

How PEOs Can Drive Revenue with a Leave Management Solution





More companies every day are offering new types of leave benefits to attract workers. A recent AbsenceSoft forecast survey showed that more than half of employers plan to add new paid leave benefits, including parental leave, flexible time off, and mental health days. Add to that the growing landscape of federal regulations such as the Pregnant Worker's Fairness Act (PWFA), and numerous state leave laws getting passed each year. This means that organizations need a better way to manage leave, and many are proactively in the market looking for a solution today.

When you offer your customers a best-in-class leave management solution

with AbsenceSoft, you can grow your revenue and add value to your existing partnership with them. You can help them save time, stay compliant, and improve their employee experience. Because the right platform can easily scale as employee counts grow, you can also position yourself to attract larger clients with higher employee counts.

In this guide, we'll take a look at the benefits of partnering with a leave platform purpose-built for professional employer organizations (PEOs). We'll also review two main ways you can offer leave management capabilities to your customers, and how you can drive revenue with both.

Offering Leave Management to Differentiate Your PEO From the Competition

The number of employees requesting and taking leave has been growing in recent years. To recruit, attract, and retain talent in a competitive job market, more employers are creating and offering their own paid leave policies, including parental leave, mental health days, and even

sabbaticals. For the past two years, AbsenceSoft's forecast reports¹ found that a majority of employers plan to add company-specific leave policies, including parental leave, bereavement leave, sabbaticals, and much more.

During the past year, requests for leaves of absence:



Types of paid leave benefits organizations added recently or will add in 2024:



[Read the Full Report](#)

With leave management becoming more essential to your customers, offering an out-of-the-box solution in your suite of services can give your PEO a competitive edge. By incorporating and offering a leave solution, you can:

✓ **Capture Demand for a Sought-After Solution**

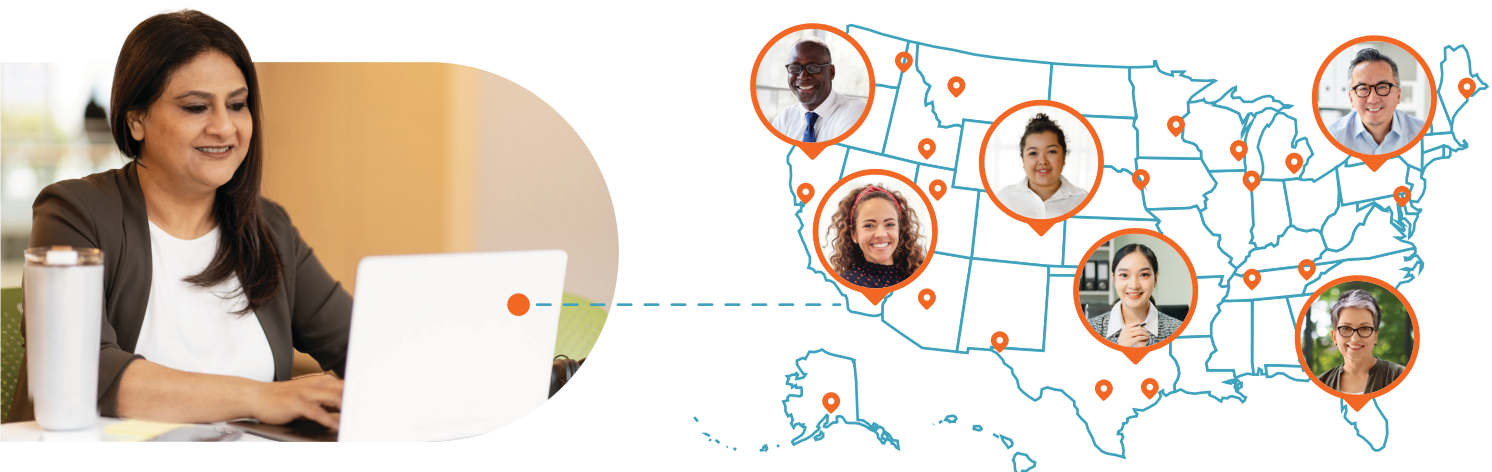
To retain workers in a highly competitive market, many companies are offering their own leave programs. States are adding new leave benefits for state residents every year. With a leave solution, you can capture the market share around leave management to boost demand. As employers start to offer more and varied leave benefits, you can offer a solution that can help manage and track them more effectively.

✓ **Differentiate Yourself in the Marketplace**

By offering a solution that streamlines and automates leave management, you can capture new market demand and stand out from the competition. Your customers can gain access to a flexible, configurable, easy-to-use service that delivers a positive, personalized leave experience. From self-service to customized communications and text messaging, you can enable your customers with a modern, scalable leave solution.

✓ **Better Support Remote-First and Distributed Workforces**

As more companies embrace and offer remote work options, workforces are more distributed. With many states offering their own paid leave, tracking and managing employees with different state leave entitlements is becoming a big challenge. By offering comprehensive leave solution that is regularly updated with over 200 state and federal leave laws, you can attract high-value employers with workforces across the United States.



