

Tectonic Shifts in HCM

Mike Vannoy

VP Marketing, Asure









Mt Everest



Tectonic plates of HCM



Tech

**Labor
Supply**

**HR
Laws**

STUNNING TRUMP WIN

HE TAKES KEY STATES FROM CLINTON, DEFYING POLLS
 California elects its first black senator in Harris, legalizes pot



THURSDAY January 7, 2021 25° 18°
 More cloudy days, chances for light snow

StarTribune

INSURRECTION

RUMP-INCITED MOB VANDALIZES U.S. CAPITOL
 Locked Congress regroups and rejects bid to foil Biden's win

DOW JONES INDUSTRIAL AVERAGE
 -800.63
 25,479.28

BREAKING NEWS
DOW DIVES 800 POINTS ON WARNING OF LOOMING RECESSION

CNN THE LEAD

LIVE

U.S. ECONOMY ENTERS RECESSION UNDER BIDEN
 PRESIDENT BIDEN REMAINS AFTER U.S. ENTERS RE...

FOX NEWS 9:06 MT
FOX NEWS ALERT

NEW YORK POST
 LATE CITY FINAL

Putin declares war on Ukraine at 5:50 a.m.
Explosions rock Kyiv
Warns NATO to stay out

WAR IN EUROPE

MSNBC

THE WALL STREET JOURNAL
 FRIDAY, JUNE 11, 2021 - VOL. CCLXXVII NO. 135
 WSJ.com ***** \$4.00

Inflation Jumps to 13-Year High

May price rise was 5% as the economic rebound from virus lockdowns accelerated

What's News
 Business & Finance

Consumer-price index

Jobless claims drop, but hiring falls short
Head on the Street: Stop into inflation's looking-glass

BREAKING NEWS
U.S. HAS 985,500+ COVID-19 CASES, 55,900+ DEATHS

STATES OF EMERGENCE

MSNBC

STAY AT HOME

6 Bay Area counties order nearly 7 million people to shelter in place



The Economist
 Russian meddling, British complacency
 TikTok's time runs short
 America's Midwest: a special report
 The hunt for life on Mars

Free money

When government spending knows no limits

JULY 20TH 2020

WAR IN EUROPE

Putin declares war on Ukraine at 5:50 a.m.
Explosions rock Kyiv
Warns NATO to stay out

