CBIZ, Inc. Q3 2020 Earnings
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CORPORATE SPEAKERS

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Jerry Grisko CBIZ, Inc. - President & CEO
Ware Grove CBIZ, Inc. - CFO

PARTICIPANTS

Chris Moore - CJS Securities, Inc. Senior Research Analyst
Marc Riddick - Sidoti & Company, LLC Business & Consumer Services Analyst

PRESENTATION

Operator
Good morning everyone and thank you for joining us for the CBIZ Third Quarter and Nine Months Conference Call.

I would now like to turn the conference over to Lori Novickis, Director of Corporate Relations. Please go ahead.

Lori Novickis CBIZ, Inc. – Director of Corporate Relations
Good morning everyone and thank you for joining us for the CBIZ third quarter and nine months 2020 results conference call. In connection with this call, today's press release has been posted on the Investor Relations page of our website cbiz.com. This call is being webcast and a link to the live webcast, as well as the replay and transcript, can be found on our website. Before we begin our presentation, we would like to remind you that during the call, management may discuss certain non-GAAP financial measures. Reconciliations of these measures can be found in the financial tables of today's press release.

Finally, remember that management may also make forward-looking statements. These statements are based on current information and management's expectations as of this date and do not guarantee future performance. Forward-looking statements involve certain risks, uncertainties, and assumptions that can be difficult to predict. Actual results can and sometimes do differ materially. A more detailed description of such risks and uncertainties can be found in the company's filings with the Securities and Exchange Commission. Joining us for today are Jerry Grisko, President and Chief Executive Officer, and Ware Grove, Chief Financial Officer.

I will now turn the call over to Jerry for his opening remarks, Jerry.

Jerry Grisko CBIZ, Inc. – President & CEO
Thank you, Lori, and good morning everyone. I am pleased to speak with you this morning about the very strong results that we experienced for the third quarter and year-to-date. But before I get into the details on our performance, there are a few key points that I would like to emphasize, starting with the resilience of our business. As we expected, the fundamental characteristics of our business have allowed us to continue to perform well in the current economic environment. Demand for our core accounting and many of our core benefits and insurance services remains strong. These are central and recurring services which make up approximately 70% of our revenue, have fueled our performance through this quarter and from the start of the pandemic. We

are also starting to see increasing demand for a number of our advisory more project-based services. These were areas where we experienced some decline in the first and second quarters.

Our financial results were bolstered by the prudent responses to expense management that we put in place at the onset of the pandemic and the proactive steps that we've taken throughout the last nine months to protect the company. These moves have been effective in allowing us to preserve the substantial investments that we've made over the years in our team which will position us to accelerate growth when the economy begins to improve.

We also continue to be proactive with our outreach to our clients and our prospects. Our clients turn to us for advice and solutions in times of change and uncertainty, and we've been hard at work over the past nine months to help them mitigate the challenges and pursue the opportunities presented by the current business climate. For example, earlier this year, we mobilized quickly to help our clients understand and access the wide range of federal stimulus and relief programs like the payroll protection plan and the main street lending program. We are watching current discussions around the new economic stimulus package carefully and are prepared to once again assist our clients in taking advantage of opportunities as they become available. These efforts allow us to expand and strengthen our client relationships, which ultimately leads to higher retention rates.

Similarly, our timely thought leadership in digital marketing efforts have resonated with prospects. The breadth and depth of our services and expertise and our ability to provide holistic solutions truly differentiates us from many of our competitors and this led to a full pipeline of prospects. A great example of our ability to offer more comprehensive in correlated services is the recent launch of our Accelerated Recovery webinar programs. These programs feature CBIZ experts on topics that can help our prospects respond to their most pressing issues, make better decisions and act on them to advance critical strategies for their own recovery. The market response has been overwhelmingly positive as prospects recognized how CBIZ can provide value quickly in a wide range of areas.

Overall, we are very pleased with our third quarter and year-to-date performance given the unique circumstances that the current business climate presents. The quarter played out as expected with the changes in adjustments we've made having the intended effect. For the third quarter of 2020 revenue was $238.4 million, a slight decrease of $1.4 million over the same period in 2019. However, income from continuing operations improved by 12.5% and EBITDA increased by 8.3% for the most recent third quarter compared to the same period a year ago.

