

# FAPEO is YOU!



## Growing LandrumHR, Generation to Generation

**B**ritt Landrum III, SPHR, president of Landrum Human Resources, has enjoyed an insider's view of the HR profession for as long as he can remember, and he was provided this view by one of the pioneers of the PEO industry—his dad, H. Britt Landrum, Jr., CEO of the family business based in Pensacola with offices in Fort Walton, Panama City, Sarasota, Columbia (South Carolina) and Asheville (North Carolina). The elder Landrum is a visionary who started the company with one small office in 1970, the year his namesake was born, growing the business to a team of more than 160 HR experts and supporting staff. Today, more than 1,800 businesses in 44 states use LandrumHR to manage their human resources needs; but let's return to 1970 when it all began.

The younger Landrum provides a brief history of LandrumHR, saying, "My father started our family business the same year I was born. While my mother was pregnant with me, my parents took out their retirement to start our family HR business in 1970. My mother was a schoolteacher, and my father was a probation and parole officer for the state of Florida. Dad wanted to go into business for himself and saw a need in our local market for a 'personnel placement' service. He started the staffing service in 1972, the PEO in 1983 and the HR consulting division in 2008."

Britt literally grew up in the business, first playing in the office and then taking on various jobs to help out in the company.

"I grew up hanging out with my dad on nights and weekends at the office," he explains. "My earliest memories are drawing, coloring and typing at his office. As I got older, I would spend most of my time playing games on his old mainframe computer. When I was in my teens, I would clean the office on weekends and run computer backups for him. During summers off from school, I would deliver payroll, file papers and make up employee packets."

Fast-forward to 1983 for Britt's first encounter with a new concept, the PEO.

"My first memory of PEO was in 1983," he recalls. "I



*Britt Landrum III, SPHR  
President, LandrumHR*

was 13 years old, sitting around the dining room table in my parents' house stuffing envelopes with trifolds to mail out to local doctors. I thought it was absolutely ridiculous that my father was making such a family event out of his business activities. My father said (shaking his finger), 'You will remember this someday!' Of course, no one in our family had any idea just how profound that statement actually was at the time!"

In addition to doing odd jobs at LandrumHR through his teen and college years, Britt worked in restaurants and performed music in bands. He began college as a music major and traveled around the Southeast playing in bands. After graduating from Oglethorpe University in Atlanta, he worked briefly at a production company that did payroll for local movie shoots and performed mostly solo acoustic music in Decatur and Buckhead, Georgia. His first professional experience with LandrumHR was doing special projects and remote sales, but Britt says he soon discovered that he needed to move back home to the main office in Pensacola to get some direct training, marketing and support. Plus, he was curious.

"Honestly, the reason I wanted to work in our family business professionally for a short while is because I wanted to understand exactly what we did!" he exclaims. "We had already been in the staffing industry for years, so I could understand that concept, but employee leasing? I knew payroll was one component from having delivered it all those years. However, I did not understand the human resources, safety or benefits components. Also, I wanted something more structured and predictable than music."

The elder Landrum knew the perfect role for his son to play—sales.



*The Landrums pictured left to right are Hank, Keena, Brayden, Britt and Britton. Keena is active in Junior Achievement and recently won the JA Volunteer of the Year award.*

"My father was wise in putting me in sales at first," Britt says. "It was trial by fire, but it also was an opportunity to learn about all aspects of what we do for clients. However, what kept me interested in the company early on was the need for growth in information technology (IT). Dad had observed me programming and working on computer hardware growing up, and when our consultant at the time decided that he had had enough, Dad turned to me and said, 'It's all up to you now.' I was fortunate in that my personal interests matched with the needs of the company, which is something I try to achieve with our employees today."

Over his 22 years with the company, Britt has taken on increasingly more managerial roles, including executive vice president and now president. While he enjoys the new challenges, he acknowledges that he misses working in IT.

"As my desire for leadership and shareholder responsibilities grew, I knew I had to relinquish control of my IT responsibilities," he says. "That was, unexpectedly, one of the hardest professional decisions I ever had to make at the time. However, it enabled me to take on much greater leadership responsibilities within the company, freeing up my time and energy for more important strategic work, and the company has progressed and

expanded as a result."

Britt hasn't abandoned his love of technology, however. One of the things he says he enjoys about the PEO industry is the intersection of human resources and technology and discovering the best ways to deliver value for clients through automation. In keeping with this interest, Landrum chairs the Operations/Technology Planning Committee of the National Association of Professional Employer Organizations.

