



RMI

Resource Management Inc.

Is Outsourcing Human Resources Right for My Business?



Table of Contents

.....	3
Is Outsourcing Human Resources Right for My Business?	
.....	4
Drawbacks of Traditional HR	
.....	5
Benefits of HRO	
.....	6
Is HRO Right for My Business?	
.....	7
How RMI Can Help	
.....	8
Checklist for Getting Set Up	

Existing Business Owner's Guide to Human Resources

Human resources play a big role in business operations and contribute to the overall functionality of a company. Whether it's employee acquisition, compliance with regulations or benefits management, having a strong HR system is important for maintaining your business and thriving long-term. In the past, HR was typically done in-house and workers would visit a physical location. But like many areas of business, HR has evolved with the ever-increasing implementation of technology.

Some common tasks that HRO companies can help with include:

- HR and personnel administration
- Benefits management like health, life, dental, vision and disability
- Payroll processing and taxes
- Regulatory compliance
- Worker's compensation
- Risk management

Now, more and more businesses are opting for human resources outsourcing (HRO) as an effective alternative. Unlike traditional methods, this practice is where HR is outsourced to an outside company that specializes in this area and there is no internal HR department.

By utilizing this type of service, an HRO can customize a solution that can be completely outsourced or complement current in-house personnel. Because of the level of customization, you can choose how involved an HRO firm is. For instance, with full outsourcing, they may cover nearly every aspect of HR and might come on site as needed. With partial outsourcing, they will only handle certain areas and you can still maintain the strategic vision you have for your company. For example, an HRO firm may cover recruiting, payroll processing and record keeping, but you could still have in-house employees performing all other tasks.

Drawbacks of Traditional HR

Perhaps the biggest problem is the time consuming nature of traditional HR. According to [Entrepreneur](#), “from payroll and human resource management to benefits and compensation, entrepreneurs can spend up to 40 percent of their precious day engaged in these necessary but time-sucking tasks.” This can be frustrating and greatly minimizes your in-house employee resources. If you’re a small business with only a handful of workers, this can be especially problematic and a hindrance to progress.

A side effect of this is the money it can cost your business in the long run. If you’ve got team members designated to handle these tasks, it’s eating away at time that could be spent on other important tasks like sales, marketing and customer service. If you happen to have a mid-sized business and you decide to hire employees exclusively to run your HR department, this can be even more costly because it results in additional full-time salaries you have to pay.

Traditional HR also has complications from a compliance standpoint. With ever changing laws and regulations, you have to be on top of your game to keep your business compliant with not only federal laws, but also ones in your specific locale. If you make mistakes, there can be severe repercussions like IRS penalties and lawsuits.



Benefits of HRO

HRO can be a smart alternative because firms offer professional services to meet your needs. Regardless of the industry you're in, an HRO firm will bring the knowledge and expertise needed to streamline all aspects of human resources. Whether it's training new employees, taking care of payroll or implementing policies to minimize safety risks, you know that your business will be in good hands.

Because these individuals understand the laws and regulations affecting your business and stay updated on any changes that occur, you won't have to worry about compliance issues. They also know about efficient technology that can make processes run smoother. With all the different types of HR software out there, it's hard to know what's best to use for your business. Fortunately, this isn't your concern when using HRO services because they take care of it for you.

This ultimately leaves you with considerably more time to concentrate on what's important. The energy and effort that you would have used for HR tasks can be refocused on more pressing matters like growing your business and keeping customers happy. This should translate into financial savings because you're not paying any in-house employees to handle HR. You can also expect higher profit margins because you can better utilize the natural talent of your workforce to increase sales volume.



Is HRO Right for My Business?

To decide whether or not HRO is a good fit for you, it's helpful to ask yourself the following questions:

- Am I currently feeling overwhelmed with all the HR tasks required to run my business?
- Do I have adequate in-house employee resources to handle HR tasks?
- Is my business growing to the point that I can't keep up with HR?
- How well do I understand the laws and regulations of my industry?
- Am I spending too much money on my current HR system?

If you've got too much on your plate, limited employee resources or your business is experiencing growth where you simply don't have the time to address human resources, looking into HRO is a smart move. A professional firm can offer guidance into what the best plan of action is for your specific situation. They can help you figure out whether full outsourcing is needed or if partial outsourcing is sufficient.

Because of the complexity and fluctuation of laws and regulations, they're not always easy to stay on top of. If you find yourself struggling with compliance, that's a good sign that you're in over your head and could benefit from HRO. Otherwise, you could find yourself in an unwanted situation that could be costly and/or damage your reputation.

In terms of expenses, it's critical that your HR system is economically feasible. Overspending can quickly eat away at your profit margin and can jeopardize the sustainability of your business. If you find yourself in a situation where your current HR system is costing an arm and a leg, it's in your best interest to seek HRO as an alternative. A professional firm will work with you to "right-size" HR so that it covers all your needs without any unneeded extras.

How RMI Can Help

At Resource Management, Inc. (RMI), we provide businesses with HR solutions to help save money and simplify operations. Founded in 1995 by CEO Reinaldo Lopez, RMI has a long track record of success in helping small to mid-sized companies with their HR needs. We simplify HR and help you focus on the day-to-day operations and success of your business. RMI is a privately owned HRO firm founded in Fitchburg, Massachusetts and now has offices in Florida including Orlando, Daytona and Miami, and an office in New York. Some services we offer include:

HR Administration



- Hiring and terminating employees
- Developing an employee handbook
- Establishing policies
- Employee training
- Employee performance evaluations

Benefits Management



- Health coverage
- Dental and vision
- Disability and life insurance
- Voluntary benefit plan options
- Investment planning
- 401K and profit sharing options

Payroll Processing



- Paycheck preparation
- Direct deposit
- W-2 preparation
- Client accounting and tax filing
- Time off accruals
- Reporting

Workers' Compensation



- OSHA compliance review
- Safety inspections and manual
- Online and on site safety training
- Workers' Comp administration
- Claim administration
- Return to work programs



Checklist for Getting Set Up

Download "Is Outsourcing Human Resources Right for My Business?"

Go over the differences between traditional HR and HRO
- Learn how human resources has evolved

Review disadvantages of traditional HR
- Inherent limitations and inefficient at times

Review benefits of HRO
- Cost effective and can improve productivity

Decide whether HRO is a good fit for your business
- Answer provided questions
- Consider long-term impact of outsourcing
- Weigh the pros and cons

Figure out which specific HR tasks you need covered
- Consider full outsourcing vs. partial outsourcing

Learn about RMI
- Check out our website
- Read blog articles

Learn about the solutions we offer
- Look at specific areas we cover
- Contact us for a free consultation

Resource Management Inc (RMI)
is an HRO solution that helps businesses
simplify and save time. With RMI to handle the
necessary Human Resources and compliance
programs for your company, you and your staff
can concentrate on what you do best.

The experts at RMI include certified
professionals in HR, Risk Management, IT,
Accounting and Payroll. Our breadth of
experience in multiple areas of HR business
helps us create customized suites of benefits
and services to meet your unique needs.

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