15

SEE PAGE 15

The New York Times
 Saturday, November 7, 2020
 Today's Paper

BIDEN BEATS TRUMP

Harris Is First Woman Elected Vice President

Live Updates

President
 273 vs 230

Senate
 48 vs 48

House
 213 vs 194

First Candidate to Beat an Incumbent in More Than a Quarter Century

Key States

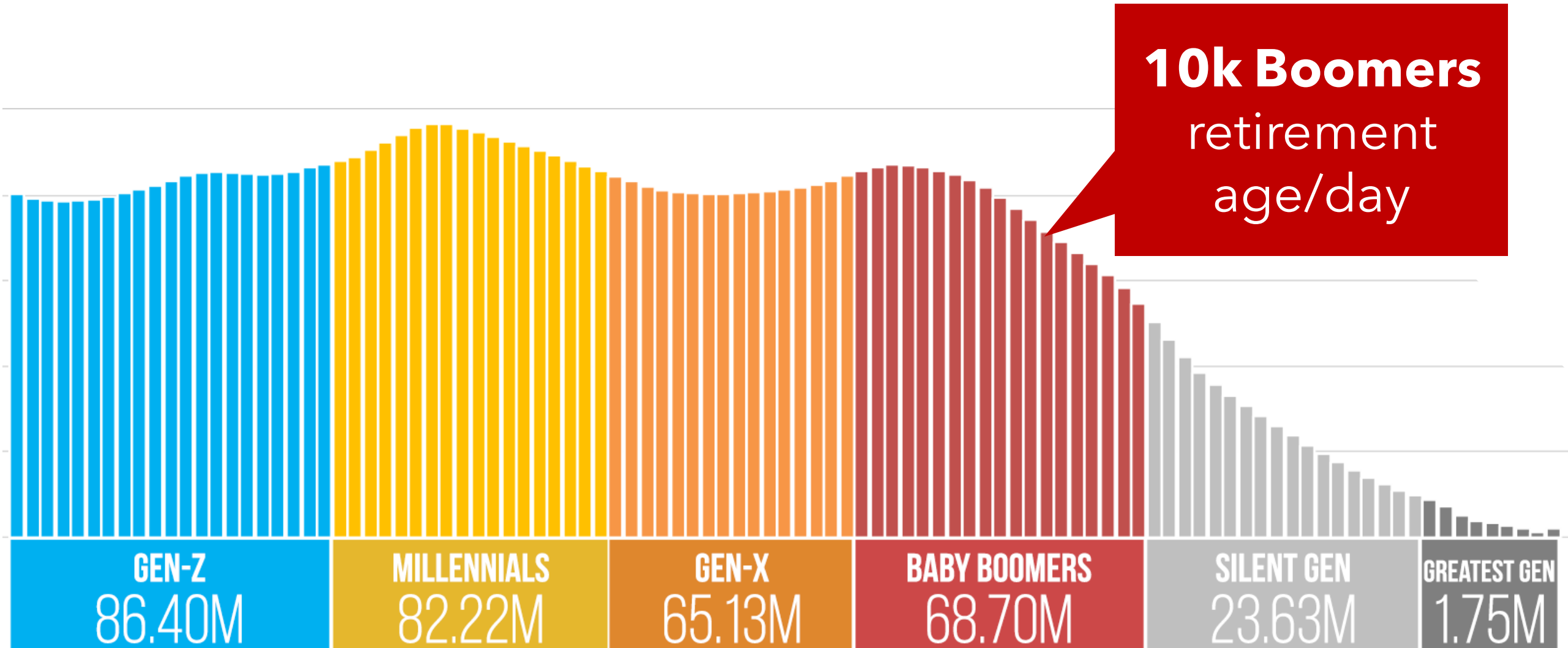
Key States
 Biden +5.5 -54,414 95%

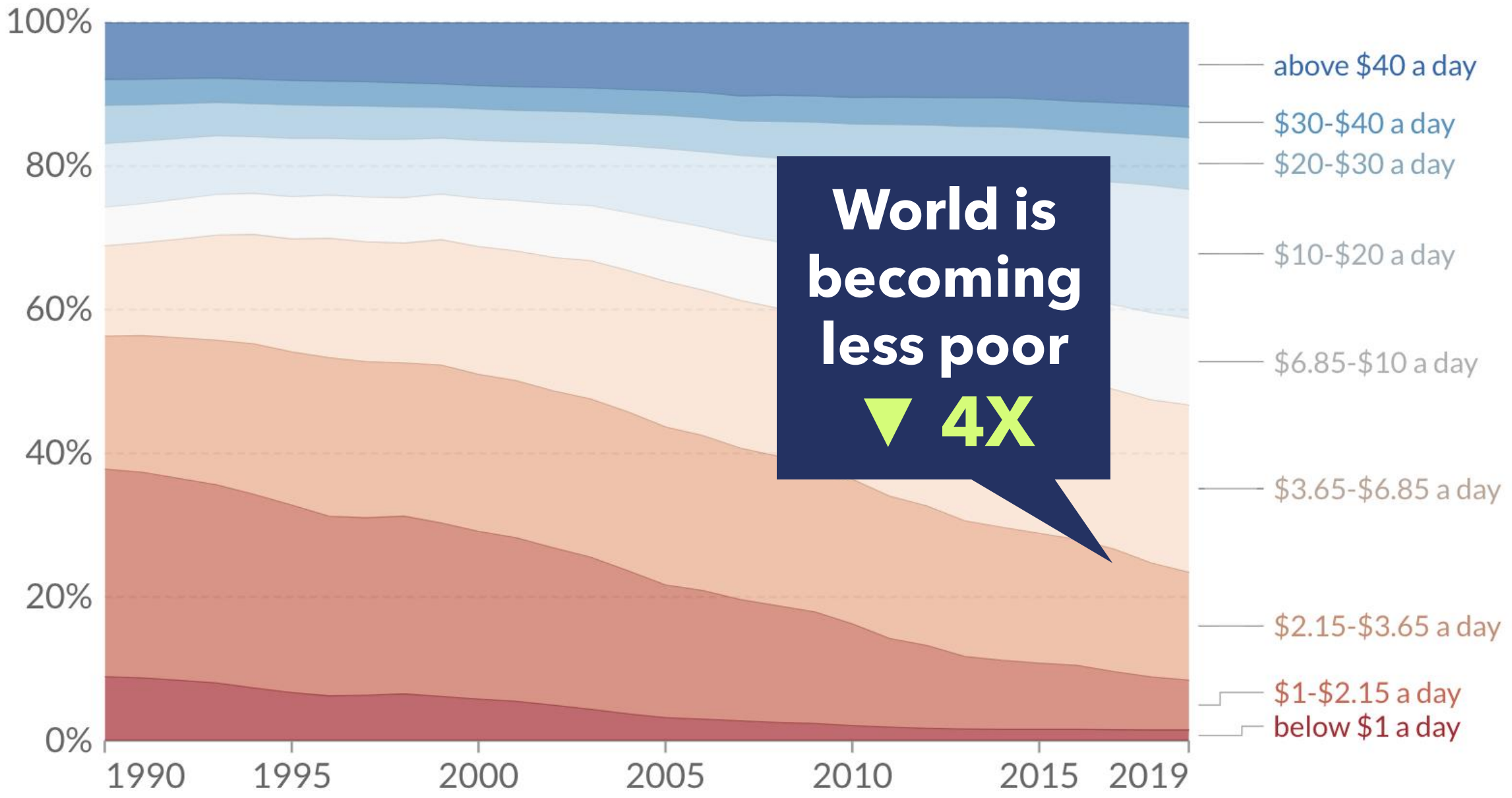


Shifting Labor

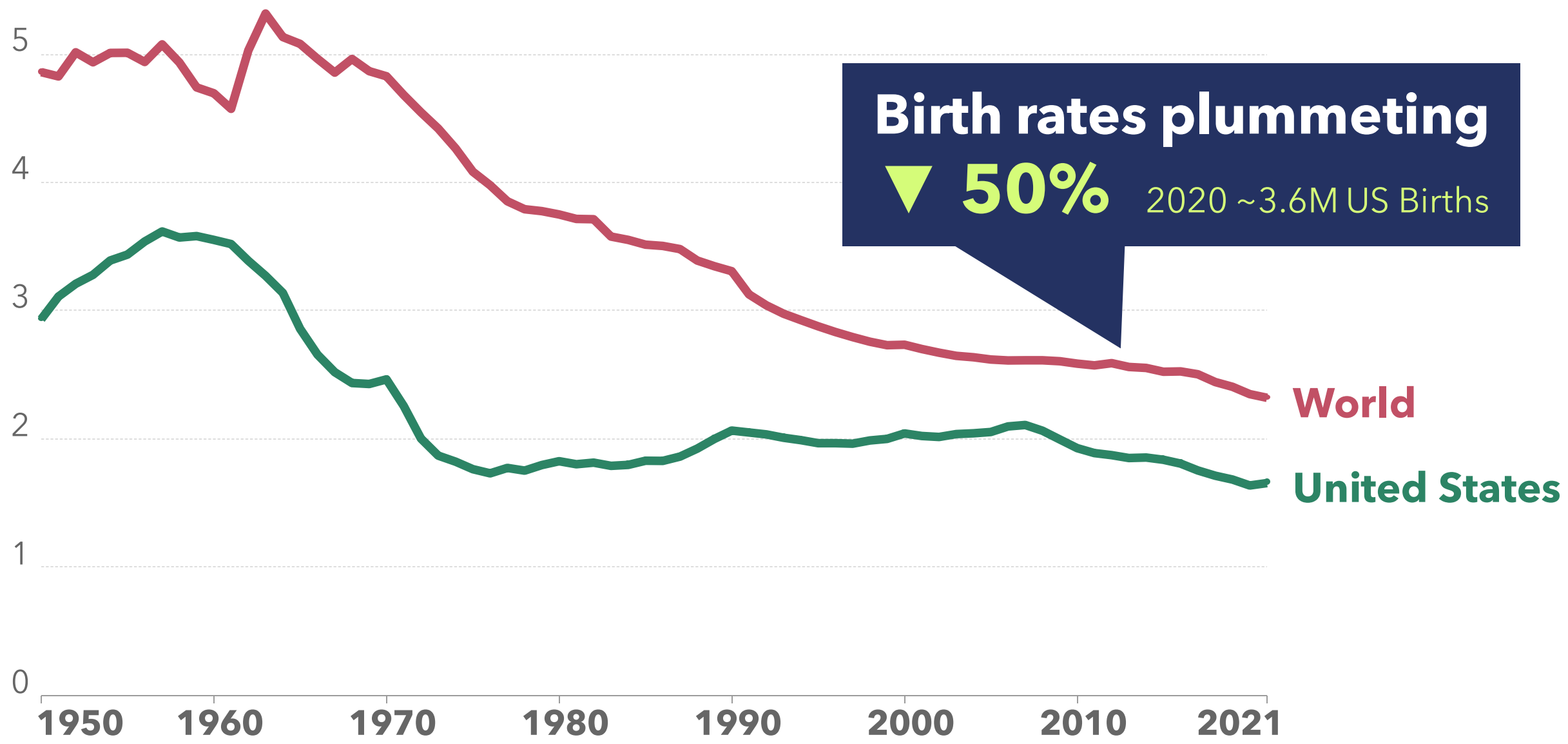
Macro trends defining the availability of labor

US Population by Age and Generation





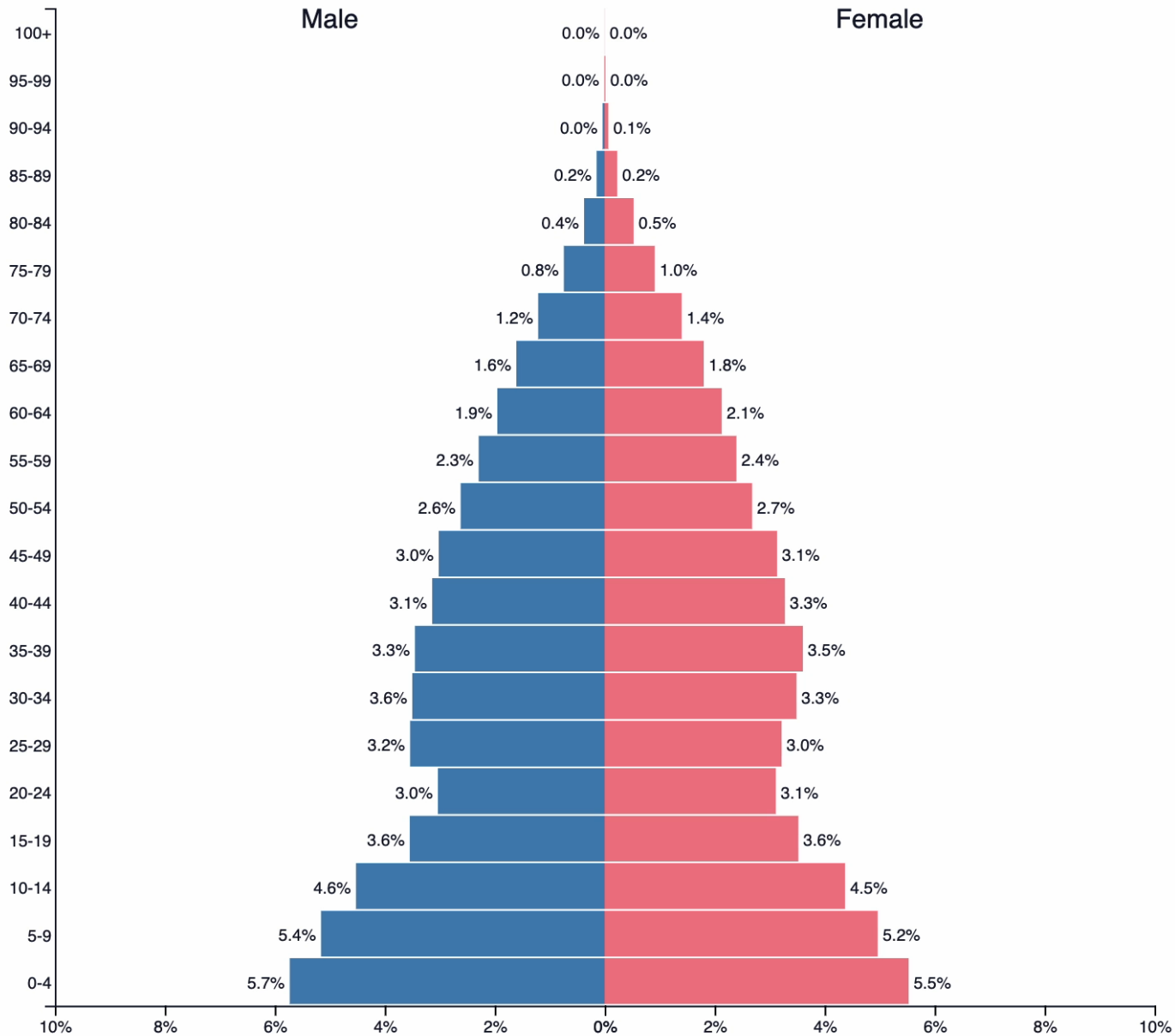
Fertility rate: children per woman



Source: United Nations, World Population Prospects (2022)

