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# ESI: THE COURAGE TO BE DIFFERENT

ESI President of Corporate Strategy Corey Hookstra, CEO John Ykema,  
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# ESI: THE COURAGE TO BE DIFFERENT

BY CHRIS CHANEY

**S**uccessful entrepreneurs stay on the lookout for new ideas and new ventures. They seem to have a knack for recognizing a good idea. They embrace the inherent uncertainty of starting a new business. Such was the case for Terry Hookstra in the mid 1990's.

Hookstra owned and operated a computer company in Texas. A client of his happened to be a PEO. As Hookstra worked with the client and formed a deeper relationship he learned more about the PEO industry. The concept intrigued him as he did more research. Eventually, he began work in PEO sales and later decided that starting his own PEO would be a good business opportunity. In 1998, eEmployers Solutions, Inc. (ESI) opened its doors.

Like any entrepreneur, Terry Hookstra faced hurdles to launching a new business. Everything rested on his shoulders. He had to learn about workers' compensation and unemployment insurance. He had to build a sales force and attract clients. He did a lot of heavy lifting to get ESI off the ground.

Twenty-five years later, ESI is a thriving and growing PEO embarking on a new phase of the company's journey.

## ESI 2.0

A few years ago, Hookstra began contemplating retirement which set events in motion that would eventually lead to John Ykema succeeding Hookstra as CEO of ESI. Ykema had extensive experience in the software and PEO industries. ESI was his first client when he set out on his own and opened a consulting business.

"I was thinking about my own career future and wanted to move my family back to Texas," Ykema recalls, "I was a contract CIO [chief information officer] for ESI."

Around the same time, Ykema began conversations about how the PEO industry would evolve with Corey Hookstra, a longtime friend. The timing seemed fortuitous.

In 2020, Terry became more serious about retirement and asked Ykema to come on board as his co-CEO. Today, Ykema serves as CEO alongside President Corey Hookstra, CFO Jenny Smith, Vice President of Sales Barry Aaron, and Vice President of Client Services Karla Saenz. The management team is a tight-knit group and works well together. They were forced to learn quickly how to work together. The PEO industry has faced many obstacles in the past few years from

cybersecurity incidents, to COVID, to regulatory challenges (ERTC).

"We banded together to find solutions for our clients during the pandemic with new legislation such as the CARES Act through PPP loan application assistance, ERTC help, and programs to keep employees safe. We assisted with remote work, hybrid work and lack of workers," VP of Client Services Karla Saenz says.



*With technology being such an important component now, ESI decided it needed to own it—literally and figuratively. It means embarking on an intensive project to develop their own HCM platform while seeking to be the best HR technology provider.*

"We've been through the gauntlet," Ykema adds, "We learned quickly how to solve problems and take care of our clients by banding together and remaining agile in our approach."

Beyond a new leadership team, ESI has evolved in other ways since the early days of the company; ESI 2.0 as the current leadership team refers to it. The Texas-based PEO has rolled out a new logo and brand and will soon introduce new technology. It's an exciting time for all those involved, but not without its challenges and struggles. In some ways, it's as if the new team is starting a whole new company.

"We have a start up mindset. Today is a whole different ballgame with a new brand and cohesive experience

from beginning to end,” says Corey Hookstra.

While Ykema and his team benefit from having an established company, many of today’s challenges are all about people. Company culture has never been more important. A strong, vibrant, and cohesive culture can propel a company forward. That’s a lot easier said than done, however. It’s been tough to recruit and assemble the right team of individuals who share Ykema’s vision for ESI, but the company has a strong team in place now.

Another challenge has been how to grow the company while staying true to themselves. ESI prides itself on being different. The company is not afraid to break from the traditional PEO mold. They even embrace it.

“We hope we are a disruptor,” CFO Jenny Smith says, “While we believe and align with some other PEOs we take pride in looking at things differently. Just because it works for others doesn’t mean it works for us. We want to have the best offerings and services to our clients and we are ok with standing out from the pack.”

ESI also stands out as being a longtime PEO that has not sold or brought in private equity partners despite the flurry of M&A and investment activity in the industry.

“We are wholly owned and fiercely independent,” Ykema says, “There’s not a lot of PEOs who have been around as long as we have who are still independent.”

He points out that most independent PEOs today are start ups as many established PEOs have sold or brought in private equity partners. This means ESI has the freedom and latitude to chart its own path. That path has led to developing new proprietary technology.