From a year-to-date perspective, we recorded revenue of $752.8 million, an increase of $7.5 million over the prior year. Income from continuing operations improved by 8.6% and adjusted EBITDA improved by 7.6% over the same period in 2019. Within our Financial Services segment, our core accounting and tax services continued to perform well, which reflects the steady demand for these essential services. As expected, the extension of tax filing deadline from April 15 to July 15, shifted revenue from the first and second quarters to the third quarter. That work is now completed and we would expect that the remaining revenue related to tax compliant work to be relatively consistent with more normal years.

Our results within this segment also reflect continued strong performance from our litigation support practices. In the second quarter, we know that M&A transactions were largely put on hold as most businesses shifted their focus to addressing issues brought on by the pandemic. These delays impacted a number of our advisory services that focus on transaction support.

Recently, we have seen signs of improved activity in this area, which is good news for a number of our advisory services businesses.

Turning to our government health care consulting business. While we continue to experience reasonable growth within this business, the rate of growth has slowed as a result of COVID-related issues. On our last call, we talked at length about the slowdown and delivery of information from our clients and constraints around being onsite to complete certain aspects of the work. While we ended the third quarter in a better place than when we started and the demand for these services remains strong, the timing of certain work will remain a question in an area that we will continue to monitor closely. Some of that work may be delayed into 2021, and we will know more as we progress through the fourth quarter.

Within our Benefits and Insurance segment, we are seeing strong performance from our Employee Benefits business, our 401K advisory business and the personal and commercial lines portions of our property and casualty insurance business. We have experienced some softness in our payroll business related to early decline in the number of people on payroll of certain clients based on layoffs and leaves. After the initial drop in April, the number of pays improved in May and has remained fairly stable since that time. Also, our clients and prospects continue to express interest in our new upmarket payroll platform and our pipeline of new business for this product is very encouraging.

Before I turn it over to Ware to provide more specific details on our financials, I wanted to take a few minutes to talk about two acquisitions that we completed in the quarter. We've completed five acquisitions so far this year and we started the year with the strongest pipeline of opportunities in recent history. While we paused our M&A efforts at the onset of the pandemic, our most recent transactions demonstrate our readiness to pursue strategic opportunities and our ability to close transactions in this business climate.

On our last call at the end of July, I touched briefly on the acquisition of Prince-Wood Insurance, an independent agency and leading provider of financial insurance and advisory services located in Woodbridge, Virginia. Prince-Wood is the second property and casualty insurance related acquisition so far this year as we continue and invest in areas of our business, like property and casualty insurance, that have been strong contributors to our historic growth.

In September, we also completed the acquisition of ARC Consulting and ARC Placement Group, APG. Both companies located in San Francisco, California. The acquisition of ARC and APG adds to our advisory services capabilities within our Financial Services group. ARC Consulting assists finance departments with complex accounting reporting and compliance needs that require a high level of technical knowledge, including GAAP and SEC requirements. The ARC team is often engaged to assist clients with complex capital structures with the potential for public offering or strategic exit. APG focuses on an interim and direct placement of finance and accounting talent to meet the needs of ARC's clients.

This acquisition was already underway when the pandemic hit. Rather than moving forward at that uncertain time, we put the deal on hold as we continued to monitor their performance. We were pleased to see the resilience in their business during this timeframe and we moved quickly to complete the transaction this summer. The expansion of advisory services within our Financial Services group is another critical step to establish the right mix of services to respond to our clients and prospects' increasingly complex needs.

Our mix of core essential services along with advisory and specialty services, has enabled us to maintain our performance while positioning the business for long-term growth. In many ways, our experience in 2020 has further validated CBIZ's business strategy. Strategic acquisitions will continue to be an important part of our efforts for short-term recovery within the business as well as long-term growth.

Towards the end of the second quarter, we reactivated our M&A sourcing team and are in discussions with a number of very attractive acquisition prospects. We believe that there will be new opportunities in the near term, especially given companies' and firms' recent experience with COVID-19. Given the unique attributes of our business and our demonstrated resilience, I believe we can offer potential targets a level of stability and opportunity that many others cannot. We can better articulate now the value of being part of a large well-capitalized and resilient organization like CBIZ that is able to emerge even stronger from the current economic environment.