United States of America ▼ 1960

Population: 176,188,577



**Boomers
retiring**

+

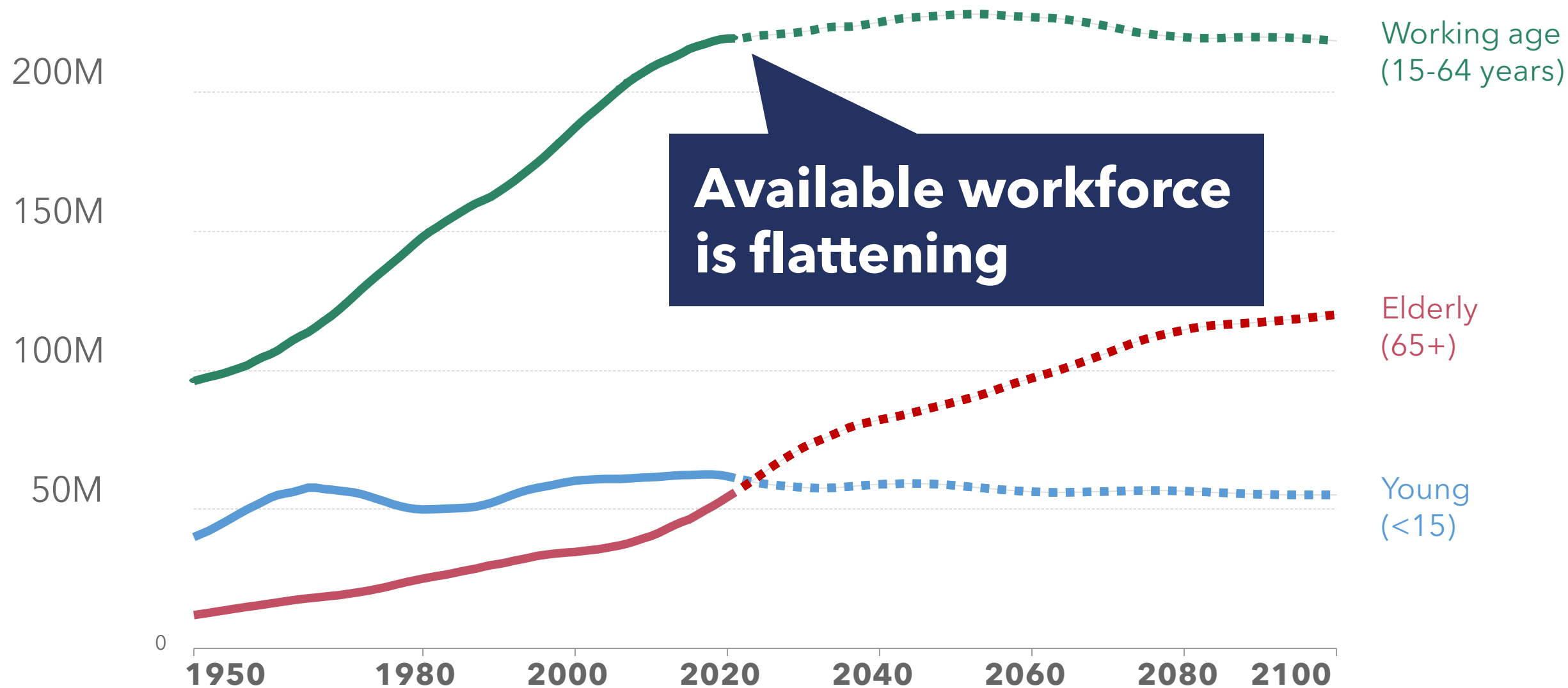
**Declining
birth rates**

=

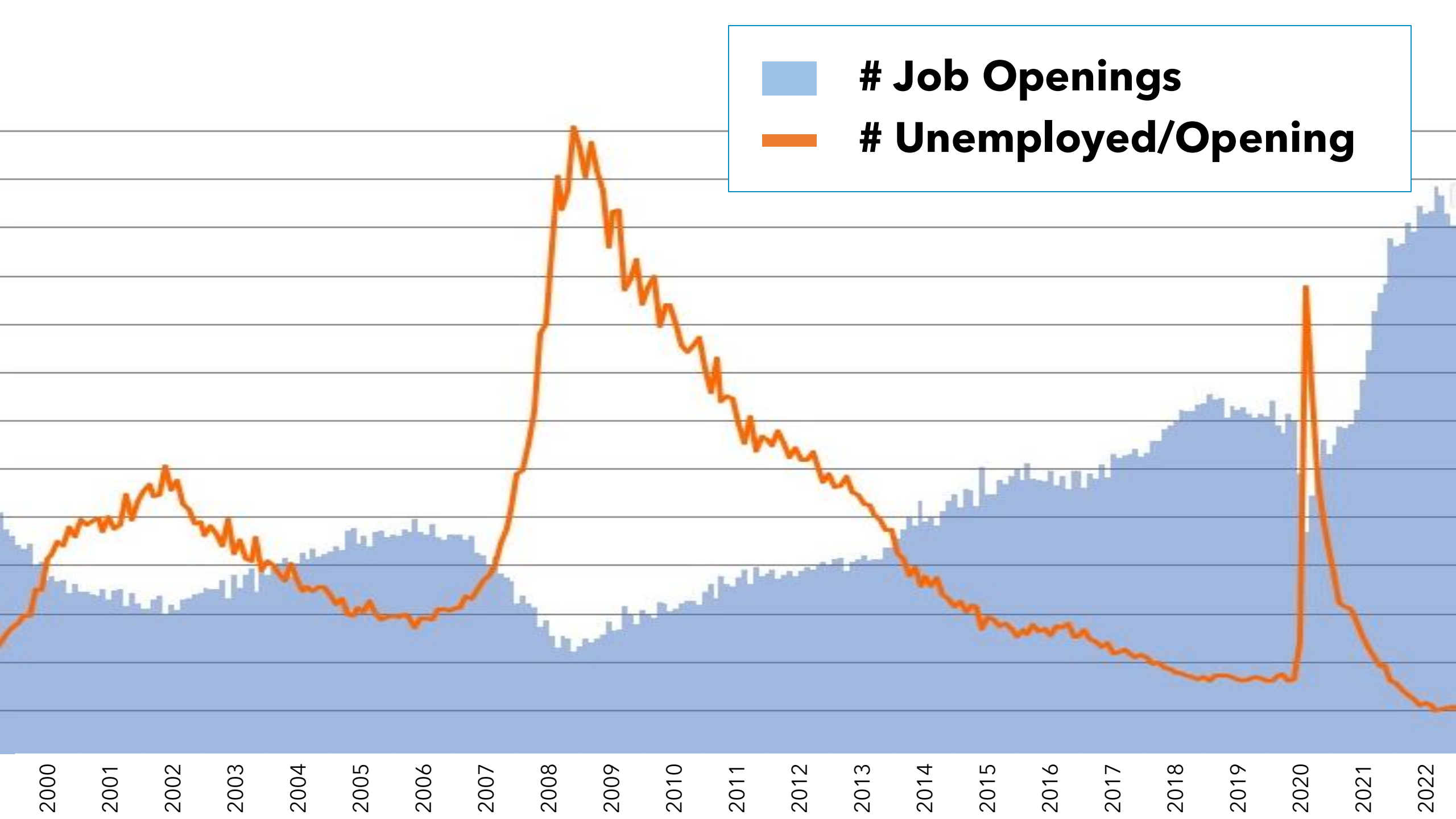
**Demographic
shift**

Population of young, working-age and elderly, United States

Historic estimates from 1950 to 2021, and projected to 2100 based on the UN medium-fertility scenario.



Source: United Nations, World Population Prospects (2022)



Job Openings



Unemployed/Opening

HCM Providers must EVOLVE...

The “War for talent” has hit Main Street

The **Labor shortage** is real and it's not going away

PEPM and **price-per-check** models require more employees to grow

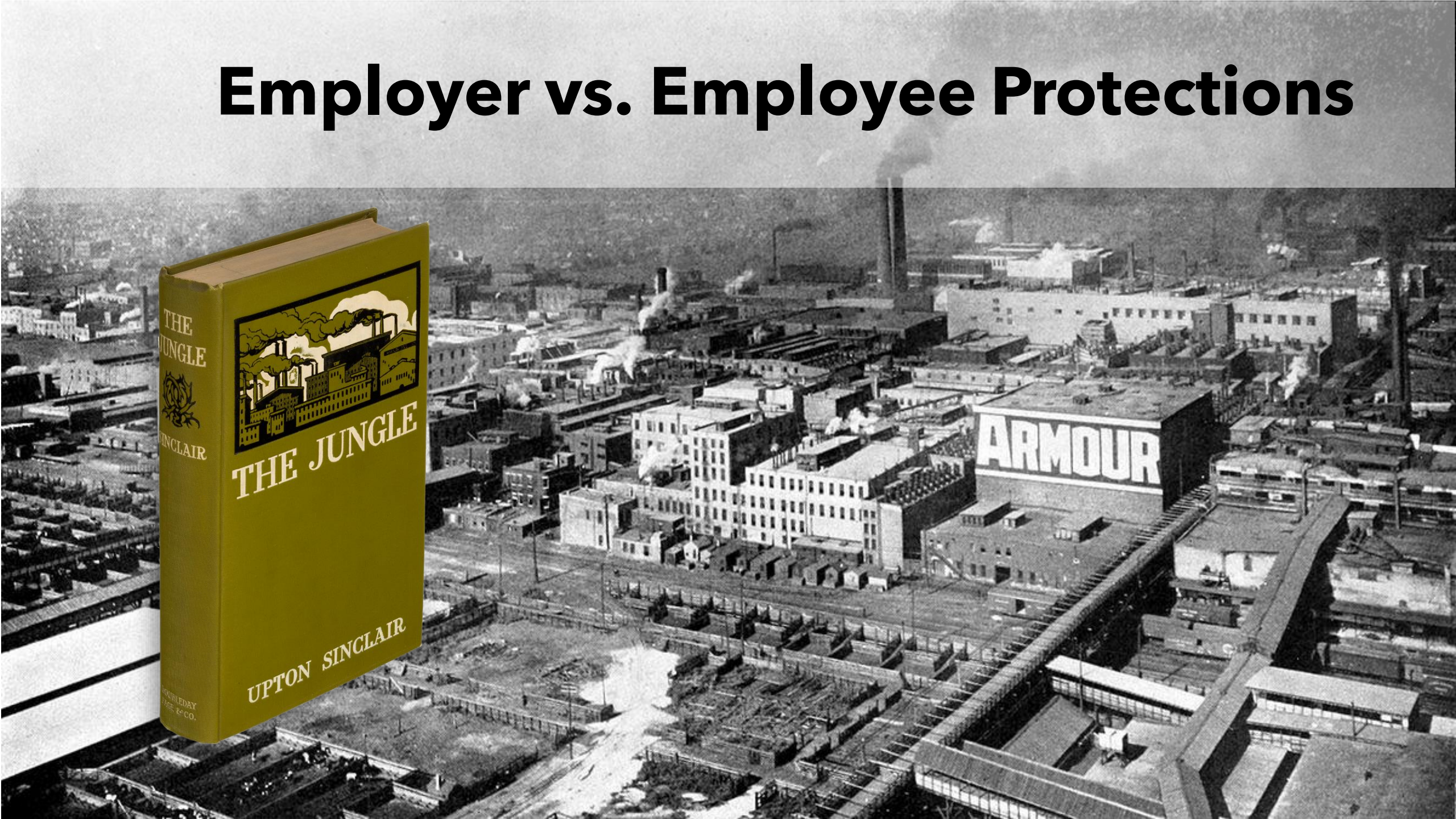
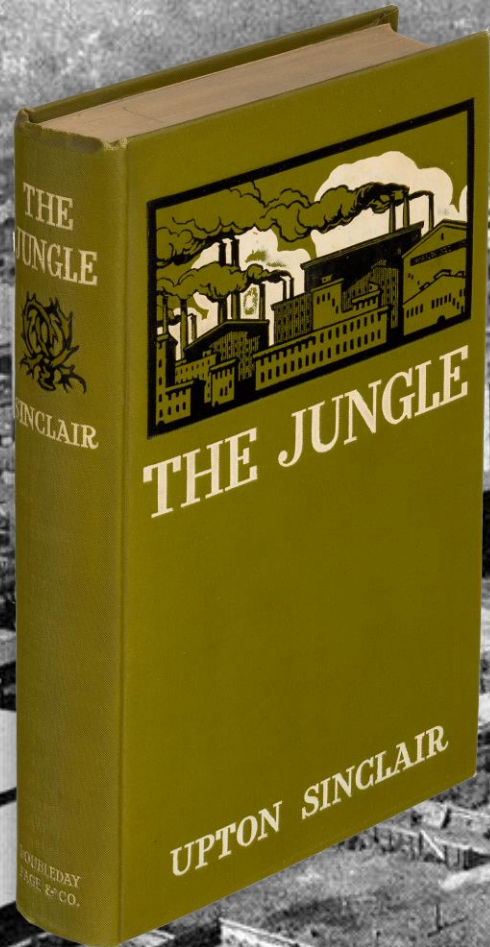
More **Employees** means **stealing share** from ADP and Paychex



