

CASE STUDY

# MidMarket Client StoneCalibre Private Equity

**Number of employees:**  
Almost 200 and growing  
**Headquarters:**  
Los Angeles, CA.



StoneCalibre is a privately funded investment firm specializing in the acquisition of lower middle-market companies. Its industry differentiator is a robust process to identify and research potential acquisition opportunities, ensuring that companies first fit the StoneCalibre business model. Then, following an acquisition, StoneCalibre works with the management team to provide each business the right level of autonomy, support and financial investment to allow optimal performance.

## THE CHALLENGE

**As StoneCalibre began acquiring companies, the need for consistent benefit management, payroll and HR assistance became apparent to its principals. Mike Drury, CFO and portfolio manager of StoneCalibre, had done due diligence in researching HR outsourcing options as a former employee of Source Technologies.**

“We needed HR oversight to help ensure compliance with employment laws. We also wanted our employees to have big-company benefits without the administrative burden of managing our own plans. Our prior experience with Insperty was very good, so when Source Technologies was acquired by StoneCalibre, it seemed natural to let Insperty replicate that success,” Drury said.

from the business. The administrative duties are outsourced to professionals, and companies can tap into Insperty’s knowledge base for employee performance training. The companies run smoothly, “and we’re able to focus on what we do best,” Drury said.

## THE SOLUTION

StoneCalibre brings new portfolio companies into the Insperty fold as part of the acquisition process.

“Most of these companies (being acquired) have never dealt with HR and benefits. They were either part of larger organizations where these services were handled for them, or they were privately held companies operating in a different environment. We view employees as the most critical asset of any acquisition, and employee benefits and HR services play a key role to that end. With Insperty, we not only get consistency across our portfolio, but our employees have access to Fortune 500 benefit packages.”

Each company selects benefit options specific to their particular needs. Once the payroll is set up, it operates with minimal effort

## THE VALUE

Insperty is now fully ingrained into the StoneCalibre acquisition process. “Acquisitions are complex, and they take a lot of work behind the scenes,” Drury said, “but it gets easier and easier to add companies with Insperty’s help, because Insperty listens and improves their processes with each acquisition we work on together.

“The last thing we want (when acquiring a company) is an avoidable glitch with negative employee impact, such as mishandling payroll. Working with Insperty helps ensure the integration process into StoneCalibre is as smooth as possible,” Drury said.

“Insperty isn’t the lowest-cost option, but they do what they say they’ll do, and they provide high-quality resources. They collaborate with our company leaders to develop strategies for performance enhancement and assist with organizational compliance.”

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