At this point, I will turn it over to Ware Grove, our CFO, to provide more specific details on our financial performance for the third quarter and year-to-date there. Ware?

Ware Grove CBIZ Inc, - CFO
Thank you, Jerry, and good morning everyone. I want to take a few minutes to review highlights of the numbers we released this morning and talk about the actions we have taken as we navigate through COVID-related challenges. As Jerry commented, the majority of our core businesses are performing well. Our broad diversity of clients that we serve, coupled with the recurring and essential nature of our core services has provided stability to our results. Reported total growth has been impacted by a small number of businesses within our mix of services that are more severely impacted by COVID-related influences either because these services are project-oriented, they are more directly impacted by the higher unemployment trends or they are more highly dependent upon travel-related or client-facing activities.

For example, looking at those services most severely impacted, we can identify unique areas of our business that comprise approximately 15% of our nine months revenue this year. Spread between both the Financial Services and the Benefits and Insurance practice groups, collectively, these businesses reported a decline of 12.9% in revenue for the nine months. To illustrate the stability of the remaining 85% of the core services, when you eliminate the impact of those businesses that have been more severely impacted, the remaining core CBIZ revenue grew by an adjusted 4.1% with same unit revenue growing by an adjusted 1.9% for the nine months ended September 30, this year.

Within Financial Services for the third quarter total revenue was up 1.1% with same unit revenue flat from a year ago. For the nine months, total revenue within Financial Services was up 1% with same unit revenue also flat. Revenue in core tax and accounting services has grown, but we have also recorded modest growth in the government health-care consulting business where growth has slowed a bit this year due to disruptions in the availability of cost reports and other information or limited access to client sites that we need under normal circumstances. This work still needs to be done and some portion of this work may push into 2021. Within the advisory or project oriented businesses in financial services, activity is rebounding as travel restrictions are lifting and the outlook is improving.

Turning to Benefits and Insurance, total revenue for the third quarter declined by 4.0%. The same unit revenue declined by 6.0%. For the nine months ended September 30, total revenue grew by 0.9% and same unit revenue declined by 2.9%. In a similar fashion with Financial Services, a portion of the Benefits and Insurance business is impacted by COVID-related factors, including higher unemployment trends, but core recurring services such as group health benefits, property and casualty, commercial coverage or retirement investment advisory services, have been very stable. Client retention in these businesses has been solid this year and the new producer investments we have been making are having a very positive impact.

There is a pool of variable cost within the business and we have carefully managed costs this year with an eye toward making prudent decisions, appropriate for the circumstances but also avoiding across-the-board actions such as risks or other actions that may compromise our ability to grow once more normal conditions return. Improved margins have resulted from lower costs, which include a natural reduction in travel-related expense, lower marketing and event sponsorship costs, lower variable compensation levels, lower benefits and health care costs and other actions to defer discretionary items where possible.

Beyond these cost reductions, we've also taken very targeted actions to right-size costs in those operations that have been more impacted by economic conditions this year. As you think about the cost structure and the margins, as an important reminder, it is important to eliminate the impact of accounting for gains and losses on the assets held in the deferred compensation plan. As a reminder, this does not change the reported margin on pre-tax income but elements of operating income are impacted.

Eliminating the impact of gains or losses for the third quarter, gross margin was 16.4% compared with 15.6% a year ago. General administrative expense was 4.5% of revenue compared with 4.6% a year ago. For the nine months, gross margin was 18.9% compared with 18.0% and general and administrative expense was 4.3% compared with 4.4% for the nine months a year ago. In our second quarter conference call, I commented on the favorable impact of lower benefits costs. As with many others, we've experienced favorable adjustments to health care cost this year resulting from the general COVID-related deferral of health care that has occurred since March.

For the third quarter and for the nine months, this favorable item accounts for about 40% of the increase in pre-tax income compared with the prior year. Under normal circumstances, there may be some minor adjustments to this estimated cost throughout the year and the favorable adjustment to costs through the first nine months this year, may not recur as the economy and individual behaviors return to normal in the future.

