

HR TECHNOLOGY FOR THE MID-MARKET EMPLOYER

An Extension of Your Team for the
Increasingly Complex HR Landscape

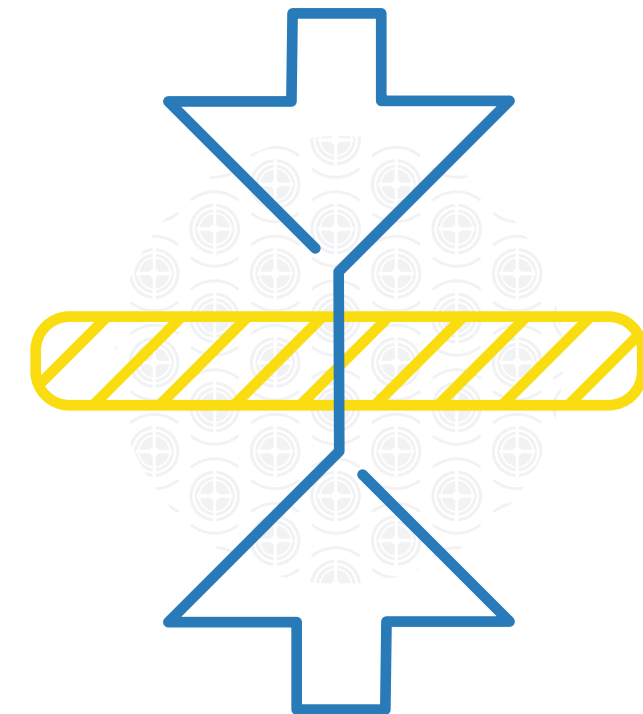


Mid-market HR: The Challenge of Being Not Too Big and Not Too Small

Any number characteristics put the mid-market employer in a league of its own, placing it somewhere between the niche-focused small businesses of Main Street, USA, and the complex enterprise-level organizations that conduct business on a global scale. Among those identifying features of the mid-market company, however, is what they need from the services and technology that fuel their continued growth and success. They're stuck in a hard place.

On the one hand, many midsize employers have outgrown or were simply born too big to efficiently get what they need from manual or homegrown systems and processes. On the other hand, the mid-market company isn't yet large enough to benefit from the complexity, scale, and cost of technology and services designed to appeal to their much larger enterprise-level cousins.

HR technology is a shining example of this place in the middle. HR for mid-market employers must fulfill needs that can't be met by benefits administration and core HR solutions designed to narrowly target either small businesses or enterprise organizations. Yet success for the mid-market HR leader is defined much the way it is for any other HR professional today: Find the best answers in a rapidly changing and complex business environment to improve efficiencies, create modern HR management programs, and be a strategic business partner.

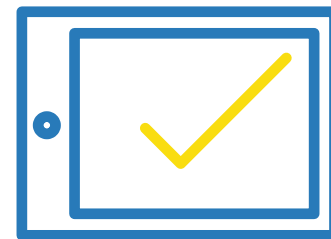




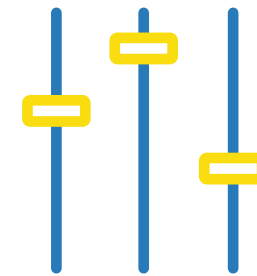
The problem is, what works for small or enterprise organizations may — or may not — be what the mid-market employer needs to successfully handle today’s complex HR needs. The mid-market employer needs a benefits administration and core HR solution that delivers four primary benefits.



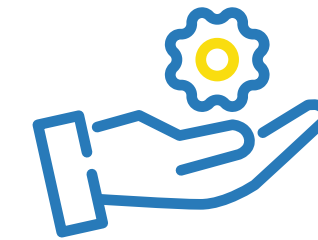
Comes from a vendor that acts as an extension of the HR team, not as an outsider



Provides HR technology that is simple yet effective and is easy to use for administrators and employees alike



Has a system that’s configurable to each employer’s unique needs



Supports HR to constantly evaluate their technology options for future growth and evolution, rather than being expected to put up with bad choices or waiting for the straw that breaks the proverbial camel’s back

This e-book explains why all that’s true and what it means for HR leaders in companies that are not too big and not too small — *but just right.*



What Does Mid-market Mean, Anyway?