Shifting HR Laws

Societies giving more protections to employees

Employer vs. Employee Protections



FLSA

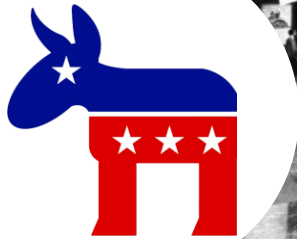
Fair Labor Standards Act (FLSA)
signed into law 1938 by FDR

Establishes:

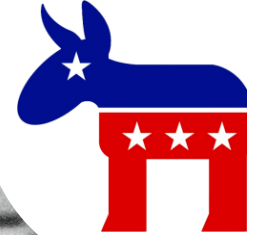
- Minimum wage
- Overtime pay
- Recordkeeping
- Child labor standards



Equality | The 1960's



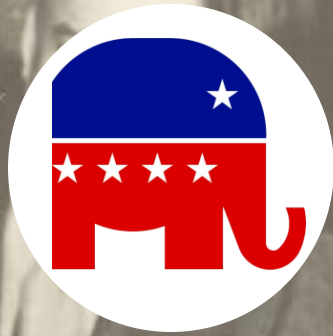
The Equal Pay Act of 1963 amended the Fair Labor Standards Act, aimed at abolishing wage disparity based on sex



The Civil Rights Act of 1964 outlaws discrimination based on race, color, religion, sex, and national origin

50 Years of Workplace Safety and Health

President Nixon signs the Occupational Safety and Health Act on December 29, 1970, which was enacted on April 28, 1971.



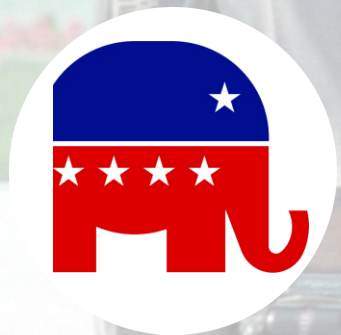
OSHA[®]



COBRA

The 1986 Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events.





Americans with Disabilities act of 1990

FMLA

The Family Medical Leave Act (FMLA) was signed into law by President Bill Clinton in 1993.

FMLA allows workers to take up to 12 weeks of unpaid leave to bond with a newborn, newly adopted or newly placed child; care for a seriously ill child, spouse or parent; or care for their own serious health condition without fear of losing their jobs.





**Affordable
Care Act (ACA)
2010**



8 Big Federal Laws in 80 Years

FLSA
1938

Equal Pay Act
1963

Civil Rights
1964

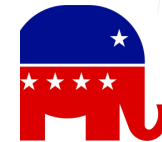
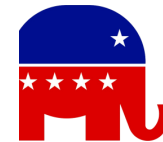
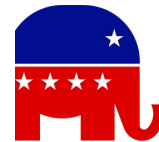
OSHA
1971

COBRA
1986

ADA
1990

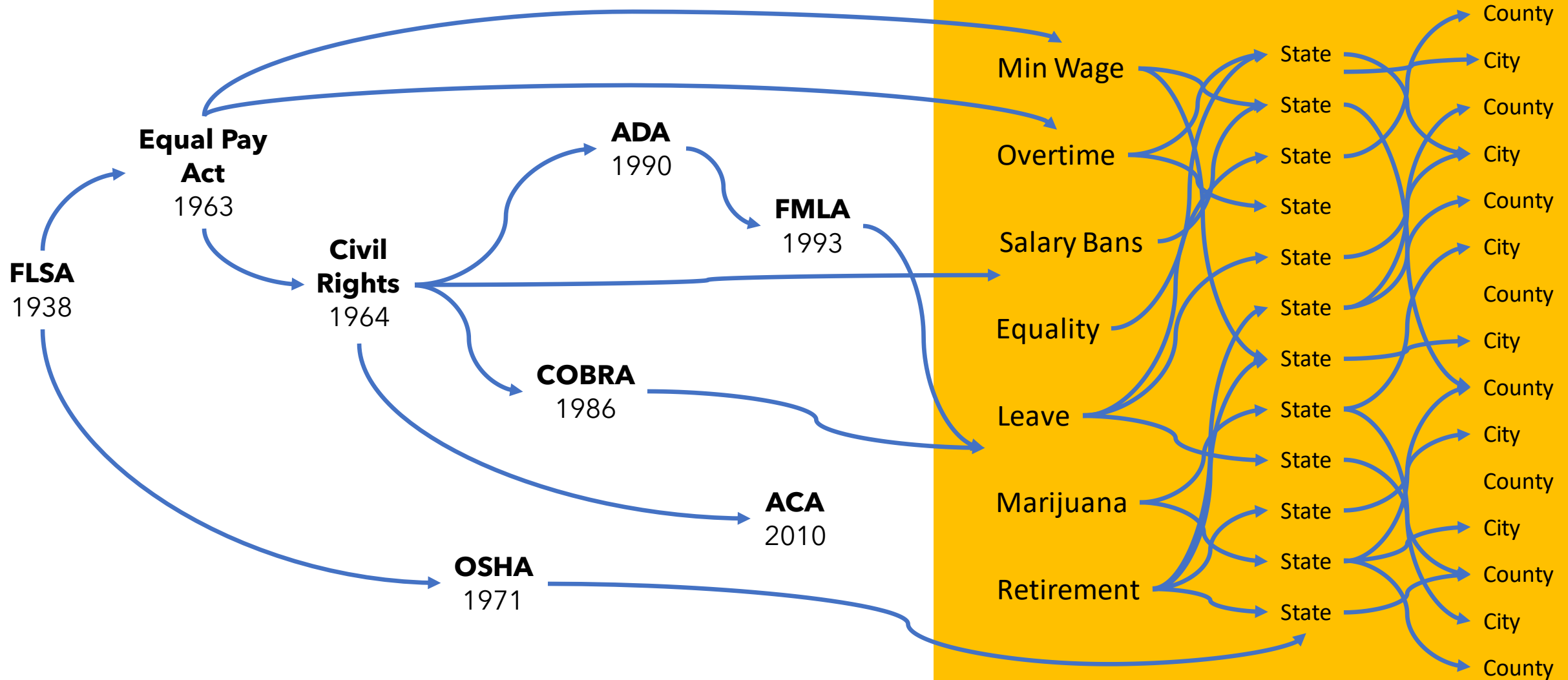
FMLA
1993

ACA
2010



8 Big Federal Laws in 80 Years

"Cambrian Explosion" of HR Protections



Shifting From FED>STATE>LOCAL...



Emeryville, CA

Minimum Wage
<55 emp \$17.00
55+ emp \$20.00

California

Minimum Wage
<25 emp \$13.00
26+ emp \$14.00

Nevada

Minimum Wage
\$8.00 w/Health Ins
\$9.00w/o Health Ins

Federal
Minimum Wage
\$7.25

Explosion Localized HR laws...



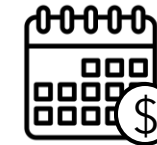
Pay Transparency

Colorado, New York City, Jersey City,
New York, California, and Washington
(~22% of US workforce)



Salary History Bans

~26 states have prohibited
employers requesting salary
history from job applicants



Leave Laws

- 11 states + DC have **paid** FMLA
- 11 other states introduced legislation
- 15+ states and municipalities have paid sick leave



Fair Chance Laws

Roughly 37 states and 150
cities have adopted fair
chance hiring laws

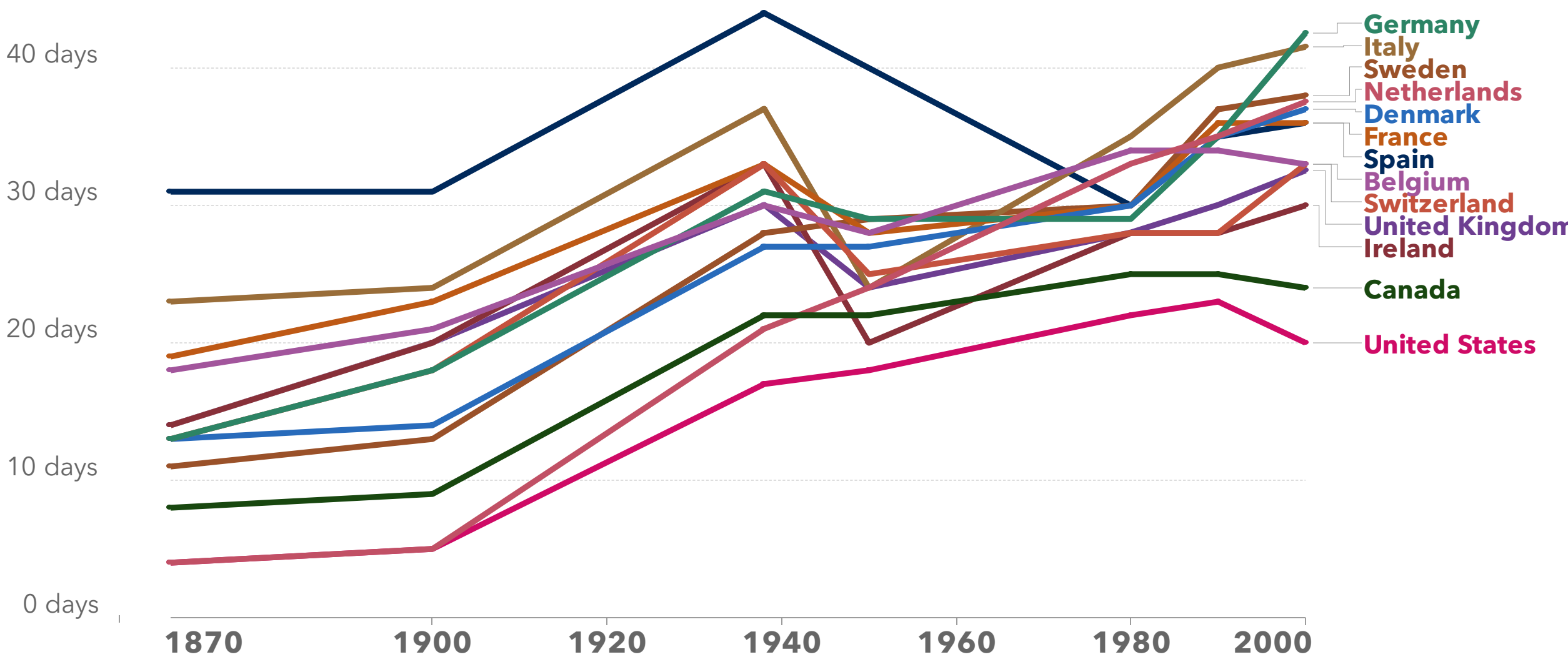


Marijuana Laws

22+ states have legalized recreational
marijuana; Many prohibit interfering
with "lawful off duty conduct",

