

## *Who are the players?*

Trinity Resources was founded by Brian Nugent, an attorney who specializes in the PEO industry. He has experience consulting with small and large PEOs across the country, and served as the General Counsel of a publicly traded, national staffing company that owned a PEO, and was the Chief Legal Officer of Advantec in Tampa, Florida. He also served on the company's Executive Committee. He is active in PEO trade organizations and was a founding member of the NAPEO Legal Advisory Council.

Trinity has successfully attracted the best PEO experts in the industry to its team. These experts include: Jim Eberle, also a founder and a 15-year veteran of the PEO industry who has operated a PEO for the past three years; David Carothers of The Integrita Group who was the former VP of Risk Management at a major PEO; Joeley Fabritsis, an HR professional with over seven years in the PEO industry; and Mike Ortoll, President of iLeader Solutions in Tampa, with over twenty years of experience in risk management, workers compensation procurement and program design in the PEO industry. Scott Busby, the former Chief Information Officer of Advantec, serves on Trinity's Board of Directors, and lends his expertise to the development of "best in breed" technology.



For more information:

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# Why Trinity?

## The landscape

In the 1990s, the PEO industry grew to 2,500 firms with more than 2 million employees. Buyouts and consolidations have brought the number of firms to approximately 800, with 2 to 3 million workers currently employed. According to the National Association of Professional Employer Organizations (NAPEO), PEOs generate \$53 billion in annual payroll nationwide.

## Our mission

The mission of Trinity Resources is to build a network of independent PEOs across the country through the strength of local PEO entrepreneurs, and provide them with the infrastructure, processes, expertise, and access to insurance and other markets available only to larger PEOs, thus enabling them to compete and grow their businesses. To accomplish this, Trinity has assembled the best intellectual capital available in the PEO industry, access to a superior user-friendly technology platform on a pay-as-you-go basis, and established strong relationships with significant insurance and other providers.

Running a Professional Employer Organization is complex and requires expertise in a wide range of areas, including technology, benefits management and administration, workers compensation insurance, workplace safety, unemployment management, human resources, licensing, and employment law and compliance. Whether a PEO has 150 worksite employees or 15,000 worksite employees, the same expertise is required.

To be successful, a PEO needs four essentials:

- technology;
- human capital (expertise and experience);
- access to insurance markets; and
- world class customer service.

Assembling these component parts is difficult and expensive, and has eluded the great majority of PEOs. Because capital can be scarce for a new and growing PEO, the technology and expertise necessary to be cost effective is difficult to secure or just not available. What results is a small cadre of employees who do the best they can with what they have, hoping that with growth the opportunity to acquire better technology, expertise, and true economies of scale will come. Unfortunately for most, that day never comes.

## What do the statistics say?

More than one half of PEOs have less than 2,000 worksite employees. Many have less than 1,000 worksite employees. Thus the great majority of PEOs are small and remain unable to invest in the infrastructure and people resources required to grow.

	SMALL PEO <sup>2</sup>	LARGE PEO
Avg Gross Pay/WSE <sup>1</sup>	\$35,100	\$32,022
Gross margin	37%	39%
Gross profit/WSE <sup>3</sup>	\$1,637	\$1,164
Internal employee ratio (excl sales)/WSE	96	141
Oper. expenses/check	\$43.28	\$26.37
Overhead ratio	87%	78%
Oper. income/WSE	\$187	\$302

<sup>1</sup> Worksite Employee

<sup>2</sup> Small PEO = companies with less than 1,500 WSEs; Large PEO = companies with over 5,000 WSEs.

<sup>3</sup> Comparison of companies under 5,000 WSEs and over 5,000 WSEs.

Data provided by the National Association of Professional Employer Organizations, [www.napeo.org](http://www.napeo.org)