

PEEO INNOVATION

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THE QUESTCO STORY

TREASURE WHAT IS THERE,
BUILD SOMETHING BRIGHTER

Questco COO Brandon Hartsaw, CFO Wendy Katz, CEO Jason Randall

THE QUESTCO STORY: TREASURE WHAT IS THERE, BUILD SOMETHING BRIGHTER

BY CHRIS CHANEY

A few years ago, Questco served primarily blue-collar businesses operating largely in the state of Texas. Fast forward to today and

Questco has service centers in six states, internal employees in 26, and worksite employees (WSEs) in all 50 states. The company's client base has expanded too; Questco now serves clients across a diverse base of industries, with an emphasis on fast-growing, sophisticated businesses.

This period of growth and expansion reflects the vision of Questco CEO Jason Randall. He joined the company in 2018 with a mission to propel Questco into the next phase of the company's evolution. Randall came into the CEO role having been exposed to the PEO service model over many years as both a former executive at another PEO and as a former longtime PEO client.

"PEOs have been a central part of my own career journey, and supported my success long before I entered the industry," Randall says. "I understand the value that PEOs bring to small business operators because I've experienced it firsthand myself."

Alongside Randall in this mission to expand Questco's breadth are Chief Financial Officer Wendy Katz and Chief Operations Officer Brandon Hartsaw. Both have brought immense experience, knowledge, and expertise to their respective roles.

And to whom Randall gives much credit for Questco's success.

"The pace of change at Questco has only been possible because of Wendy and Brandon. It has been a team effort, one person cannot do it alone," Randall says.

The last six years have brought a great deal of change and transformation to Questco, much of which Randall chronicles in his Forbes-published book *Beyond the Superhero: Executive Leadership for the Rest of Us*. As the book describes, and the Questco team supports, the company's journey of growth and expansion has been successful for one main reason: its people.

FROM BRINGING DONUTS TO DELIVERING VALUE

Expanding a business is not a simple task. It is much more complicated than simply deciding one day to serve more clients.

Growth has to be both strategic and tactical.

And a solid foundation is paramount to successful growth. To that end, one of the new management team's first tasks was to implement standard processes and procedures and further the training and development of its employees.

"I was the first senior leadership change initiated after Questco was acquired by private equity firm Parallel49. I arrived into an organization that had been built on strong client relationships but operated in a very loose and unstructured environment,"

Katz recalls. "In order to achieve the double-digit annual growth expected by our owners, we needed a more disciplined approach to managing results that started with a long-term strategic vision and annual financial and operating targets that were well understood by the team expected to deliver those results."

"We had great people when I arrived, but our structure, from a service delivery standpoint, was not going to enable us to go after the type and volume of clients we needed to grow," Hartsaw adds.

So, he set out to re-imagine the company's service delivery model. The management team quickly understood that Questco would have to expand from serving primarily blue-collar clients in the oil and gas industry, to serving white collar businesses and entrepreneurial businesses with aggressive expansion plans.

Hartsaw asked one of the service leaders what Questco did to provide HR support to clients. The response was that they delivered donuts with the paychecks. Right away Hartsaw recognized that the sophistication of Questco's HR services had to evolve. He challenged his team to learn and understand the clients' business models. He developed strategic service approaches and tactics to leverage clients' human capital in a way that enabled those client resources to grow and thrive. The goal was to take a structure designed to support basic payroll and light

benefits and transform it into one that provided comprehensive, strategic HR support and delivered complex payroll and benefit services.

“You’ll quickly pick up on a theme here: treasure what’s there and build something brighter together,” Randall explains.

“Many members of the team had spent their entire careers here when I first arrived at Questco. They are an important part of the organization and would do anything for our clients, but they may not have had the tools or processes to grow,” Randall adds.

Indeed, one of the reasons Katz joined the company was its people.

“I was attracted to Questco because of its passionate, family-oriented employee base,” she says, “and excited about the opportunity to build something bigger with this group of highly dedicated people.”

Even as the company has expanded and transformed over the last few years, the management team still recognizes that the

core of the company’s foundation and success is its people. They place a big emphasis on hiring the right individuals who fit into the culture and embrace the drive of the organization. The management team empowers their people to be creative leaders.

“We give them authority and responsibility to run their departments as if it’s their own business,” Hartsaw says.

This approach allows managers and directors to solve problems creatively by providing the freedom and latitude to do so. It has also helped propel Questco forward and contributed to the company’s rapid growth.

The team also places an emphasis on employee training. Questco encourages employees to obtain certifications in their respective fields and provides extensive resources for continuing education and development. Certified employees bring a heightened level of credibility that helps attract discerning clients. Investing in

employees’ professional growth and development is a central part of the company’s caregiving culture.

“We always emphasize that we are a caregiving organization that shows real concern and wants to solve problems for both our client base and our employees,” Randall says.

“Questco’s warm and inclusive culture has been essential to our growth. A strong culture supports our core mission which in turn adds value to our clients,”

Randall explains.

Another unmistakable—if not unintentional—key to Questco’s growth has been the rise of remote work.

A DISTRIBUTED WORKFORCE WITH A CENTRAL MISSION

Randall describes Questco’s workforce as “virtual first.” The company maintains a distributed work environment which means all employees are not based out of



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a central office. Many employees work entirely remotely.