Days off from work for vacations and holidays

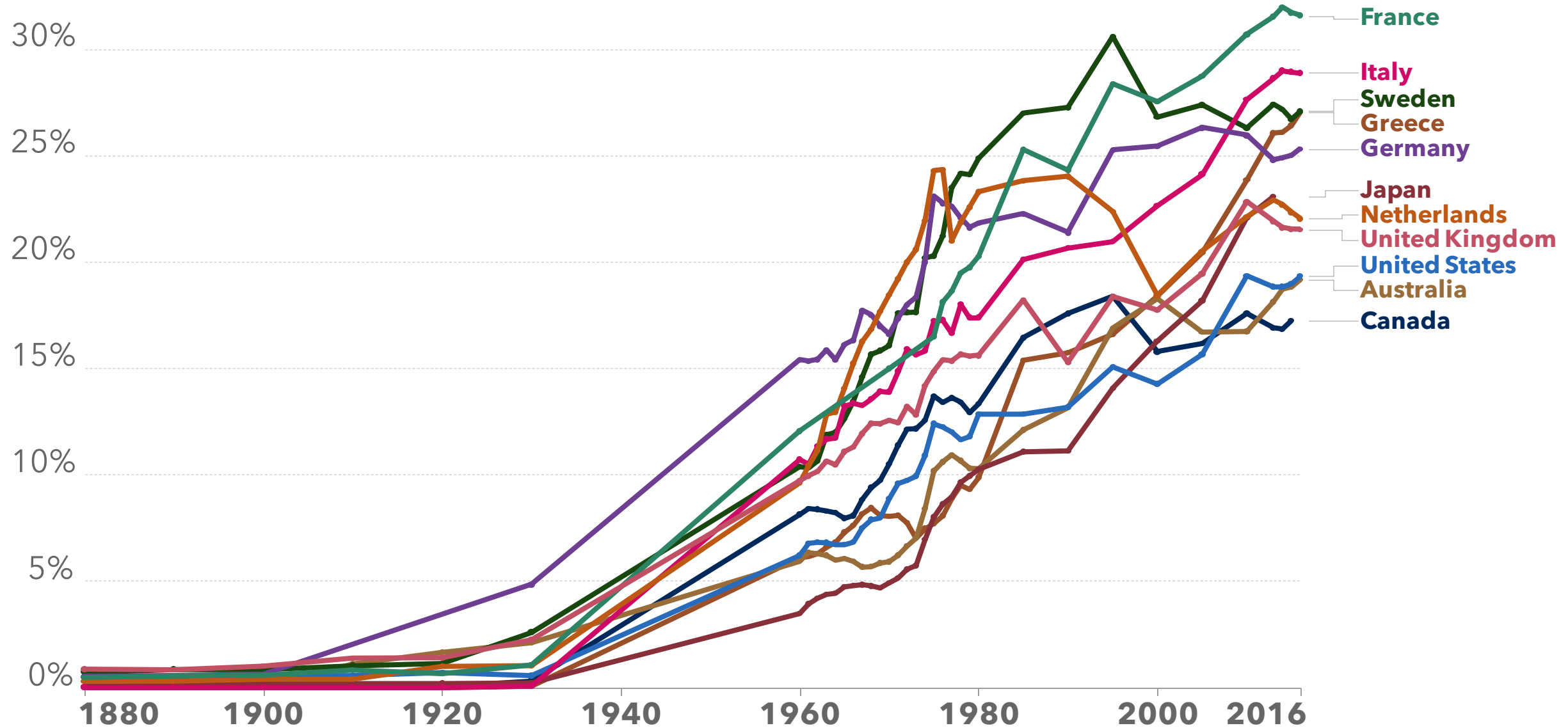
Number of days off from full-time work in a year for vacations and national holidays



Source: Huberman & Minns (2007)

Public social spending as a share of GDP, 1880 to 2016

Social spending includes, among others, the following areas: health, old age, incapacity-related benefits, family, active labor market programmes, unemployment, and housing.



HCM Providers must EVOLVE...

Power is Shifting from Employer to Employee

Employers are **losing control** and **can't keep up** with all the legislative changes



Employees are **gaining power** based on supply & demand and HR legislation

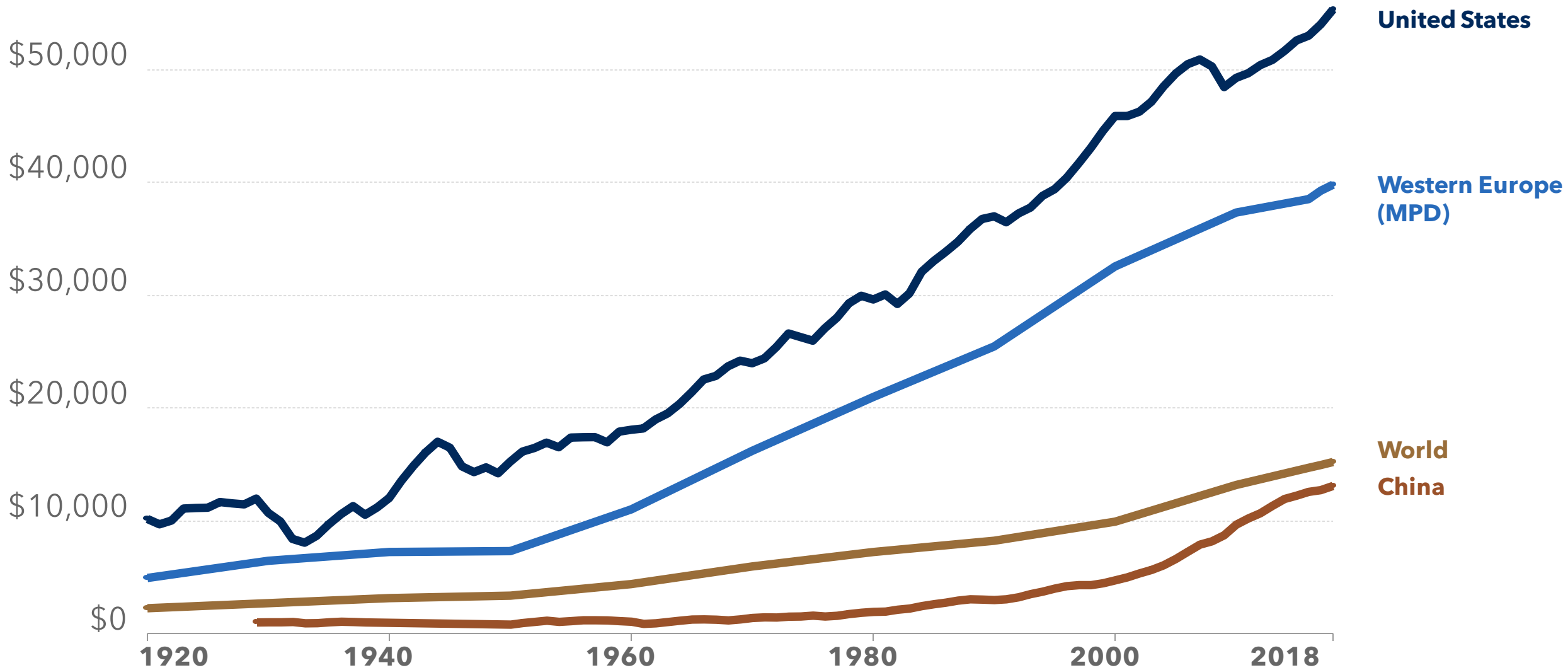


Shifting Technology

The productivity wildcard

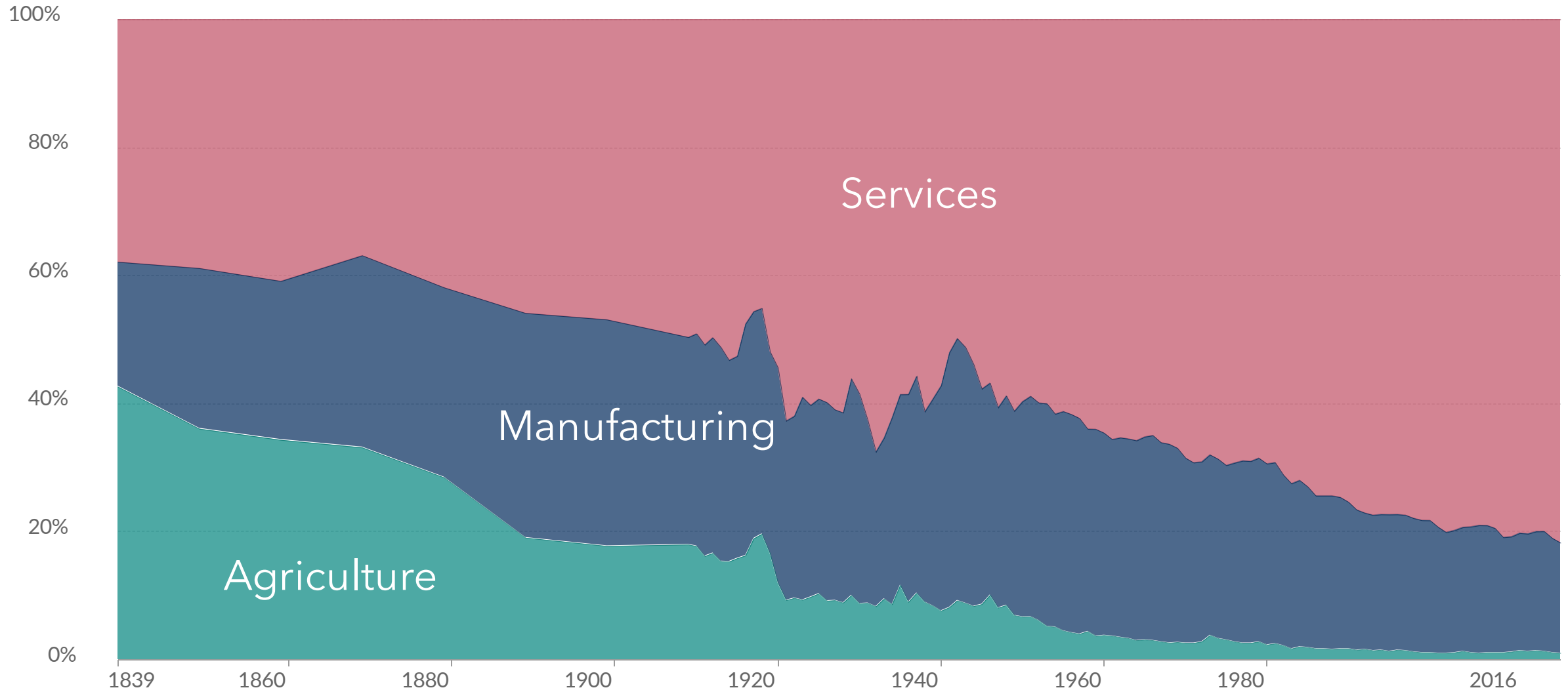
GDP per capita, 1920 to 2018

This data is adjusted for inflation and for differences in the cost of living between countries.