Business writers and industry observers often refer to something called the “middle market.” But it’s hard to say exactly what that means. We’ll provide a few options here, and then home in on a definition that we believe speaks to the HR professional.

Sometimes the experts define mid-market companies based on revenue. The National Center for the Middle Market, at Ohio State University’s Fisher College of Business,¹ as well as Dun & Bradstreet’s proprietary database of commercially active U.S. firms,² defines the middle as businesses with annual revenues between \$10 million and \$1 billion. [Divestopedia](#) says mid-market companies have \$5 million to \$1 billion in annual revenue.

**REVENUES =
\$10 MILLION TO \$1 BILLION**

Or Does the Number of Employees Matter More?

Others define mid-market companies based on the number of employees. SMB Research, a technology analyst firm, defines medium-size businesses as having 1,000 to 9,999 employees (and says 66 percent of those U.S. companies have 1,000 to 2,499 employees).³

Using data from the IRS and U.S. Census Bureau, Compile, a business research and data firm, says there are more than 8,200 companies in the U.S. with 1,001 to 10,000 employees, and they generate almost 23 percent of annual U.S. revenues.⁴ Some reports put the employee number lower, some go higher. But 1,000 to 10,000 seems to be a good middle ground (no pun intended).

**EMPLOYEES =
1,000 TO 10,000**

Mid-market From the Perspective of HR

For the HR professional, however, the most sensible way to define a mid-market company is probably by the number of potential participants in its benefits plans. Because let’s face it: At the end of the day, when it comes to determining strategies, technologies, and vendors for benefits administration and core HR, the measure that’s likely to be first and foremost in HR’s mind, even ahead of budget, is the number of employees and dependents the company needs to manage or plan enrollment and administration for.

Based on everything above, companies with between 1,000 and 10,000 “lives,” or potentially covered individuals, is a good estimate for determining if yours is a midsize business.

**MID-MARKET COMPANIES IN THE U.S. =
8,200**

¹ The National Center for the Middle Market, Ohio State University Fisher College of Business Middle Market Center. Promoting Growth of the U.S. Middle Market. Information sheet. http://www.middlemarketcenter.org/Media/Documents/NCMM_InfoSheet_2017_FINAL_web.pdf

² American Express. Middle Market Companies Playing a Vital Role in the U.S. Economy, According to New Research From American Express and Dun & Bradstreet. April 14, 2015. <http://about.americanexpress.com/news/pr/2015/middle-market-companies-vital-u-s.aspx>

³ SMB Research. Sizing Up Small to Medium-size Businesses. Jan. 12, 2010. <http://smbresearch.net/sizing-up-smb/>

⁴ Compile. Sizing the Market for U.S. B2B Companies in Seven Charts. July 13, 2016. <https://www.compile.com/blog/insights/sizing-us-b2b-market-7-charts/>



Other Than Its Size, How the Mid-market Is Different

Regardless of whether you measure a midsize business by its revenues or number of employees, the company is a different animal from its small-business or enterprise cousins. It has its own challenges.

The middle-market organization has usually reached a level of expansion, or even maturity in its industry, which means it's undergoing shifts in its culture and workplace dynamics. More important, it's continuing on a growth trajectory and needs support systems to keep your people programs on pace with your evolving programs and initiatives for product development, operations, marketing, and sales.

HR Shifts with Mid-market Growth

To put a finer point on it, the typical mid-market business has outgrown — or soon will outgrow — its “small business” benefits administration and core HR solutions. With good fortune, this realization will come before your current HR processes and software become too cumbersome, inefficient, or overburdened — or worse, before they cause noncompliance, lead to costly errors, or damage employee engagement.

Yet at the same time, many mid-market companies don't have the resources to afford an enterprise-level benefits administration and core HR platform. Nor are you likely to need the size or degree of complexity that the platforms designed for enterprise organizations offer.

Another challenge if you're a typical mid-market company is that although you're no longer a startup or a seed company, you want to continue innovating at all levels of your business. You're growing but small enough to remain agile and large enough to command scale and opportunity. The challenge is finding vendors for HR and other programs that can meet you in the middle.