Technology has always been needed, but today HR technology is part of the core PEO product offering. Especially for ESI since Ykema considers his company a technology company.

“We have technology projects in the works that other PEOs of our size either

don’t have the knowledge or resources to undertake or see it as a distraction. We see it as a core part of our offering,” Ykema explains.

Technology is now part of the PEO sale. Clients are buying technology as much as they are buying benefits plans, HR support, and payroll processing.

With technology being such an important component now, ESI decided it needed to own it—literally and figuratively. It means embarking on an intensive project to develop their own HCM platform while seeking to be the best HR technology provider. It will allow for much deeper consultative

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relationships with clients to develop and provides more options for clients to craft what they need for their business. The platform is preparing to launch in the coming months and represents the next phase of ESI 2.0.

**BEING INTENTIONAL**

ESI does not do anything by accident. There’s a reason and purpose to everything the company does. Operating with intentionality means the company can stay nimble to pivot and adapt as needed. The service model seeks to leverage advantages to being a privately owned, boutique PEO. High touch service complements robust technology to deliver clients an exceptional experience.

Ykema and his team understand that large companies simply cannot deliver the level of service ESI can due to resource constraints. For example, all ESI clients have access to the CEO via his personal cell phone number. He says that rarely does he receive a call from a client at a strange or inconvenient time. In part, because the ESI team of experts is consistently accountable for exceptional client service; but clients can always be assured when he picks up the phone. He often doesn’t even solve their problem in the moment, but he leans in and listens, and that’s enough to make them feel valued and appreciated.

ESI also recognizes that when a client comes on board two relationships are formed. There’s the B2B relationship between ESI and the client’s owner or operator, but there’s also a B2C relationship between ESI and every individual worksite employee who depends upon their products and services. These two relationships require different types of service.

“We really want to build into our client’s culture,” Corey Hookstra says. “If we can integrate into their culture they will stay with us for many years.”

In order to deliver high touch service, ESI has to cultivate its own culture and workforce first. The company prides itself on being able to adapt and pivot which means new ideas and innovative thinking are not only welcomed, but expected. Employees feel empowered to voice opinions.

“You can’t be afraid to embrace new trends and be tech curious if you want to be relevant in five years,” Ykema says.

“We all try to hammer home that anyone in the company can be inventive. Anyone can participate in sales and create marketing content. It helps keep everyone engaged and connected internally,” Corey Hookstra says.

The company also places a lot of value on professional development. Every employee has monthly one-on-one meetings with his or her manager. The purpose is to build a deeper rapport, discuss career goals and aspirations, and see how ESI can help that individual grow.

“Good leaders change their employees’ lives for the better,” Ykema believes. To that end, he knows that by allowing ESI employees the freedom and resources to grow and develop they will better serve the company.

“We celebrate wins in our company newsletter ESI Family Matters,” Corey Hookstra says, “Whether it’s someone completing his MBA or someone accomplishing a huge health and wellness goal, we celebrate it.”

**GROWTH ON THE HORIZON**

The ESI team has their sights set on growth and success in the years ahead. Running a business won’t get any easier which only strengthens the PEO value proposition.

“We see that the expectations of our clients and SMB owners in general are looking for relief and guidance as rules, regulations, and employment law continue

to change and evolve,” explains VP of Sales Barry Aaron.

“Throughout all of this change [regulatory and remote work], our teams kept up by educating themselves and then becoming experts to then give guidance to clients in ways that was easy to understand and eased some fears. Our teams shine by striving to find solutions to business problems and not being a trusted partner to our clients,” Saenz adds.

To complement the new technology platform that will drive growth, ESI has also launched a new channel partner initiative.

“The development of our channel partner program will allow us to continuously push for new or innovative products and open new markets to us. This will allow us to expand our footprint with key influencers and consultants that service the SMB community,” Aaron says.

While much has changed and evolved within ESI over that last few years, the company’s core identity and values remain the same. ESI is backed by a committed and passionate group of experts on a mission to provide clients with exceptional service and resources.

In some ways ESI 2.0 represents the culmination of Terry’s original vision. Technology now stands at the forefront of the industry, and ESI has always been a technology pioneer. The team is excited and motivated by the opportunity in front of them. They have the passion and drive to seize it.

“We recognize what Terry build and pay homage to it as we embark on a new path to take the company to a new level,” Ykema says. ■



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