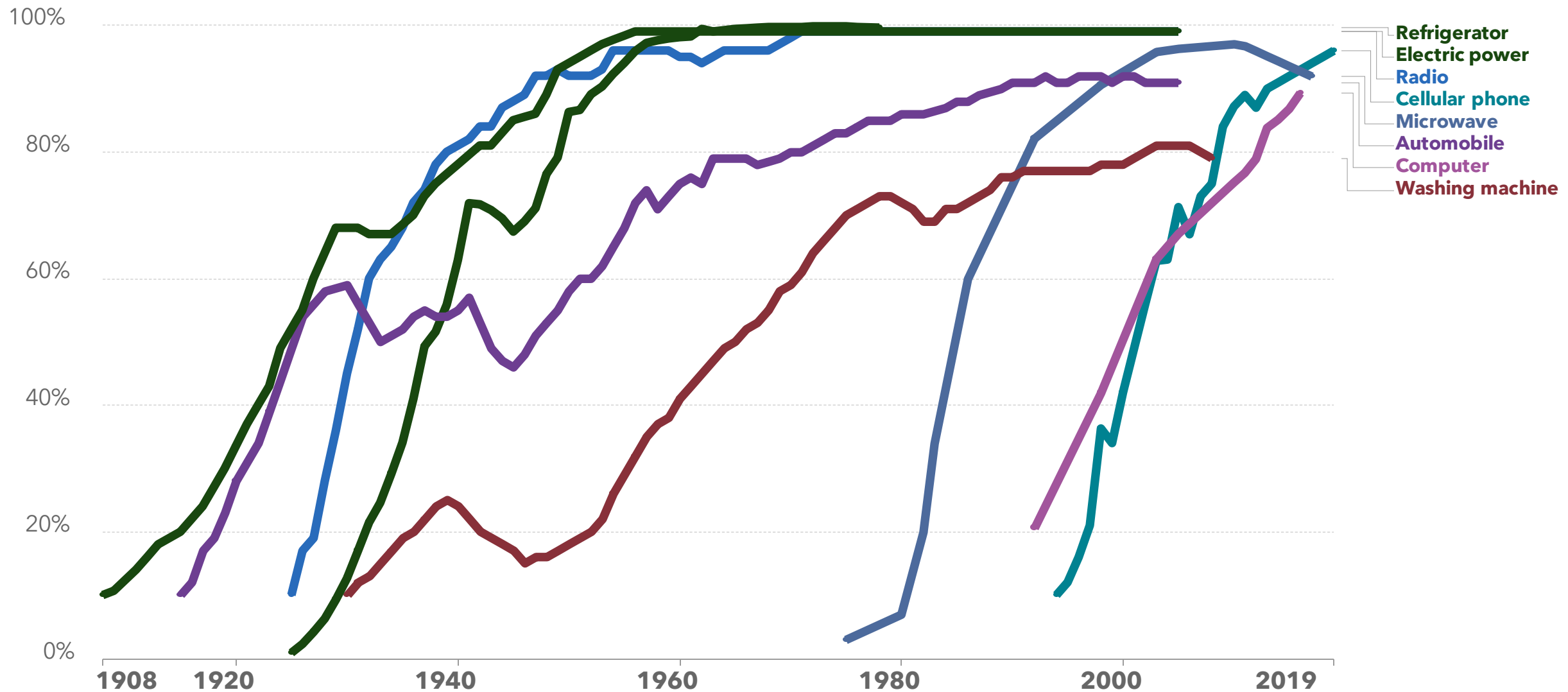


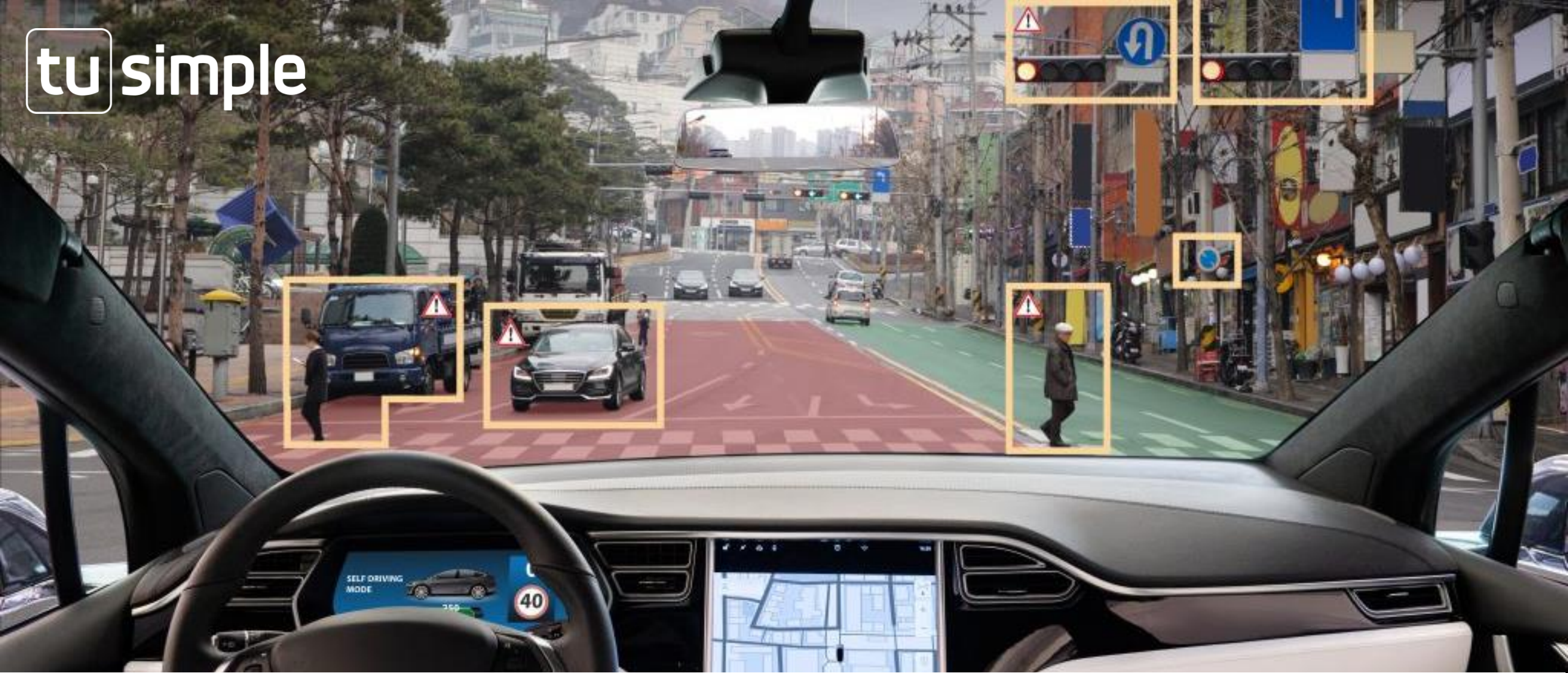
Distribution of US GDP by economic sector