Importantly, cash flow has remained positive this year. At the end of September, outstanding debt on our $400 million unsecured credit facility was $110 million and that leaves $284 million of unused capacity. Client cash remittances continue to be stable with days sales outstanding improving to 87 days this year, compared with 94 days at September 30, a year ago. Earlier this year, we recorded an additional $2 million of bad debt reserve at the end of March. For the nine months, bad debt expense was 42 basis points of revenue compared with 26 basis points for the nine months a year ago.

The additional reserve recorded at the end of the first quarter anticipated a higher risk generally associated with those clients whose business is focused on travel, entertainment or restaurant associated industries. With our diverse set of clients, these types of clients represent less than 5% of our client base.

Acquisition-related spending, including earn-outs paid on previously closed acquisitions, totaled $48.8 million through September 30. For the balance of this year, we expect to pay an additional $3.7 million. For 2021, we expect to pay approximately $12.4 million and for 2022, we expect to pay approximately $11.3 million for earn-out payments on acquisitions previously closed. Then for 2023, an additional $3.7 million is planned and for 2024, approximately $3.1 million.

Acquisitions continue to be our highest priority as the best long-term use of our capital. However, we also have the flexibility to repurchase shares. After suspending share repurchase activity near the end of the first quarter, since that time we have experienced strong cash flows. As a result, during the third quarter, we elected to resume share repurchase activity. We initiated a 10B repurchase program during September and we repurchased approximately 165,000 shares through September 30.

In October, we have repurchased an additional 166,000 shares. Combined with the 1.2 million shares that were repurchased in the first quarter of this year, to date through October 27, we have repurchased approximately 1.5 million shares at a cost of approximately $37 million. Considering this recent share repurchase activity, we are projecting the full year, weighted average share count at approximately 55.5 million shares for 2020.

Capital spending in the third quarter was approximately $4.1 million and for the nine months, capital spending was approximately $9.6 million. Full-year capital spending is expected at approximately $12 million this year. The effective tax rate for the nine months was 25.7% and for the full year, we continue to expect an effective tax rate within a range of 24% to 25%.

As we navigate through this challenging environment, we are pleased with the steady performance of our business. We are extremely pleased to record improved margins with a 9.3% growth in earnings per share for the nine months ended September 30 of this year. As a reminder, fourth quarter results are typically more dependent upon project work, and that may lead to volatility in the fourth quarter results. With ongoing risks and uncertainty in the months ahead, we continue to prudently manage costs. Where portions of our business have been more severely impacted, we are continually assessing the business and have taken more targeted actions.

We are ready with further contingency plans, if necessary. Most importantly, with a strong cash flow in attributes of our business, our liquidity is stable. We have the capacity, we are continuing to make investments in the business to enhance the long-term growth prospects for CBIZ and we are well-positioned for growth once we get beyond the COVID-related impact to the economy.

So with these comments, I will turn it back over to Jerry.

Jerry Grisko CBIZ, Inc. – President & CEO Thank you, Ware, I'd like to touch on a couple of additional areas before we turn it over for Q&A. Throughout the last nine months, there has been a great deal of discussion on how small businesses are likely to fare in the months ahead, given the impact of the pandemic. At CBIZ, we serve a wide range of clients with varying sizes and across many industries and geographies. That diversity within the mix of clients that we serve, helps us to insulate against business conditions that have a disproportionate impact on certain client populations.

Moreover, while we do serve a large number of small businesses, a significantly larger portion of our revenues come from clients with annual revenues in excess of $20 million. Businesses of this size have historically proven to be far more resilient than smaller businesses in uncertain and challenging business climates, such as the one we are now facing.

Turning to the upcoming presidential and congressional elections. We've also received a number of questions around what different outcomes might mean for CBIZ, our clients and the future of our business. Throughout our 24-year history, we've been through a number of changes in our nation's administration and have had sustained growth regardless of who is in the White House, or the Congress.

Regardless of the outcome of next week's elections, we expect to experience continued change in complexity in the laws and regulations that apply to our clients, which is good for our business as our clients turn to us to help them understand the impact of these changes on their businesses.

