



EXECUTIVE SUMMARY

Independent Contractor Compliance and Engagement Solutions





BUSINESSES ARE DRIVING more work than ever before to independent contractors, freelancers, and consultants (collectively “contractors”) they identify on their own. Doing so helps them compete in the Project Economy – but it also brings about new and complex challenges.

Tax and labor laws regulating contractors are complex and often murkier than those governing traditional employees. With current economic conditions and tax revenue shortfalls, federal and state tax authorities are aggressively auditing businesses for proper contractor classification. Transgressions are often met with imposing penalties and fines. And business risks – like business liability, workers compensation, immigration, and Sarbanes Oxley violations – may even exceed classification risks.

As a result, more and more businesses are seeking a proven, professional partner that can streamline their contractor engagements, optimize their contractor usage, and mitigate risks by ensuring compliance with statutory guidelines for independent contracting.

And that’s why more and more businesses are turning to MBO Partners – Enterprise Solutions.

TOTAL INDEPENDENT CONTRACTOR COMPLIANCE

MBO Partners – Enterprise Solutions can rapidly, reliably, and accurately assist businesses in their quest for full contractor compliance. MBO is the nation's largest and most experienced provider of contractor engagement and qualification solutions. Through our flexible and proven services, MBO can process all engagements of internally identified contractors and evaluate these resources for compliance with IRS, Department of Labor, and individual states' criteria for working independently. The MBO contractor qualification process is easy to use, with virtually no involvement on the part of client managers. MBO fully indemnifies clients for tax-related penalties should an MBO-assessed contractor be reclassified; however, no MBO assessment determination has ever been overturned by an audit.

DIFFERENT WORKERS, DIFFERENT SOLUTIONS

MBO's services go beyond complete compliance assurance. We differentiate ourselves most notably through three distinct engagement services — **MBO Exec**, **MBO Sub**, and **MBO Staff** — which together ensure that contractors of all levels and expectations receive the best services possible as they conduct their assignments. MBO recognizes that the support and services required by professional consultants differ vastly from those required by lower-earning administrative workers. MBO's multiple engagement services embrace these differences and provide platforms that ensure widespread adoption and contractor satisfaction.

EMBRACED BY PROFESSIONAL CONSULTING TALENT

MBO's flagship engagement service, MBO Exec, is widely considered appealing to even the most independently minded contractors. Through MBO Exec, MBO delivers an industry-leading set of services that enable crucial, high-earning contractors to operate their businesses independently and compliantly, complete with excellent benefits, a lucrative retirement program, a business expense reimbursement program that extends to out-of-pocket medical and dependent care expenses, and more. The attractiveness of the MBO Exec program drives the vast majority of non-qualified contractors to transition to it willingly, thus maximizing program participation and, consequently, visibility into contractor spend.

FAST, PROVEN IMPLEMENTATION

Our "QuickStart" implementation methodology helps clients rapidly deploy a process that ensures compliance for all newly engaged contractors. An ensuing "Incumbent Transition" phase brings clients' existing contractors into the program quickly during an accelerated rollover period.

Clients can then combine the ongoing security of a compliant contingent workforce engagement program with other critical advantages: improved spend visibility; efficient contractor management, on-boarding, and off-boarding; reduced administrative burden; significant cost savings or avoidance; and a satisfied and productive contractor workforce.

THE MBO ENGAGEMENT SERVICES

MBO uniquely offers three distinct and proven independent contractor engagement services that together ensure that contractors of all levels and expectations receive the most appropriate services as they conduct their client assignments.

MBO EXEC

A hybrid W-2 service for professional services consultants who do not qualify for independent contractor status. Our flagship engagement service, MBO Exec is generally considered appealing to even the most independently minded contractors. Through MBO Exec, true consultants can continue to operate their businesses independently and compliantly. The attractiveness of the MBO Exec program drives the vast majority of non-compliant contractors to transition to it willingly.

MBO SUB

A sub-contractor engagement service for micro-businesses who qualify to operate as independent contractors or corporate entities.

MBO STAFF

A traditional payrolling service for client-referred contract-based resources who have no intention of operating as a business and need an employment relationship.

MBO PARTNERS – ENTERPRISE SOLUTIONS MAKES IT EASY FOR CONSULTANTS AND THEIR CLIENTS TO WORK TOGETHER

Our goal is to design and build best-in-class enterprise solutions for organizations that want to judiciously, efficiently, safely, and intelligently use professional contractors to achieve their business objectives. Here are 10 reasons clients choose MBO:

EXPERIENCE

Founded in 1986, MBO Partners is the largest and most experienced Independent Contractor Engagement Specialist (ICES). We have served Fortune 1000 companies in virtually every industry and engaged nearly 30,000 independent workers.

HIGHEST ADOPTION

Professional consultants' needs are vastly different from those of lower-earning administrative workers. MBO therefore offers three engagement services that ensure contractors of all levels receive an appropriate solution — which drives widespread adoption and contractor satisfaction.

UNPRECEDENTED VISIBILITY INTO IC SPEND

MBO's attractive services and contractor population discovery tools help executives better understand their contract workforce. By fully understanding their contractor usage, leaders can take steps toward air-tight compliance and total spend management.

EXCLUSIVE FOCUS ON IC ENGAGEMENTS

MBO does one thing — develop enterprise contractor engagement and compliance solutions — and does it very well. We are not a Managed Services Provider or a staffing vendor, so we can focus on delivering the highest level of client satisfaction with no conflicts of interest.

COST SAVINGS

The MBO solution reaps a wide variety of financial rewards for clients: cost control through spend visibility, improved operational efficiencies, eliminating double tax payments, and of course significant cost avoidance through risk mitigation.

IC COMPLIANCE AND INDEMNIFICATION

MBO's contractor qualification solution relies on human review of contractor data to ensure the most accurate determinations, every time. Our determinations have never been overturned by audit, and we indemnify 100% for tax penalties if they ever are.

MINIMAL MANAGER IMPACT

Our assessment process requires managerial participation only when contractors initially appear qualified. This spares client managers the inconvenience and disruption of completing many manager questionnaires.

PROVEN IMPLEMENTATION METHODOLOGY

For clients, adding or modifying a contractor engagement program can mean dramatic process changes. MBO's disciplined "3D" implementation methodology (Discover, Design, Deploy) helps clients rapidly improve their contractor engagement practices while fostering long-term savings and risk mitigation.

EMBRACED BY PROFESSIONAL CONSULTANTS

Our cornerstone engagement service, MBO Exec, emulates self-employment within a reclassification-safe W-2 infrastructure. Professional consultants embrace this program (often using it as the basis for long-running independent careers) while clients reap the benefits of a satisfied and focused contract workforce.

MSP/VMS INTEGRATION

MBO integrates easily with all major Managed Services Providers and Vendor Management Systems, so clients can preserve their legacy investments.



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