

## Group Associates manages to benefit from downturn

BY JAY GREENE  
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In a down economy, businesses look to save money by improving efficiencies and reducing wasteful spending.

**Group Associates Inc.**, a Bingham Farms-based employee benefits and consulting company, is capitalizing on the efforts. "One out of every three companies (with 1,000 or more employees) is looking to outsource their employee benefits administration," said David Zick, president of Group Associates. "This is our main area of growth."

Zick, who founded the company in 1986, said many clients have decided it is more effective for them to hire a company to do benefits administration than purchase the infrastructure and hire in-house staff.

"They have to have a high level of talent to run their benefits program effectively and efficiently," said Kent Grathwohl, Group Associates' vice president. "We know how to help them avoid pitfalls."

From 2007 to 2008, Group Associates increased net revenue to \$11.8 million from \$8 million, a 47 percent increase.

"The growth (in revenue) we added in 2008 is just starting to kick in," Zick said. "Even if we don't add any clients this year—and we are talking with several—we will have significant growth (in 2009)."

Group Associates provides both consulting and benefits administration options, Zick said. Consulting services include health and welfare benefits, life insurance, and short- and long-term disability.

"We used to specialize in brokerage services. Now 60 percent of our revenue comes from administration," Zick said.

Since the company moved into its new 18,500-square-foot corporate headquarters in 2007, Group Associates has hired 26 employees and now is 81 strong. Another 20 workers could be hired this year. The company also plans to lease another 3,369 square feet of space to expand its service and fulfillment centers.

Group Associates, which specializes in working with smaller companies while still servicing clients with up to 75,000 employees, helps manage employee benefits several ways.

Using proprietary software programs, Group Associates is able to download payroll data, track health insurance enrollment, manage individual benefits and audit insurers.



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When hired by a company, Group Associates often uncovers former employees who are still enrolled for company benefits.

"There was one former employee who was receiving health benefits six years after she left the company," Zick said. "Hundreds of thousands of dollars were spent on her health care."

Grathwohl said another new client could not handle changes employees had made in their benefits after they went through open enrollment.

"Some systems are so antiquated that people having a baby or getting married after open enrollment crashes the system," Grathwohl said. "When this happens it puts a spotlight on human resources and shows upper management there is a problem."

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