Where the Rubber Meets the Road

At a tactical level, where the rubber meets the road every day, HR leaders in mid-market companies are now:

- Being asked to play an increasingly larger role as a business partner, while continuing to receive a lot of direct involvement in their decision-making process from the CEO or founder, and often from board members or external advisors
- Facing increasing compliance headaches and complexities they never faced as a smaller business, especially around managing leaves, absences, and medical benefits



What Mid-market Employers Need From HR Technology

No. 1: A Vendor That's an Extension of Their HR Team

The role of HR has shifted from being a purely business function to being a strategic business partner. HR today, in companies of all sizes, has more responsibilities and a greater stake than ever in their organization's growth and culture, employee well-being, and engagement. At the same time, HR has learned to work leaner following the economic downturn of the late '80s and the recovery since.

These companies need a benefits administration and core HR solution that's so easy to use that, for every user who touches the system or interacts with the vendor, it feels like an extension of the HR team. A solution that's easy to use, for HR administrators to employees and their families, makes it easier for HR to broaden its impact as a business partner.

For similar reasons, midsize companies need an HR technology vendor that has a strong commitment to partnership; it's the most telling feature of an HR solution provider that functions as an extension of your HR team. HR leaders in the middle market need and deserve an HR technology advisor — a team member who provides them with analysis and insight.

At ground zero, with all the changes occurring in the Fair Labor Standards Act and healthcare, the mid-market HR leader needs a team member who has three critical capabilities:

- Strong expertise in compliance
- Software built into the platform to handle the task (including Affordable Care Act reporting and compliance)
- Minimal to no need for outside apps or third-party software

Finally, a true HR technology vendor will only be an extension of your team if it can offer mobile access for all your benefits administration and core HR needs. It's simply the way a growing majority of employees wants to handle their HR-related tasks.



What Mid-market Employers Need From HR Technology

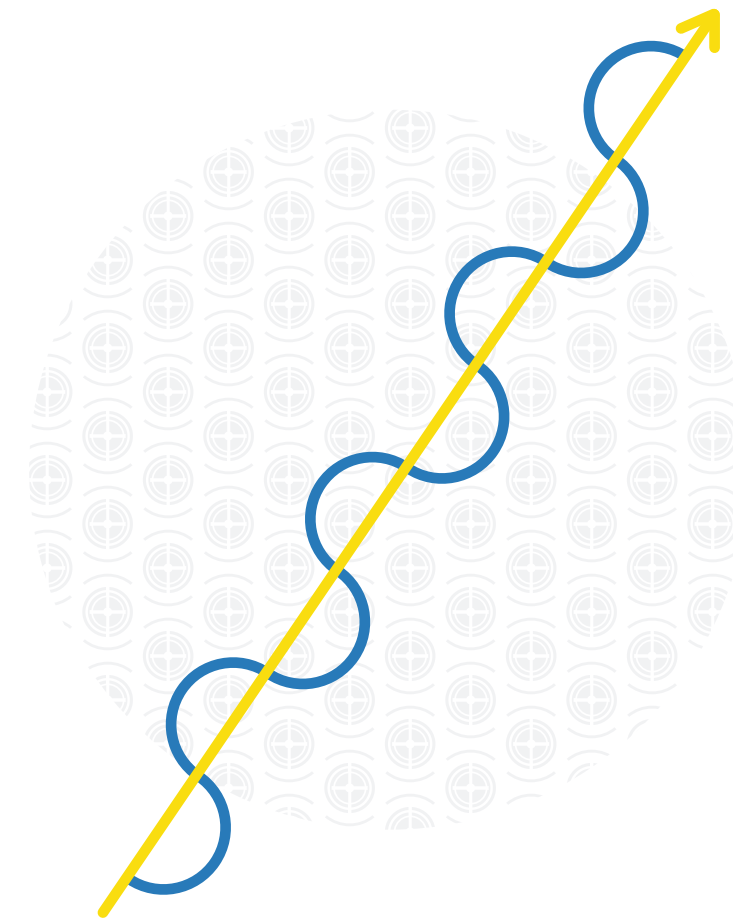
No. 2: A Solution That Simplifies Life for HR and Employees

Organizational structures of midsize businesses begin to demand systems and implementations that are more complex and require greater integration and implementation challenges.

That's why these organizations need HR technology that delivers centralized core HR functionality. What this means is a single cloud-based platform that includes:

- Benefits administration
- Private exchange capability
- ACA reporting and compliance
- One system, with one login across all core HR functions
- Look-back comparison and other tools to meet daily HR administrative needs
- One implementation for rapid deployment

HR technology that includes these features is the definition of a system that simplifies life for HR leaders and their employees. It eliminates the need to work with multiple vendors and systems. It also greatly reduces the risk of data errors, thanks to having one source for employee documentation, organization charts, enrollment process status, and more.





