

NAPEO Strategic Plan 2023-2025

NAPEO Mission – Our Core Purpose

To grow, promote, and support the professional employer organization (PEO) industry

NAPEO Values – What We Stand For

Leadership

- *We are visionary – providing thought leadership for an evolving industry*
- *We are proactive – getting out in front of issues and shaping the future of the industry*
- *We are courageous – stepping up to big challenges and making tough decisions*

Expertise

- *We are knowledgeable – driving operational excellence in our industry*
- *We are credible – continuously learning and sharpening our relevant expertise*
- *We are collaborative – sharing information to serve our community and industry*

Integrity

- *We are reliable – valuing honesty and transparency in our interactions*
- *We are trusted – being a positive force for good in the industry*
- *We are accountable – taking responsibility for the health of our industry*

NAPEO Vision – Our Picture of the Ideal Future

PEOs Are:

- *A growing, vibrant, and well-recognized industry*
- *Operating profitable, innovative, and scalable business models*
- *Agile companies that adapt quickly to the changing environment*

NAPEO is:

- *Serving as an indispensable resource to all members*
- *Promoting the PEO industry*
- *Advocating for favorable legislation and regulations*
- *Recruiting and developing the next generation of industry leaders*
- *Fostering the safe and secure application of technology*
- *Facilitating the collective power of the PEO industry to serve the greater good*
- *Identifying emerging trends and helping PEOs navigate opportunities and mitigate risks*
- *Using a robust, transparent, streamlined decision-making and governance process*

NAPEO Goals – Our Focus for the Next 3 Years

- **Goal 1:** Boldly promote the PEO value proposition to grow the industry
- **Goal 2:** Continue to advocate for a favorable legal and regulatory environment
- **Goal 3:** Contribute to the operational excellence of NAPEO membership
- **Goal 4:** Position NAPEO to grow and succeed in its mission
- **Goal 5:** Actively identify and assess disruptive and emerging market trends and conditions

Goal 1: Boldly promote the PEO value proposition to grow the industry

Desired Results

- Growing public awareness – PEO is becoming a household name.
- Strong industry awareness – business owners and policy makers understand what PEOs do.
- Recognition of PEOs as the preferred solution for small and mid-sized businesses.
- Increase the number of businesses with 10-99 employees that use a PEO from 15% to 20%.

Key Strategies

- Leverage client testimonials in marketing efforts.
- Engage with trusted advisors and their associations to increase referrals.
- Continue to invest in cutting edge marketing techniques (particularly video) to increase PEO market share.
- Identify, build, and strengthen partnerships that promote the PEO service offering (e.g., vendors, legislators, and other advisor groups).
- Invest in advertising and marketing efforts targeted at business decision makers, managers, and trusted advisors.
- Develop continuing education content for key advisors (e.g., CPAs, insurance agents, and attorneys).

Goal 2: Continue to advocate for a favorable legal and regulatory environment

Desired Results

- Create legal certainty for PEOs to offer large group health and other welfare benefit plans.
- Ensure that liability follows culpability in the PEO setting.
- Expand political support for the PEO industry.

Key Strategies

- Launch an education campaign to improve the image of PEOs with policymakers.
- Develop partnerships with policymakers to advance the policy goals and business objectives of the PEO industry.
- Grow the PAC and explore the efficacy of state PACs.
- Gather key industry demographics/data to support advocacy efforts.
- Produce an advocacy toolkit.
- Create a grassroots initiative to bolster advocacy efforts.

Goal 3: Contribute to the operational excellence of NAPEO members

Desired Results

- Member companies are profitable, scalable, and compliant.
- The NAPEO community provides access to valuable people, information, and resources to support its members.
- Associate member resources and partnerships are leveraged to bring knowledge and expertise to NAPEO members.
- NAPEO members are recognized for their operational excellence.

Key Strategies

- Establish a comprehensive education program that focuses on operational programs and includes basic to advanced curricula.
- Document best practices for core PEO business functions (roadmaps, checklists, etc.).
- Evolve content and delivery of education based on the changing needs of the industry.
- Foster communities of practice and peer groups among members.
- Help NAPEO members serve as resources for each other.

Goal 4: Position NAPEO to grow and succeed in its mission

Desired Results

- NAPEO has agile and effective decision making at all levels.
- Greater diversity and an influx of new industry leaders at all levels.
- Increased member engagement within PEOs.

Key Strategies

- Review nominations process and Executive Committee composition.
- Identify ways to enhance member engagement at all levels of PEO companies.
- Revive and expand the mentorship program to support existing and new leaders.
- Assess changes in PEO ownership and its impact on dues / membership.
- Ensure broad-based succession planning.

Goal 5: Actively identify and assess disruptive and evolving market trends and conditions

Desired Results

- Definition of a risk assessment framework for the PEO industry.
- Establish mechanisms to identify and assess industry trends and conditions and do data mining.
- Proactively embed emerging trends and risk information in NAPEO's advocacy, education, marketing, and membership strategies, products, and services.
- Communicate timely emerging trends and risk information to members to inform their own planning and operations.

Key Strategies

- Determine the best way to resource this activity (e.g., NAPEO staff, outside consultant, project team).
- Develop a proof of concept.
- Identify and leverage existing tools, methodologies, and experts.
- Engage members via quarterly pulse surveys, etc.
- Explore mechanisms to communicate and build awareness about future trends (economic, demographic, market conditions, regulations, technology, competition, unknowns).

Key Messages about Our New 3 Year Strategic Plan

- We have emerged from the pandemic with a strong sense that we've taken several steps forward as an industry. Clients recognize our value and have strong expectations of us as an industry.
- With its focus on the future and identifying what is over the horizon, we believe NAPEO's new strategic plan sets us up to take the next leap forward as an industry. It builds on our work from three years ago and reaffirms the association's mission to grow, promote, and support the PEO industry.
- In setting a path for the next three years, we focused first on the three pillars of value that NAPEO provides: communications and marketing, government affairs, and education.
- These updated goals both continue the work we've been doing and build on the innovations that helped us successfully navigate through the pandemic. The desired results and strategies that we developed through this planning process will guide NAPEO's efforts to promote the industry, advocate for a favorable legal and regulatory environment, and contribute to the operational excellence of our members.
- In addition to updating a fourth goal about positioning NAPEO to grow and succeed in its mission, we also crafted a fifth goal focusing on identifying and assessing disruptive and evolving market trends and conditions.
- If we've learned anything from the past 2+ years of intermittent crises, it is the need to quickly adapt to a changing environment and circumstances in order to take advantage of new opportunities. Our fifth goal will help us find systematic ways to identify trends, embed the information in how we do business at NAPEO, and communicate the information to members for their use in planning and decision-making.
- Through an inclusive and intentional process, we have developed a comprehensive plan that lays out a clear and actionable path forward, continuing the course we set three years ago.