

# **Risk Management Saves Thousands in Litigation Fees**

## **Overview**

One of the key advantages of a successful Human Resource strategic plan is that it allows the company to minimize risk exposure with regard to its employees. Many companies overlook this very effective strategy. This point is well illustrated in the case of a large fitness company.

## **Client Introduction**

The Client provides fitness services to the public. It was weighing the advantages and disadvantages of acquiring a competitor. The competitor had legal problems due to employee issues so severe that the competitor was forced to file for bankruptcy protection. The Client had to move fast to make sure that the competitors' two-thousand employees were fully compliant with current employment laws to avoid additional litigation as well as government imposed penalties and fines.

## **Problems in the Infrastructure**

The competitor had no Human Resource (HR) systems in place. They had very complicated payroll requirements because many of their employees were paid by the hour at different rates. The competitor did not keep accurate time keeping records. Employees were located in different states and were subject to different employment laws. Many benefit packages were not compliant with mandatory laws. Performance reviews were not given correctly, timely or properly documented. Break and vacation laws were not followed.

## **Solutions Were Implemented Right Away**

The Pacific Crest Group (PCG) helped the Client create systems and strategies to build trust with its management and employees very quickly. PCG immediately organized all the employee data so it could be integrated into a complete Human Resource Information System (HRIS) to track every payroll function. All employment records were brought up to date and in compliance with applicable local, state and Federal laws. A team of five payroll specialists worked closely with the Client to train them on how to use their new system.

New employment contracts were created that were electronically signed by all employees. The agreements documented the employment offer, pay rate, "at will" termination clause and many other critical employment terms. Clear communication channels between management and employees were established. A twenty-four hour response time was instituted so that employees could get their employment questions answered accurately and quickly. A new employee benefit specialist was recruited and hired by PCG for the client. Employees felt that the new policies were fair, properly explained and applied equally to all.

## **PCG's Unique Value Added**

A process that would normally take at least one year was done in six months. Pacific Crest Group added specific value that only it can provide through its comprehensive Human Resource services. For example, the Client was trained on risk management strategies that resulted directly in saving thousands of dollars in additional litigation and government imposed penalties and interest charges.

Due to PCG's special relationship between its HR and accounting departments, it was able to strategically advise the Client using its specialized business acumen in such a way that it had profound effects on the Client's bottom line. PCG acted like a partner in the decision making process by considering the Clients' needs first each step of the way.

Systems were installed that allowed the Client's HR people to utilize PCG professionals to complete projects without having to rely on expensive temporary employment services. Pacific Crest Group acted like a full-time HR department on a part-time project basis. PCG assisted in hiring and training all new personnel. The Client was provided the extra service of helping their HR personnel by handling all payroll related questions before they became a legal issue. This saved them a great deal of money in potential legal fees.

Pacific Crest Group provides professional services that keep your business focused on your key objectives. They create custom made systems based on creative strategies that are always delivered with exemplary customer service.

A PCG professional is happy to meet with you to discuss solutions for your unique requirements to maximize all of your business opportunities.