What Mid-market Employers Need From HR Technology

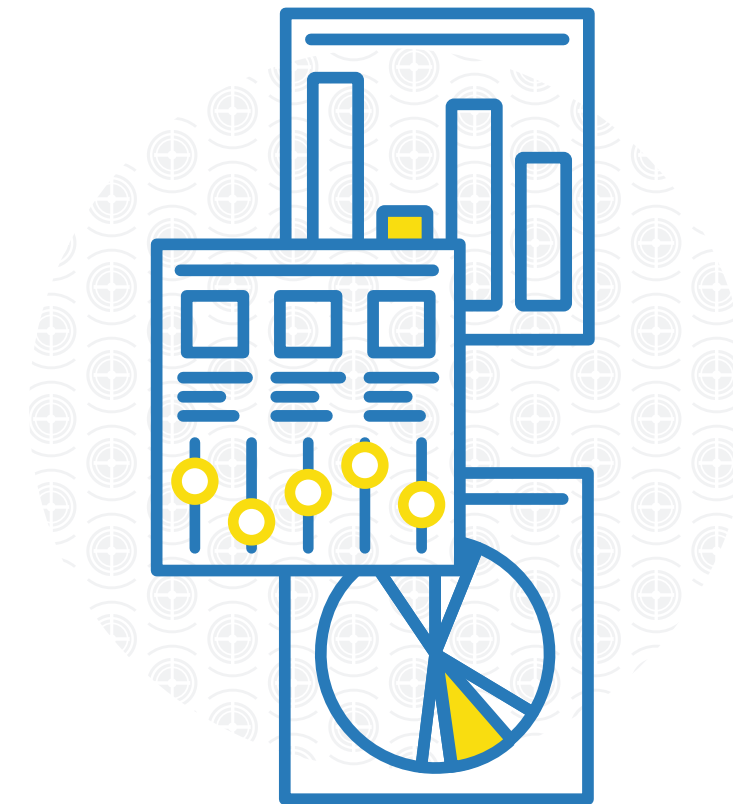
No. 3: A Solution That's Truly Configurable

Living between the worlds of the startups and the enterprise goliaths, what the mid-market employer *doesn't* need from HR technology is being forced to pay for features and capacity they don't need — yet.

Instead, mid-market companies need HR technology that works with them, that can be configured from the start to meet their needs today and down the road. For example, making updates to your HR platform shouldn't require you to hire consultants. And you should have full control of eligibility — right down to the field level.

In a nutshell, midsize employers need HR technology with two capabilities that must also work in tandem:

- The first is truly flexible HR technology to deal with rapidly evolving organizational needs, without needing to call in outside experts, and without adding features you don't need yet.
- The second is the expertise combined with the drive to deliver what it promises; without this passion to live up to its commitments, it doesn't matter what features and functionality the vendor offers.





What Mid-market Employers Need From HR Technology

No. 4: Support to Evaluate Their HR Technology Options for Future Growth and Evolution

Simply because of the way companies grow, many HR leaders and teams in midsize companies aren't yet fluent or even familiar with the language or use of many organizational planning tools, such as readiness assessments. They're not always conversant in evaluating whether it's time to tackle a large technology project or assess the success of one once it's gotten off the ground.

That's natural. But it shouldn't be a cause for concern if you have an HR technology vendor that can help you evaluate your options for the future growth and evolution of your organization. As a mid-market HR professional, you need an HR technology vendor you can trust — that can be an advisor — even if you're not currently a client. Why shouldn't an HR technology vendor be willing to help you understand how to assess your current situation and plan for the future?

It's a challenge, but you need an HR technology company that can be an advisor, even if indirectly, just because they want to share their experience and expertise. Consider the value of a technology partner that will help you set practical, meaningful benchmarks to assess the quality of:

- A platform implementation
- Data integration
- Benefits enrollment — for HR and for employees

What about if you've had to put up with hidden costs or unexpected design changes that were needed before or after implementation? Imagine the value of an HR technology partner that would be willing to help you evaluate the impact of those missteps, put them in perspective, and in the end, make it a little easier for you to decide whether to stay with your current vendor or find a new partner.