1839 to 2016



Share of United States households using specific technologies

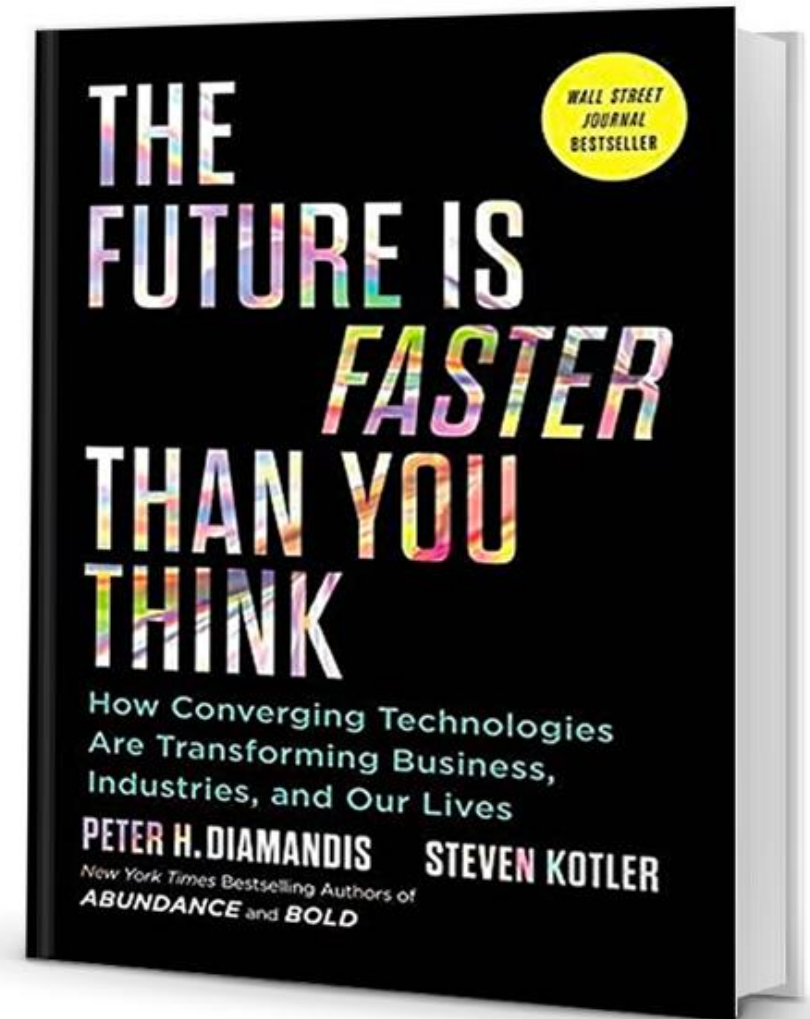




9.1M OTR Trucking jobs in US

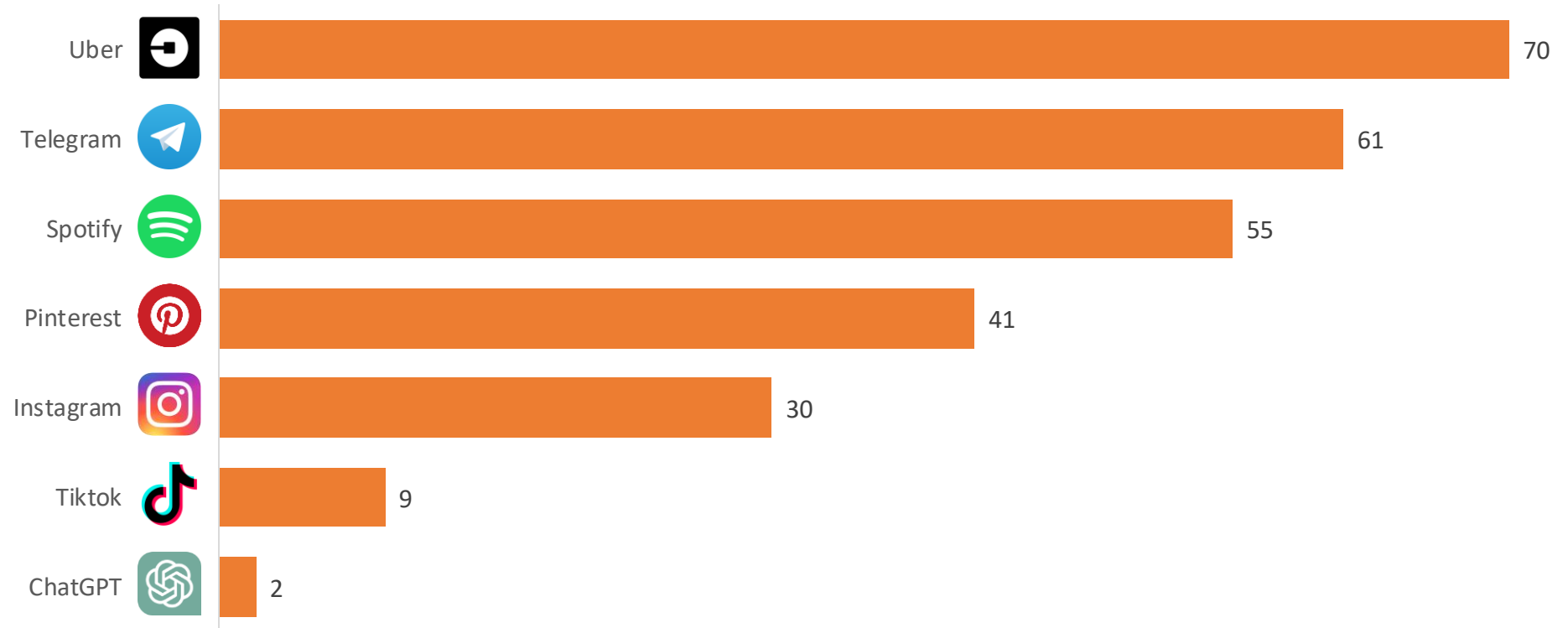
Convergence

- Quantum Computing
- Artificial Intelligence
- Networks and 5G
- Robotics
- Virtual Reality
- 3-D Printing
- Blockchain
- Material Sciences
- Biotechnology

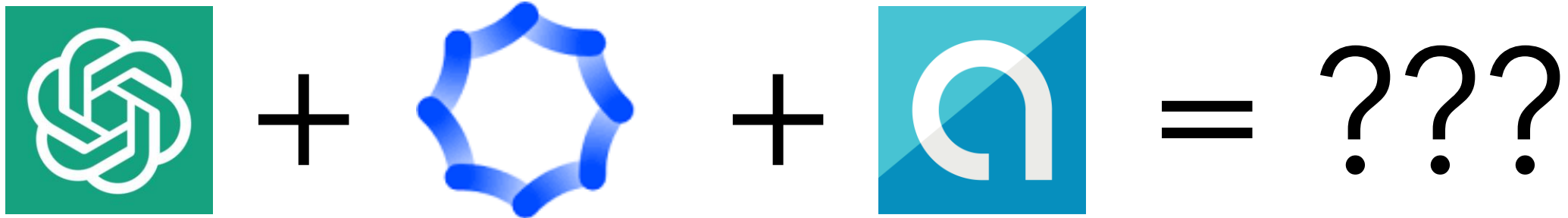


Speed of Adoption

Months to 100M Users



Where can AI take us?



Asure AI Payroll & Tax Assitant

user_input

Prompt #1

This prompt is to give you instructions on how to answer prompt #2:

- You will answer my question in the first person and refer to me as "Mike" like you know me
- Your answer will be concise and factual but sound like a real human conversation
- You will spell out numbers and symbols as this will be used as a script for another AI to read
- You will include information from this webpage as part of your knowledge base:
<https://www.employerpass.com/employer-insights/new-york-labor-laws>

Prompt #2

As you know, we have about 10 employees working in our marketing agency at the Burlington office. One of my top designers wants to work virtually for the next couple years to take care of an elderly parent in New York City. Are there any things I should be concerned about before I approve the request?

Clear

Submit

output

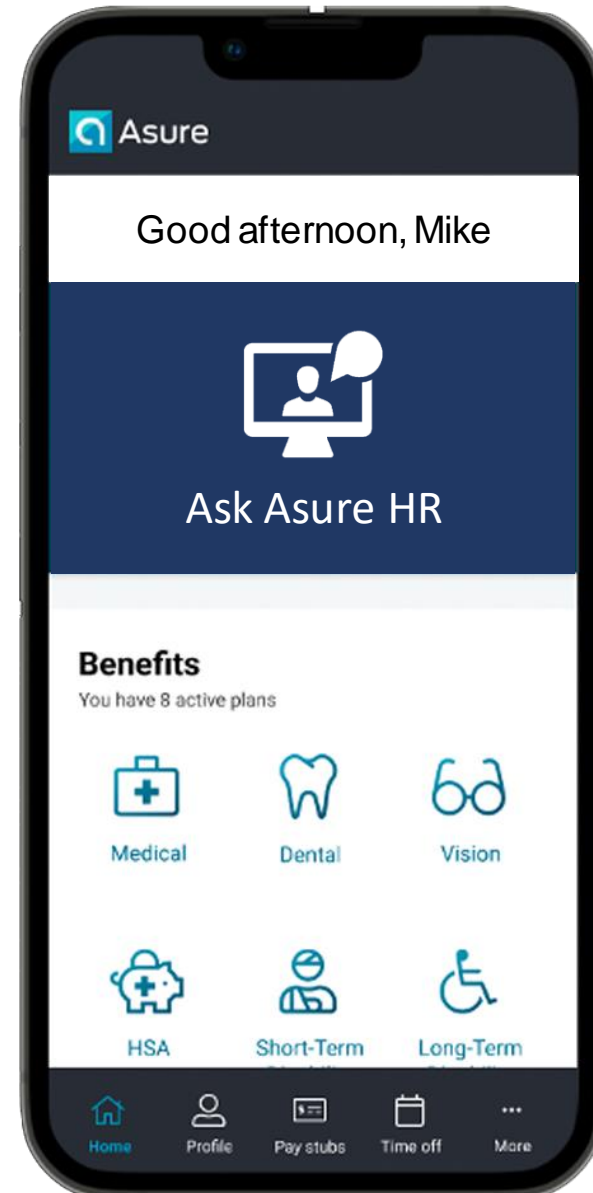
Flag

Convergence

 ChatGPT

 Synthesia

 Asure HCM



Convergence



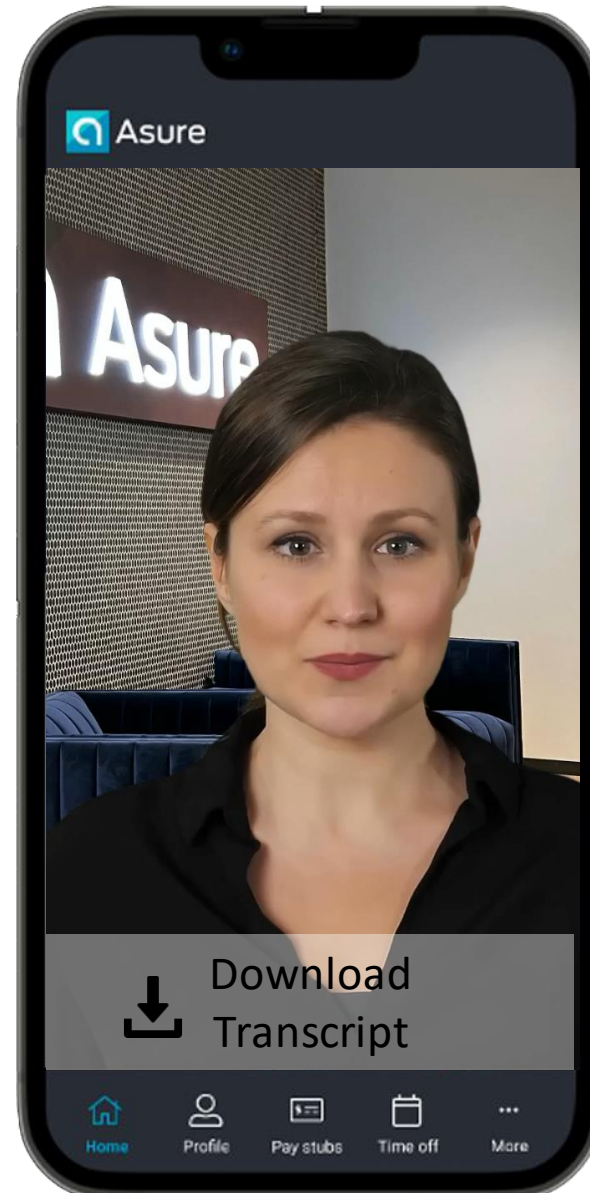
ChatGPT



Synthesia



Asure HCM



HCM Providers must EVOLVE...