Finally, I want to provide a brief update on our efforts to make diversity and inclusion an essential part of our CBIZ culture. Earlier this summer, following the tragic death of George Floyd, CBIZ moved to develop a comprehensive long-term diversity and inclusion strategy aimed at meaningful action and lasting change. We wanted to begin with those things that we can influence and, in some cases, control when it comes to our team, our culture and our company. We also hope to drive change within the professional services industry and we intend to use CBIZ's position and voice to join with other like-minded companies to be a catalyst for that change.

Too often we watched these kinds of efforts become more about checking boxes than taking action. We've taken some important first steps in this journey, which included signing onto the CEO Action for Diversity and Inclusion pledge in September. The CEO Action for Diversity and Inclusion pledge was the largest CEO-driven business commitment to advance diversity and inclusion within the workplace.

Signatories to the pledge include leaders from more than 1,000 of the world's most well-recognized companies and organizations, representing over 85 industries. By signing the pledge, the leaders of these companies have all committed to focus on a shared goal, to advance diversity and inclusion within the workplace.

I am proud to affirm my personal commitment to diversity and inclusion by signing onto this effort. I believe our active participation with the CEO Action for Diversity and Inclusion pledge will connect us with others and help to accelerate our work in this area.

With that, we will open it up to Q&A.

QUESTIONS AND ANSWERS

Operator
Thank you.

And the first question today will come from Chris Moore with CJS Securities. Please go ahead.

Chris Moore - CJS Securities
Hey, good morning. If you could just talk a little bit about pricing. Just trying to understand, is pricing power much different between Financial Services and Benefits and Insurance, and what has been the current environment during fiscal year 2020, what's pricing been versus typical?

Jerry Grisko CBIZ, Inc. – President & CEO Chris, first of all, the pricing is a little bit different between the two divisions. As you know, within the Benefits and Insurance division, we often times are paid a commission, which is really a product of, or driven by the service that we provide. So a percentage of the premiums that the client may pay is a typical compensation system in Benefits and Insurance. So while not exclusive, we obviously have fees related to our payroll services and some of our advisory services, much of the revenue there is more commission-driven.

Within our Financial Services group, most of that revenue is, in fact, fee-driven and we have not seen or heard of a lot of fee pressure in this environment, really. I think what we've experienced is that our clients are turning to us for advice and as to how to navigate in this environment. And that advice is less fee-driven and more value-based on the expertise that we bring to bear, so not to say that it will come at some point in the future as we bid for work going into 2021, but so far to-date, I have not heard of significant fee pressure.

Chris Moore CJS Securities
Got it, it's helpful. On the government health care front, demand is still strong, timing uncertain. Again, is that mostly travel challenges or something else that's embedded in there? Just trying to get a sense in terms of -- for the first nine months, how significantly impacted that business segment was?

Jerry Grisko CBIZ, Inc. – President & CEO So, as you know, we typically enjoy high single-digit organic growth year-over-year in that business. We are still experiencing nice growth in that business, and it continues to perform well and as you indicated, the work is there, the demand is high, we have had some COVID-related challenges. They fall into two buckets, the one is the one that you identified, which is if we are required to be on-site to do certain work, that obviously has been somewhat impacted by this environment, although even in those instances, like many other companies in this environment, we're getting more comfortable with delivering that work virtually. Our clients are able to work with us virtually, and so we're establishing a new workflow relative to work that was traditionally done on-site in many of those instances. The other kind of hurdle that we've begun to overcome here in that business is the fact that some of the state governments were given some latitude and some reprieve on when they were required to submit the background information and data that we need in order to do our work, and it was, as you would expect, just the product of other priorities. But that work also, of late, seems to be flowing more freely to us and we've had a couple of good months in that business. Time will tell if there are further delays based on the impact of COVID in various states and with various clients.

Chris Moore CJS Securities
Got it and it's helpful. And last from me and it's a tough question, trying to get a sense, assuming no big COVID shutdowns over the coming months, in terms of your expected visibility, would you expect to be in a position in February, from where you sit today, to give fiscal 2021 guidance?