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Welcome to the HR Technology Solution for the Mid-market Employer

Too many of today's smart, growing companies in the midsize market feel disenfranchised and disappointed by safe-bet legacy benefits administration vendors. Those systems only leave them frustrated and disappointed with time sinks for slow learning curves and lack of support, lack of integration, more modules or features than they need, and poor user experiences.

Benefits administration and core HR from small startups, on the other hand, don't offer the proven experience and expertise that a mid-market HR leader should seek. They also often don't have the integration capability or configurability that a company with 1,000 or more employees and family members needs.

WORKTERRA™ changes all of that.

*WORKTERRA
meets the unique
challenges of being
not too big and not
too small*



How WORKTERRA Is an Extension of Your Team

WORKTERRA was born with a sense of service and working in partnership with our clients. We truly seek to work from the inside out with every client, as if we were the ones whose job it is to show up every day and use WORKTERRA technology to handle their jobs or HR tasks.

But more than *wanting* to extend the capabilities and power of your HR team, we have the *technology* to do that. Our SaaS solution is truly integrated from deep down inside, not only on the surface of the user interface. WORKTERRA becomes a part of your HR framework.

Finally, our attitude toward client support is to be there for more than just making fixes and answering your questions. Benefiting from our insight and expertise without needing to ask for it is part of your engagement with WORKTERRA.

How WORKTERRA Simplifies Life for HR and Employees

Our benefits administration solution delivers mobile access that's secure, efficient, and user-friendly. Whether you're an HR administrator, unit manager, employee, or dependent, WORKTERRA offers consumer-like functionality. Our proprietary iOS and Android mobile applications offer a convenient way to complete tasks and manage personal information on a wide range of mobile devices.

WORKTERRA makes life simpler for HR leaders and teams with our rapid deployment capabilities and one-implementation technology. We guarantee delivery of a full implementation of any of WORKTERRA application in 90 days or less. With a one-implementation platform, we remove the complications from benefits administration and employee management.

The result, from implementation forward, is drastically simplified benefits and HR processes.



How WORKTERRA Is Truly Configurable

What does “configurable” really mean? And what should it mean to a midsize HR leader? A truly flexible benefits administration and core HR solution will accommodate the unique requirements of any organization, no matter how simple or complex its HR processes are (or how large or complex they may become).

Many solutions claim to offer full configurability, but the fact that WORKTERRA designed, built, and continually enhances its own technology means that when a client needs to make changes, we can make those changes correctly, quickly, and tailored exactly to your needs. And 99 percent of the time, we can make those modifications without any coding or fees.

In the daily world of HR and benefits administration, WORKTERRA configurability means, for example, that eligibility rules that can be controlled down to the field level. The result is that all changes can be run through an eligibility rule, removing the risk of human error of less configurable systems.

How WORKTERRA Supports HR to Evaluate Technology Options for Future Growth and Evolution

The trends and business challenges for sizzling startups on the one hand, and legacy enterprise giants on the other, seem to get the bulk of attention from industry observers and HR technology vendors. Somewhere in the middle, the mid-market HR professional can benefit from the power of YES that’s ingrained in the software and culture of WORKTERRA.

We see a world in which any company that wants a SaaS-delivered, affordable, and complete benefits administration system can have one. Many tech companies say that. We’re eager to help companies make it happen, regardless of their size or where they are in the business life cycle.

A core desire of WORKTERRA is to change the lives of HR and benefits leaders, and their companies and employees, one step at a time — regardless of whether you’re our client.

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ABOUT WORKTERRA

WORKTERRA makes HCM easier, less confusing, and more efficient — no matter the size of your company, today or tomorrow. It's a super-easy-to-use, quickly implemented, and extremely flexible benefits and talent management system that is smart, fast, and sharp. WORKTERRA is a cloud-based technology that's built from the inside out on a platform we designed, own, and continue to enrich through our innovation and passion. All of which ensures easy and fast configuration and enhancements. WORKTERRA won't leave you in the lurch after commitments are made or fall short under complex situations. Now, transform the way you manage benefits and people.

Headquartered in Pleasanton, Calif., WORKTERRA is online at workterra.com.

Learn more about WORKTERRA benefits
administration technology and services



workterra.com