In addition to enjoying the technical side of things, Britt says he values the relationships he forms with clients, discovering what they do as a business that provides value for their customers, as LandrumHR expands its operations beyond a local market.

"Lately, I enjoy working with our incredible staff and leading our company into the next phase of its growth," he says. "We are in the midst of a transformation from a strong local market player into a southeastern regional player. It is exciting to play an active role in that transformation and lead our staff through that process."

Britt sees a bright future for the PEO industry, with many opportunities for growth.

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*Britt Landrum plays guitar and provides vocals for The Rowdies, a classic rock band based in Navarre, Florida. Landrum also plays for the ARC Gateway Crab Cake Cook Off Benefit each year. ARC Gateway's purpose is to provide the best possible life experiences for persons with intellectual and developmental disabilities.*

"Like other industries, I see growth and consolidation opportunities," he says. "Also, there will always be room in the market for the smaller boutique players that can provide superior service for a few clients. However, those companies will have difficulty expanding, by design. There are only a very few mid-size players like us left. We will continue to grow over the next several years through strategic acquisitions in key markets. Also, market penetration for the industry as a whole is still in single digits, so there is much room left for organic growth as well. The CPEO [IRS PEO certification program] certification will go a long way toward the industry's goal of making PEO more of a recognized term."

While Britt sees a profitable future for PEOs, he is equally aware of the challenges the industry continues to face. He views the primary threats as governmental intervention and the attempt at commoditization of the industry by what he calls lesser PEOs (non-association members) and the dot-coms.

"I am much less concerned, for the time being, about governmental disruption of our industry with a Republican Congress and a president that has a wealth of business experience," he says. "The dot-coms that are attempting to disrupt our industry marginalize HR expertise by design, which is critical in our service model. Meanwhile, they (along with lesser PEOs) are rapidly driving profitability downward as we all compete for the same piece of the pie. We are not even in the same business category as many of these folks, but the complex nature of our industry makes it very difficult to explain differentiators to clients as they are walking out the door simply for what they perceive is a lower price from a 'competitor.' Fortunately, many end up coming back after

experiencing inferior service, but the industry's reputation gets tainted nonetheless."

Britt says this is why he is in favor of having minimum standards for the industry, set forth by accreditation.

"Whether it's CPEO or ESAC [Employer Services Assurance Corporation], at least we will all be playing by the same rules of the game," he explains. "It would be one thing if we were all making widgets, but PEOs process millions of dollars and affect thousands of lives every day. Small business owners and their employees should have some level of protection and guarantees from those they entrust their money to, just as the banking industry provides via the FDIC."

With his family's long history within the PEO industry, Britt has formed strong friendships with others in the industry through his participation in state and national associations.

"I love the close-knit, localized community of PEO leaders that FAPEO promotes," he says. "I enjoy attending all of the events and look forward every year to learning more about current issues transpiring across our state. My father has a long history of working with many Florida leaders in getting our PEO bill passed and enforced, and I enjoy meeting and visiting with many of these same folks and their next-generation successors every year."

In addition to being an active member of FAPEO and NAPEO, Britt is a past board member of ESAC, and he currently serves as vice chairman and industry director of the Alliance for PEO Electronic Compliance (APEC) board of directors.

"I enjoy networking and greatly value the friendships I share through FAPEO, NAPEO and other industry associations such as ESAC, APEC and PACE [Professional Administrative Co-Employers]," he says. "Also, we have some incredibly smart and talented vendors in our industry that help give a well-rounded perspective on industry issues. I love attending industry events as it feels like 'home' to me with my fellow PEO brothers and sisters that experience many of the same joys and trials that our company does every day."

Britt and his wife, Keena, have been married for 16 years and have three boys. Hank is a sophomore music major at Florida State University, Britton is a freshman at Gulf Breeze High School and Brayden is a sixth grader at Woodlawn Beach Middle School. The family, which now includes a golden doodle (Google it!) puppy named Baylee, lives in Gulf Breeze, Florida. The Landrums are a busy family.

"We spend lots of time traveling with soccer and enjoy vacationing in Destin, Orlando and Kentucky," Britt says. "I perform music three to four nights a week during our busy summer season, primarily at festivals, condos and restaurants in Northwest Florida. In the off-season, my boys and I enjoy watching and discussing football together, and my wife and I love watching our kids perform and play soccer and basketball. I exercise most days of the week, which helps to cope with the everyday stresses of running a business."