Initially devised as a response to COVID-19, remote work became a permanent fixture at Questco once the management team realized the benefits and potential. It was never part of the plan or an idea the team had, but COVID forced a new level of creative, flexible thinking. In fact, Questco had just made significant investments in physical office space immediately before the pandemic.

“The pandemic changed work dynamics and what was acceptable in the business world. It was tough. We struggled initially but being remote allowed us the flexibility to adapt to various challenges in unique ways. Without a commute, our team members had the flexibility to work early, late, or both without having to manage drive times or childcare needs,” Hartsaw says.

After the initial adjustment period, the team began to appreciate the benefits of remote work and in fact has flourished because of the flexibility a remote work environment provides. Now, Randall says, Questco leans into remote work. It’s part of the company’s identity. Questco has fueled its growth by hiring employees from cities far from any of its brick-and-mortar service

centers and by attracting clients far from its Texas headquarters.

“Remote work has allowed us to effectively service clients from various geographic areas, fueled by the fact that it’s now an acceptable practice to conduct business virtually using tools like Zoom or Teams. We now regularly close new business with clients that are not physically located near a service center,” Katz says.

On the other hand, team members distributed across many locations presents a unique set of workplace challenges. Standardized processes and procedures and uniform practices are critical to ensure that the client experience is seamless and consistent. Transparent and concise communication is also paramount.

“The challenge is how to make this an outstanding place, ensuring our teammates are both physically distributed and emotionally connected” Randall says, “We promote candid, authentic communication and communicate across various mediums as much as we need to. There’s a lot of opportunity for miscommunication or misinterpretation when in-person dialogue is limited, so it’s important to have an atmosphere of safety to bring thoughts and concerns forward.”

“Questco prides itself on being an accountable organization,” Katz says, “but, we don’t place blame when mistakes are made. If you make a mistake, people have your back and are eager to jump in to help you fix the situation.”

This spirit helps foster and maintain an inclusive office culture.

“We also have to acknowledge that we have offices of “one” and that humans have needs tied to association and affirmation. We are very intentional about fulfilling those needs through more message-targeted meetings, regular companywide update videos, or just recognizing great work across our entire employee base as well as emphasizing the significance of a service anniversary,” Randall says.

“I always share with my team the three items key to any successful relationship: communication, communication, and communication,” Hartsaw says, “We spend a lot of time deliberately communicating and leverage technology so people feel free to chat with each other. We want our teams to gather socially, whether in person or virtual, and it’s a company policy to be camera ready at all times.”

A DOUBLE-SIDED STRATEGY

Questco’s growth has been supported by a double-sided strategy: organic sales and targeted acquisitions. When Randall and his team arrived, he knew that developing a high performing sales operation would be difficult.

“We had to build a sales operation from scratch, developing our own internal sales districts and fostering strong relations with channel partners,” Randall recalls.

The hard work paid off as Questco began to increase its reach and attract new clients. Randall says he’s exceptionally proud of his sales team’s ability to compete for business and expand markets in this highly competitive environment.

On the acquisition side, Questco has completed four transactions over the past few years. Each acquisition is hand-picked to align with Questco’s culture and to



complement its client base and service delivery philosophy. The team invests significant time and effort integrating the acquired company into Questco. They promote the idea of “One Questco,” while working hard to retain current employees and clients alike and provide enhanced training and technology to strengthen the acquired team’s skillsets.

“We make sure it’s evident how much we value the high touch service provided by the local team,” Katz says, “At the same time, it’s really important that they feel a part of something bigger and see the opportunity for their own continued growth and development.”

“The regional PEOs have outstanding retention levels due to their local presence and hard-won reputations for caring, responsive service,” Hartsaw adds, “We value that highly and fortify that by centralizing administrative functions so the local service

team can deliver more high value services and deepen client relationships.”

MOVING THE GOALPOSTS

Questco’s rapid growth and expansion begs the question: are they there yet? The answer: “The goalposts keep moving,” Randall laughs.

“We’re growing and thriving, and the value of strategic HR services that PEOs provide is evergreen,” he adds.

To that end, Randall and his team plan to keep growing, expanding, and thriving. They have built a strong foundation and assembled an exceptional team of talented people. Questco’s culture blends the structure and discipline of a large corporation, and the creativity, openness, and authenticity of an entrepreneurial startup.

New ideas and new approaches are encouraged, and healthy criticism is welcome. It’s all part of the building process.

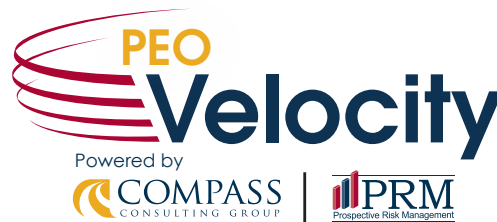
The pace of change has been rapid and at times hard, frustrating, and exhausting. In the early days of the company’s transformation, Hartsaw recognized how excited his team was about where the company was headed. He also knew that excitement can quickly fade once the reality of demanding work sets in. So, he had everyone on his team write down that day’s date and the words “I am excited.” He told them to keep hold of that note and remember it when the work gets tough. Change is hard, but he told them it’s important to always keep the end goal in mind.

The good news is that everyone on the Questco team is still excited today. ■



CHRIS CHANEY

Editor, PEO Insider
NAPEO
Alexandria, VA



Contact Kym Porter, GBA, CBC
Senior Vice President
moreinfo@peovelocity.com
610-428-7761

peovelocity.com

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