



## Value Creation Opportunities

## Private Equity Partner Cheat Sheet



A more human resource.™

### When it comes to Private Equity partnerships, ADP is focused on three things:

Driving value creation throughout your portfolio, reducing risk and exposure, and ensuring that it is easy for your firm and your portfolio to do business with us. As you acquire new companies or look for new ways to drive incremental value within your existing portfolio, recognizing these themes or triggers will provide you with the opportunity to leverage ADP's experience and expertise.

We have identified 6 common themes that companies identify with as being best fits for managed service offerings.



#### Spin-Offs & Divestitures

Companies in this category are often in need of a complete back office infrastructure, and often in a very limited time frame. It's important that they don't lose sight of their other initiatives, so how they spend their time matters.

#### Rapid Growth

Often times when there's a bandwidth deficit or a new contract is landed, companies find themselves in a state of rapid growth, this can increase administrative tasks and compliance demands.

#### Acquisitions

When a growth strategy includes acquiring other businesses, there's a delicate line to walk. Many times acquisitions lead to duplicate processes, technology and G&A expenses. There's also the human element, with increased demands and worry.

#### Overstaffed

Too many cooks in the kitchen? As companies grow, many will also increase their back office staff to keep up with that growth. However, this can lead to operational inefficiencies and bad habits. Right-sizing the mix of technology, best practices and support creates financial and operational benefits.

#### Internal Challenges

Businesses may have a lack of expertise, or an outdated infrastructure in need of attention. Companies in this profile may have poor internal processes or a lack of bandwidth resulting in non-compliance and unwanted penalties

#### Adding or Removing a PEO

Adding a PEO can provide tremendous value to a business looking for ways to control spending on healthcare and other areas of infrastructure. However, over time some businesses may outgrow these benefits, and will be in need of a different strategy. In either case ADP has proven solutions to help.

## What to look for when meeting with your portfolio

### Trigger Events

- Considering a PEO
- Key Personnel Changes – CFO, HR, Payroll, Ben Admin
- Plans or Potential for Merger or Acquisition
- Looking for Recommendations to an HR Consultant or Best Practices on
- Compliance Concerns regarding FLSA, ACA, Reporting, Audits
- Expansion to Another State or International Growth/Employees
- Big Spike in Hiring or Recruiting Heavily

### Technology Needs

- Underutilization of any Current Technology
- Needs Help Deploying any Technology for HR or HCM
- Technology Implementation, Human Capital Strategies
- Request for Recommendations on Technology Products:  
*(Onboarding/recruiting, Talent Management, Performance, Compensation, Time and Attendance Collection, Benchmarking Data, Analytics Data, Predictive Data)*

### Process Improvements

- Lack of System Integration between Payroll, HR, Ben Admin, Cobra, FSA, HSA
- Strategic Project Demand with Not Enough Time in the Day
- Frustrations with Paper Records and Desire for Cloud
- Underutilization of any Current Technology
- Former ADP Client Not Happy with New Provider

In today's rapidly changing business environment, your portfolio companies are facing internal and external triggers that are shaping the way they operate. Partnering with ADP's Private Equity Practice can help quiet the noise, and drive the value that aligns to your investment thesis.

Contact us today to learn more!