Two Ways to Offer Leave Management to Your Customers

#1. Offer Standardized Leave Management Across Your Client Base

AbsenceSoft can be seamlessly offered through your own platform, enabling your PEO to deliver a personalized and compliant leave program. When you add AbsenceSoft to your platform, you have an opportunity to create upsell paths and generate additional revenue. Leave management compliance is a huge challenge for many businesses, especially those with distributed or remote workforces. With a leave solution seamlessly embedded in your platform, you can reach out to current customers and offer them a new service. Out of the box, you have a way to centralize and streamline leave management for more than 200 state and federal leave laws, including the FMLA.

#2. Offer a White Glove, Custom Approach to Your Client Base

Another approach to adding a leave management revenue stream is to offer your customers fully outsourced leave management. In this approach, your organization can add revenue by acting as a third-party administrator (TPA) of leave. This opens an entirely new market of prospects looking for options to outsource their leave program beyond basic compliance needs.

Every year, more companies are adding their own paid leave policies, including parental leave, caregiver leave, sabbaticals, and more. Because AbsenceSoft can be configured to manage company-specific leave benefits in addition to federal and state leave, you can in turn offer those services to your customers for an additional fee. You can provide them with fully customized leave management, with personalized communications, text messaging, unique forms and documents, and much more.

AbsenceSoft enables your PEO to offer these white-glove, outsourced services, which other PEOs and TPAs often can't manage. For these custom approaches, we see clients charge premium rates.

Revenue Generation through Leave Management Software Worksheet

When you add leave management to your PEO's suite of services with AbsenceSoft, you can boost your bottom line. Complete this worksheet to see how much revenue you could generate.

Number of customers that enroll in leave management services

1

Average number of employees at each of those customers' organizations

2

Per employee per month (PEPM) charge to your customers

3

\$

(Industry averages are \$2-\$4 PEPM, varying based on bundling models and scope of offering)

1

x

2

=

4

Number of total enrollees

4

x

3

\$

=

Additional Annual Gross Revenue

Additional Benefits of Offering Leave Management as a PEO

1. Improve Client Retention and Satisfaction

Your company can see improved customer satisfaction by offering a best-in-class solution for leave management. Customers who want robust leave capabilities to deliver an excellent employee experience won't have to seek solutions outside of your suite of services.

2. Offer a Future-Proof Solution

AbsenceSoft's leave solution is an enterprise-grade, scalable solution, so there is no limit to how many lives you can add to the platform. Our compliance team is continually adding new laws into the system to ensure organizations can accurately calculate eligibility the day new laws take effect. Deep reporting and analytics capabilities allow you to provide your customers with real-time insights into their leave programs.

3. Create "Stickiness" with Your Customers

The more HR challenges your customers can solve with your organization, the stickier they become. Once leave management is implemented, your solution will be fully and seamlessly embedded into their processes. This greatly reduces the chances of them leaving for another provider.

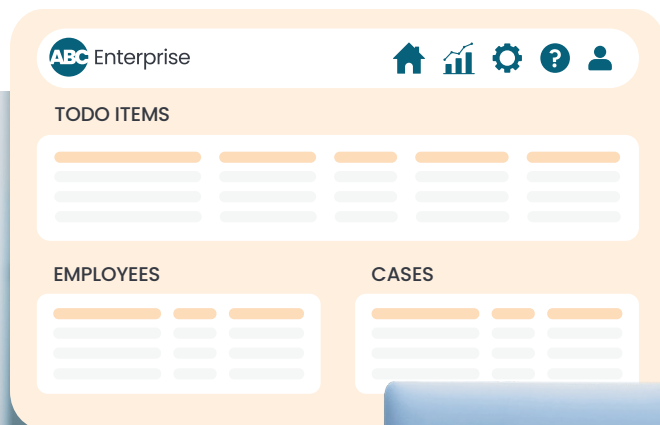
4. Boost the Efficiency of Your Own Leave Team

Harnessing the power of centralized, automated leave management will transform your own leave team's day to day work. You can use data to optimize case management, automate the most tedious and time-consuming administrative tasks, and enable a single leave team member to manage upwards of 5,000 cases per year effectively and compliantly.

Conclusion

The landscape of paid leave is growing more complex every day as companies offer more and different types of leave to retain talent. Employees today are prioritizing leave benefits – they are no longer a “nice to have” but a “must have,” like retirement savings and healthcare. More states are offering new, complicated paid leave programs to help fill in the gaps left by the FMLA, leaving companies with more leave-related compliance challenges than ever. To solve these challenges, employers are actively searching for robust leave management solutions.

By partnering with AbsenceSoft, you can competitively position your business to take advantage of this growing market need. You will have multiple options of adding revenue while improving your own leave team’s efficiency and effectiveness. AbsenceSoft has many features developed specifically for the unique needs for PEOs – the most of any leave solution in the market today.



To see AbsenceSoft in action, [schedule a demo](#) today.