed to free up owners or key staff members' time to work on more productive duties. This in turn leads to increased profits.

GJB: Does People Lease primarily work with local customers or have you expanded outward?

deal with payroll taxes. Like health care reform, for example, and COBRA changes. And these changes are done rapidly and usually retroactive which makes it extremely difficult for any business owner to keep up with them. He or she might read about it in the paper but do they then know how it will effect – and it will – their business? We are aware of these changes and study them; we stay on top of them every day.

GJB: How do you stay on top of these changes if they're coming that rapidly?

LEWIS: This is what we do. It is a part of our service. Through multiple national level associations and our involvement in those associations and through the legal libraries that we maintain which constantly keep us updated in the employment world.

GJB: I take it then, with this kind of expertise, you can save companies money.

LEWIS: Yes. If a company will take the time to come in and look at all that we do, we will save them time and money. We keep up with issues like I9 (immigration), new legislation and payroll administration which leaves the company leaders to be free to go out and do what they do, which is run and grow their business. And, in all cases, it is much less expensive for them to hire People Lease to handle their payroll and other related needs then to try handle it

make,

customers or have you expanded outward?

LEWIS: We pride ourselves in being a Mississippi business working with Mississippi businesses. After twenty five years of successful growth we currently process payroll and have customers in a number of other states.

GJB: What do the businesspeople who read Greater Jackson Business need to know about that they might not right now? What are the most serious issues you all at People Lease are dealing with that may not be a concern to our readers?

LEWIS: My best advice would be to mind their own business. None of us got into business to constantly

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METRO BUSINESS/UP CLOSE

Businesses grow when they let employee administration go

People Lease makes outsourcing payroll, benefits and compliance chores easy and affordable



by JIM FRASER
MBC Contributing Writer

RIDGELAND — Let's face it: payroll doesn't pay the bills. Major medical is a major pain. And workers' compensation is just an accident waiting to happen. But, whether you're a large corporation or a small business, payroll and the other obligatory aspects of employee administration are simply the cost of doing business. With that in mind, more and more businesses are taking these non-revenue generating tasks off of their desks and handing them over to People Lease. As a single source for payroll and benefits administration, regulatory compliance and human resource management, the Jackson-based payroll-outsourcing pioneer continues to offer businesses of all sizes and types a new lease on life.

It's a fairly simple concept, really. First, remove the never-ending back office firestorm associated with the administration of payroll preparation, taxing filing, workers' compensation and the like. Then, refocus the time and energy of your employees on revenue-generating initiatives that will actually help your business prosper and grow. It just makes sense.

What could be easier than writing one tax-deductible check to People Lease each month to cover all of your payroll costs? They remit payments on your behalf and provide all of the necessary reports, including divisional, department and job-costing summaries. What's more, People Lease takes over regulatory compliance, as well as the Herculean task of staying current with over 120,000 constantly-evolving regulatory

compliance. Plus, their employees can enjoy benefits available through a wide range of voluntary insurance deductions options. Restaurants are assured of proper wage and tax calculation, reporting and payment. Non-profit organizations can minimize the

Ken Lewis: Giving businesses fewer things to worry about.



LARRY LEWIS

FOUNDER OF
PEOPLE LEASE

have to deal with employee related matters. We had widgets to make or services to sell. In these trying economic times every owner and manager should be finding ways to increase the profits of their companies. They can't afford to waste time dealing with payroll, benefits, compliance, human resources, and everything else that comes with having employees.

I would also advise that business owners monitor health care reform very closely. Whatever we feel about it personally or whatever side of the political spectrum we fall on, businesspeople need to realize that there will be some major impacts coming down the pike, especially to small businesses. And I mean right out of the gate, especially in the form of penalties if you don't provide the benefits that are mandated. There are things attached to the health care reform that deal with cafeteria plans, flexible spending accounts, and they're minimizing the amount an individual can set aside every year in pre-tax deductions. So there are a lot of little pieces that will be getting into business profits that owners should be cognizant of. Laws are laws, though, and regardless of how we might personally feel, we read them "as is" and help our customers.

GJB: Do your customers sign contracts with People Lease or pay some type of retainer? How is that done?

LEWIS: Yes, but we call it a customer service agreement. It outlines the responsibilities of both parties. It comes with our service satisfaction guarantee. It can be cancelled at any time with proper notice as well. There are no retainer fees or up front charges. Our system is designed so that a customer issues one payment period to People Lease that takes care of all the necessary wages, taxes, etc. for that pay period. This levels out their cash flow and gives them one simple entry for accounting purposes.

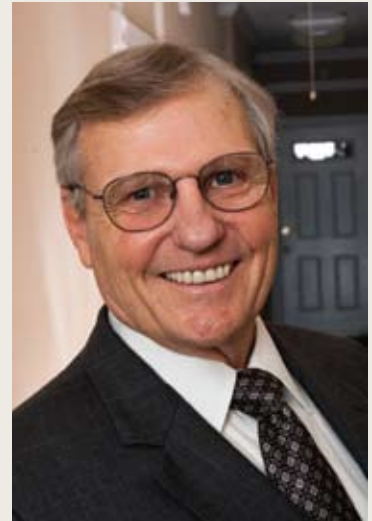
GJB: What are your future plans for People Lease? Where do you see your own company in the coming years?

LEWIS: Our main internal objective right now is, as with most businesses, embracing the new technologies available in order to become more efficient and profitable – that helps both us and our customers.

GJB: Finally, what is your favorite part of the job?

LEWIS: Time and time again customers will tell us it was the best decision they ever made becoming a part of, and taking advantage of all the services we offer. It doesn't get much more rewarding than that. And often the customer's employees will comment on loving the fact that we handle the payroll and benefits. - GJB

"These days, I act as chairman of the company I founded, People Lease. I've got good people on board here and my son, Ken, has taken over. We've been in business for 25 years now and, at the time of our founding, there was nothing like this in the state. I had read an article in a business magazine about payroll, which got the idea rolling. I'll never forget my first customer:



It was a guy with one employee, it took me four hours to do the payroll and I had to call the IRS to find out what FICA was! Hiram Jennings was that customer, actually. I had been in real estate all of my working life and didn't realize what withholdings went for, you know? It took me about a year to get the business really rolling and we have never looked back. We're capitalized extremely well today and are highly ranked and regarded in the industry.

I'd like for every entrepreneur and risk-taker out there to fall into a deal like I did. It has been a great, great ride and we are still growing. Our services are always in demand so we have never seen a slow down. If you work extremely hard and do things by the book and do right by the customer, you'll succeed.

I'm living a 'freed up' lifestyle these days, really. It took me about 10 to 15 years before I was really comfortable letting the business go a bit for others to help run it. In my opinion, if you build a business from scratch, you've got to make it your entire life for a long time. When I reached the goal of having a certain amount of cash reserves in People Lease, I felt I had made it. It was a milestone. You know, from one client to handling the millions of dollars of payroll we now write. I'm satisfied today with the company and with the principals who will run it in the future.

I'm still always looking for something to do, more mountains to climb. I love to travel and I enjoy my time off but it bores me, ultimately. Not that I'm looking to start another company even though that is a real joy and I can't tell you how exciting it was for me to grow People Lease into what it is today. You never say never, though." - GJB

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