



SOS Educational Webcast: HR, Payroll or Stock: Questions to Ask When Considering Outsourcing

John Cunningham, CPA, Oclaro, Inc.

Tonya Epps, CEP, Stock & Option Solutions, Inc.

Vanessa Harrison, Stock & Option Solutions, Inc.



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Materials Slides

http://www.sos-team.com/pdfs/considering_outsourcing.pdf

Agenda

- Why consider outsourcing?
- When is the right time outsource?
- What functions would I outsource?
- Who should be involved?
- How do I choose an outsourcing vendor?
- What happens once I outsource?

Why Consider Outsourcing

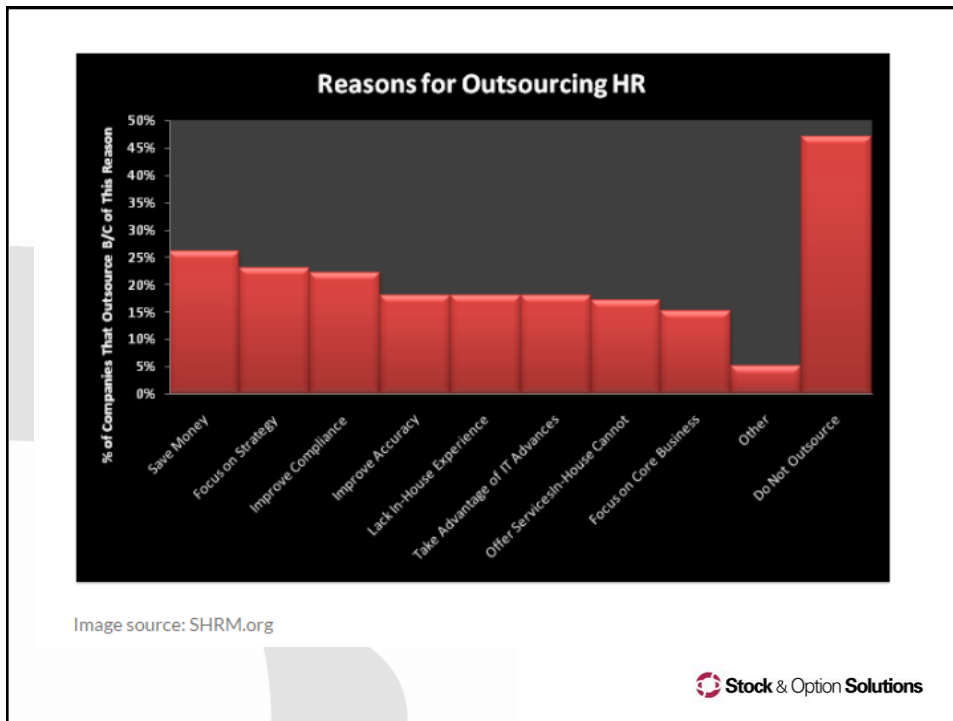
- Human capital planning
 - HR, payroll, and stock administration is more than a one person job
 - HR, payroll and stock administration is less than a one person job
- One stop compliance and expertise assistance
 - Government compliance increasingly complex
 - Attracting good talent requires creative benefit and compensation plans
- Frees up key players up to focus on strategic initiatives



Why Consider Outsourcing

- Efficiency
 - Specialized resources can do it quicker and better
- Cost effective
 - Full-time administration, part-time cost
- Deep bench of expertise





When Is Outsourcing Right For You?

- Will vary from company to company
 - Big changes are coming
 - Juggling everything is just too much
 - Budgets cuts
 - Expanding into new markets
 - Company growth
 - Lost a team member
 - Past experiences

When Is Outsourcing Right For You?

- No matter when, *how* is critical
 - Data scrub
 - Employee communication is a must
 - Set clear expectations with vendor and stakeholders
 - Make sure the vendor understands your company and your employees' needs



What Would I Outsource?

- Most providers are not a one-stop-shop
 - Must determine what is causing you the most pain
 - What skillsets do you have in-house
- What are the current and future objectives of the company?



Who Should Be Involved?

- Building your dream team from decision making to implementation
 - Key stakeholders
 - HR
 - Finance
 - Payroll
 - Tax
 - Current Stock Administrator
 - Legal



Choosing an Outsourcing Vendor

- Cafeteria plan vs. all-inclusive
- Administration software and technology considerations
 - What does each vendor have to offer and how do they work with what you already have in place?
- Ask for samples and references
 - Do they have defined processes and checklists?
 - Ask for references of companies similar in size and industry



What to Expect Once You Outsource

- Plan for implementation
- Clearly identify in-house role vs. outsourcer
- Remaining the point of contact for your company
 - And embracing the outsourcing company as an extension of your team
- Do a review at least annually
 - What's working well
 - What can be improved?
- Take advantage of all they have to offer



Some Interesting Stats...

- On average, it costs 6 to 9 months' salary to replace a salaried employee ❶
- \$125,000: Average total cost of claims that resulted in a defense and settlement payment ❷
- Companies that outsource HR & payroll functions experience a cost savings of at least 9% ❸



Some Interesting Stats...

- But cost isn't everything...

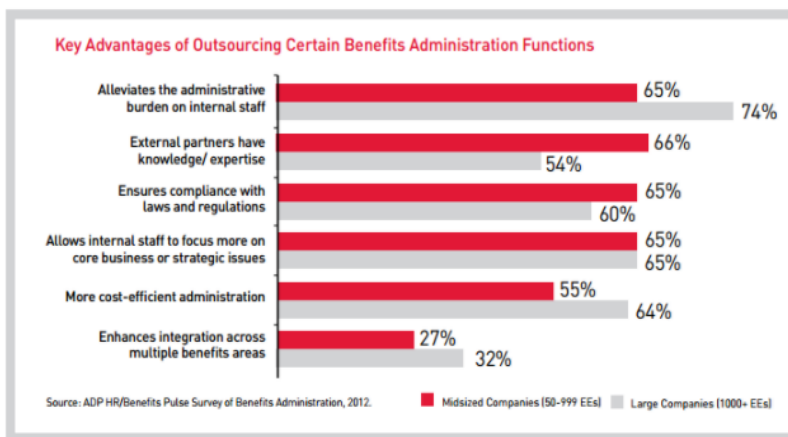


Image source: ADP.com

Sources

- 1 [Employee Retention - The Real Cost of Losing an Employee](#)
- 2 [The 2015 Hiscox Employee Lawsuit Handbook](#)
- 3 [6 Top Reasons for Outsourcing Human Resources Functions](#)

[Outsourcing and the Future of HR](#)

Contact Information



John Cunningham
 Assistant Corporate Controller
 225 Charcot Ave
 San Jose, CA 95131
 Bus: (408) 919-6073
 E-mail: john.Cunningham@oclaro.com



Tonya Epps, CEP
 Outsourcing Manager
 910 Campisi Way, Suite 2E
 Campbell, CA 95008 USA
 Bus: (629) 999-4435
 E-mail: tepps@sos-team.com



Vanessa Harrison
 HR Business Partner
 910 Campisi Way, Suite 2E
 Campbell, CA 95008 USA
 Bus: (408) 385-8765
 E-mail: vharrison@sos-team.com