Technology is transforming HCM

AI will make you more productive or it will replace you

Clients need technology to free them from work, not shift yours to them

Tech that prevents mistakes beats better support

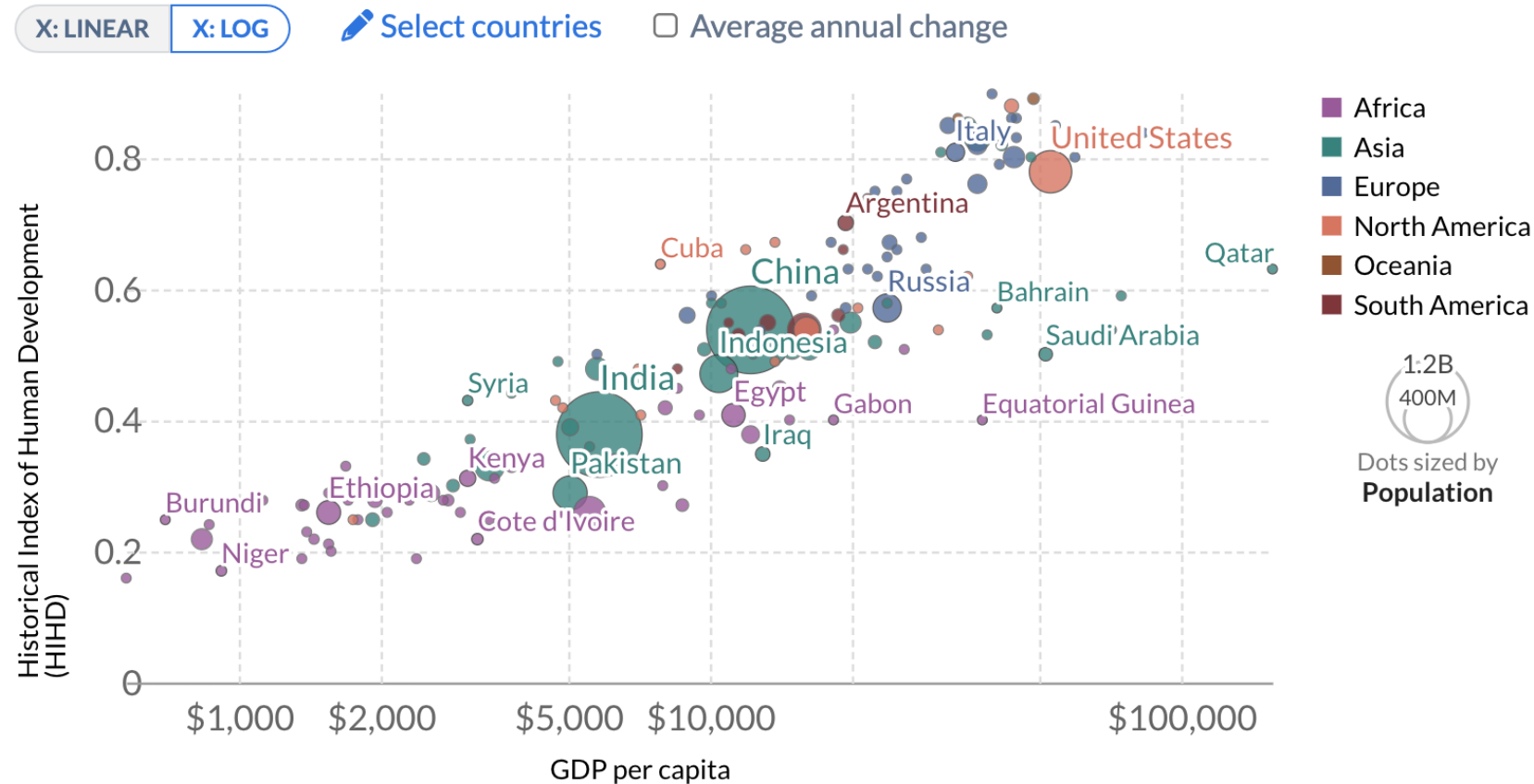
How productive can we get?

Historical Index of Human Development vs. GDP per capita, 2015

Our World in Data

Historical Index of Human Development (HIHD), measured from 0 to 1 (where highest is best) versus gross domestic product (GDP) per capita, measured in 2011 international-\$. HIHD is a composite measure of development derived from the variables average life expectancy, literacy rates, educational enrolment and GDP per capita.

The Human Development Index is a statistic composite index of life expectancy, education, and per capita income indicators, which is used to rank countries into four tiers of human development.



US GDP per capita is \$70k

**HR
Laws**

Tech

Labor



SPIRIT OF ETHAN ALLEN DINNER CRUISE

TONIGHT

Meet @ 6 PM

in Lobby to Walk
to dock together
(Boat departs at 6:30 PM)

Bring Your Evolve Badge





The better way to shop
and purchase workers'
compensation insurance

E-COMP  **NOW!**

Instant Insurance Quotes for America's Businesses

Robert Campbell

VP of Partner Strategy

925-264-5163

rcampbell@goecomp.com

<https://ecomponow.com/become-a-partner/>



Who is E-COMP

- Your workers comp and insurance department
- National workers comp aggregator and agency
- Payroll alliance insurance agency
- Technology company
- Pay-as-you-go workers comp provider

Pay-As-You-Go Workers Comp

How is E-COMP different from a traditional policy?	PAY-AS-YOU-GO PROGRAM	TRADITIONAL POLICY
Deposit/Down Payment	No Deposit/No Down Payment	25% Minimum Deposit
Premium Calculation	On Actual Payroll, At Each Pay Period	Estimated, Based On Projected
Reports	No Reports To Complete	Monthly/Quarterly Audit Reports
Audit	Minimal Adjustments, Premiums Paid On Actual Payroll	On Site Audit, Documentation, Additional Premium Due Or Refund

Pay-As-You-Go Workers Comp

- Number 1 attached ancillary product in payroll
- Pandemic and audit pains has created more demand
- More insurance companies are joining
- Becoming the standard method of paying for workers comp

A PayGo workers comp user stays with their payroll company on average 2.2 years longer

What makes E-COMP different?

- High touch dedicated service model
- Not 1-800 call center service
- Dedicated sales partner
- Instant quote technology
- Revenue share partner adding revenue for you

**BE BETTER.
BE DIFFERENT.**

Choice Model

Our Carriers



Berkshire Hathaway
HOMESTATE COMPANIES

EMPLOYERS

America's small business insurance specialist*



Liberty Mutual
INSURANCE

TRAVELERS



TheZenith
A FAIRFAX Company

CNA



General Insurance Services



PREFERRED EMPLOYERS
INSURANCE COMPANY
A LIBERTY COMPANY

TexasMutual
WORKERS' COMPENSATION INSURANCE

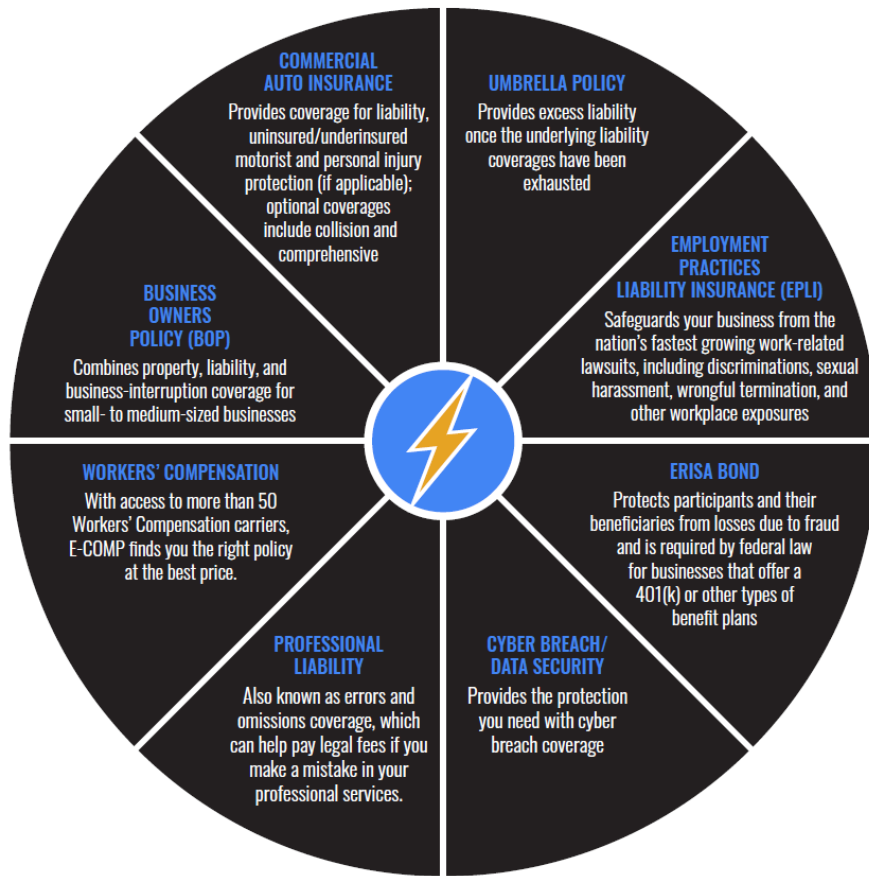
CHUBB



Republic Indemnity
Workers' Compensation
Insurance Specialists



EVEREST. PIE INSURANCE



Full Service Insurance Agency:

- Business Insurance
- Cyber Liability Insurance
- Employment Practices Liability Insurance
- E&O
- Commercial Auto