



THE GUIDE TO CHOOSING AN EMPLOYER OF RECORD MODEL

When evaluating Employer of Record (EOR) partners, you will find that some EOR companies outsource hiring through third parties. Should you trust this type of EOR with one of your most important assets – your legal, HR, and finance infrastructure? Here are the differences between the aggregator and wholly owned infrastructure EOR models and what it means for you.



The Aggregator Model

One company serves as the umbrella organization, and sub-contracts employment to small local providers in each country.



The Wholly Owned Infrastructure Model

One company owns the infrastructure in each country and employs your team members on their entities.

1

Risk & Compliance

Aggregator

If third-party providers don't follow the best practice or even the law, who is responsible? Will you really be able to enforce the contract? Be wary of uncaptialized aggregators with nothing to lose, or aggregators headquartered in faraway countries where you will have trouble enforcing a contract. Some aggregators may put the burden on you to track down in-country providers and hold them responsible.

Wholly Owned Infrastructure

Contract is with one EOR provider that owns the entire infrastructure – fully enforceable in the court of law where the EOR is headquartered. A world-class, credible EOR should be demonstrably well-capitalized and have professional investors, who have completed due diligence before investing in a company that by design picks up the compliance liabilities of other companies doing business globally.

2

Service & Experience

Aggregator

Multiple points of contact in foreign countries makes communication difficult and extends the time it takes to resolve complex employment situations. Legal support might be outsourced, if you have access to it via an aggregator at all. A local in-country contact working mostly via email is likely to misunderstand the nuance of more complicated matters, such as an employee termination, when you need a good partner the most.

Wholly Owned Infrastructure

On-the-ground presence in your time zone AND local HR advisors in the time zone of your local workforce means you get accurate answers and your professional is taken care of in a timely manner. Your EOR partner is invested in achieving resolutions as quickly as possible. For complex matters, our internal team can escalate to our large in-house and in-region legal team as needed. A Help Center to unify communication with you across geographies, times zones, and our internal team is critical. Globalization Partners holds its internal team accountable to service level agreements which have resulted in 97 percent customer satisfaction ratings.

3

Employment Contracts

Aggregator

Template employment contracts are provided by mom and pop shops on the ground in each country. Vetting to meet compliance standards by world-class lawyers that understand intellectual property (IP) management, risk mitigation, and the most important details of your HR documentation are questionable, at best. This is one of the biggest areas of risk.

Wholly Owned Infrastructure

Globalization Partners was built by a large team of international employment lawyers, and has in-house lawyers spanning Asia-Pacific, Latin America, North America, and Europe. The company works with Littler, Ogletree, and others, and is backed by a private equity firm that did significant due diligence to ensure we were meeting our compliance promises to our clients.

4

Ownership
of Intellectual
Property

Aggregator

Employment contracts go through three parties before they get to you: from your employees to the third party, to your EOR, then to your company. However, any legal breakdowns in these contracts put one of your most valuable assets – your IP – at risk.

Wholly Owned Infrastructure

IP flows either directly to your company, or via your EOR to your company, whichever is most enforceable by law. Your IP is one of your most important assets that adds value to your business, especially when preparing for an exit. With Globalization Partners, you can rest assured that our employment contract templates and intellectual property assignment documents have been structured to meet world-class standards.

5

GDPR &
Data Privacy
Compliance

Aggregator

Some aggregators claim to be GDPR compliant, but how can they really know what their partners are doing in each country? With four percent of revenue as a potential penalty, this is a huge area of risk.

Wholly Owned Infrastructure

Compliance is managed through a centralized company infrastructure. Our technology platform is GDPR compliant by design, and we also train and manage our team on best practices.

6

Ability to
Provide Great
Service at
Scale

Aggregator

Most of the third-party providers are small family run businesses which were not built to scale, and they become overwhelmed when they start to work with multiple aggregators. Many third-party providers can only handle a limited number of incoming candidates, and struggle to keep up when flooded with onboarding requests from aggregator partners and their customers. Is this the best fit for your business long-term?

Wholly Owned Infrastructure

Trust in a solidly built infrastructure designed by a world-class team with compliance and technology in its DNA. Every member of our leadership team has built large multi-national businesses. Wholly owned entities offer the flexibility to ensure we can manage scalability at every stage of growth.



Read More:

Check out our blog “Don’t Screw Up Your Exit: Choosing the Wrong Employer of Record Could Have Unexpected Consequences”



What Questions Should You Ask Your EOR?

- ✓ How big is your legal team?
- ✓ How big is your tax team?
- ✓ How many HR professionals do you employ on the ground in-region?
- ✓ Which companies recommend you?
- ✓ Do you have investors and/or have you gone through due diligence?
- ✓ How do you treat data privacy and GDPR compliance?

Why Globalization Partners?



Worldwide Entities

We're set up in-country so you can onboard a new candidate in less than 24 hours.



In-House Expertise

We're three times the size of our nearest competitor, so we're able to solve problems in-house, answering all your labor law questions without delay.



Technology That Puts Everything in One Place

Streamline international hiring, onboarding, and the entire HR administrative process with one dashboard. Generate a locally compliant employment contract in minutes.



Financial Stability

We require deposits from all customers, have no debt, and maintain a strong cash position. We took on a \$150M minority investment in January 2020.



GLOBALIZATION
PARTNERS

CONTACT US

North America: info@globalization-partners.com

Europe, Middle East, and Africa: info-emea@globalization-partners.com

Asia-Pacific: info-apac@globalization-partners.com

globalization-partners.com