Jerry Grisko CBIZ, Inc. – President & CEO You know, Chris, I think it's too early to call that at this point, but certainly if there are no further COVID shutdowns, if there is a vaccine on the horizon or maybe in place by that time, we would hope that we could put guidance back in place as quickly as we can, given a more certain environment.

Chris Moore CJS Securities
Got it. I appreciate it. I'll jump back in line. Thanks.

Operator
The next question is from Marc Riddick with Sidoti & Company. Please go ahead.

Marc Riddick Sidoti & Company Hi, good morning. I wanted to just go over a couple of things, a lot of which you covered on the prepared remarks, which is great. I wanted to see if you could just bring us up to speed, maybe on some of the decision-making that you may be experiencing, whether it'd be anecdotal or what have you, as to the waiting for the current lack of or potential stimulus, maybe what you might be seeing as to what customers -- the response for them and what delays that may be, and their decision making that may have an impact on your business currently and what you see that maybe playing out?

Jerry Grisko CBIZ, Inc. – President & CEO Marc, this is Jerry. Obviously, there's lots of discussions around when that next wave of stimulus may be available. I think the overwhelming sentiment is that it will come at some point, whether it's shortly after the election or early into 2021. I know that our clients are tracking that. I know that it would be helpful for many segments of the economy and certainly for a lot of our clients. But what I will say is that, it really shined a light on the value and the differentiated value that we can bring to our clients with a holistic approach, when we help them through the first wave of the PPP loans and the Main Street Lending type programs that are available. So we stand ready. We have our finger on the pulse of what might come, and as soon as it does come, we will mobilize as we did in the first instance to help our clients there.

The second part of the question really is, how important is that to our clients. I will tell you that we have surveyed our clients informally, as well as we've had some client panels that we've talked to and, not surprisingly, our clients are more optimistic than some of the newspaper reports and others may indicate. We tend to represent a very resilient segment of the population, as far as businesses are concerned. While they all had to readjust their businesses based on the current environment, I think the sentiment is more optimistic as they look forward. So, I think that's been reflected in our results and we would expect that to continue to be the case going forward.

Marc Riddick Sidoti & Company That's encouraging. And I was wondering if you could share a little bit of time talking about the longer-term market share opportunities? I mean, certainly providing these services and being a trusted advisor at a challenging time certainly is a competitive differentiator, and I wanted to get a sense of how you feel about the opportunity to gain a greater share of wallet from existing customers, bringing on new customers, as well as maybe if you could touch a little bit on, if you have any thoughts on those who were maybe outsourcing some things that they had been doing themselves up to this point with the greater complexity and how that could lead to new business into accounts going forward? Thank you.

Jerry Grisko CBIZ, Inc. – President & CEO I'm going to take the questions in order. First of all, as to market share and how we are faring in this environment. Actually yesterday, I believe, there was an article in Accounting Today. We were the lead article there as to our unique value proposition relative to certainly many of our competitors, as to the breadth and depth of services that we're able to provide, and how well that's being received into the market. And so if you haven't seen it, I'm happy to send you a link to that article, but it did a very nice job of describing how uniquely positioned we are in this environment to bring more than just the monoline view and solution to our clients. Because, as you can imagine, the challenges that are being faced by many businesses are multi-disciplinary and there are, really, no others in the country that are as well-positioned as we are to bring a multi-disciplinary holistic approach, comprehensive approach to the solution. So, as far as market share is concerned, we're very encouraged by the reception that we've received to our digital outreach through our webinars, to our other thought leadership pieces going not only to our existing clients, but also to prospects, and then the pipeline of new business opportunities that are flowing from that. So, we are very encouraged by that.

As to outsourcing, I will say we haven't seen a dramatic difference, at least I haven't heard of a dramatic difference in how receptive the market is to that although logically, I would say that, in time like the ones that we're facing now, our clients are most interested in focusing on their core competencies and the things that they do best and looking to others to help them with things that that may not be a core competency, including outsourcing things, not building, not incurring that expense to build their own infrastructure and cost, but turning to organizations like ours that already have made those investments that can help them through those things. So, I think all of that's at play right now and certainly a message that we're delivering to the market and again, we're very encouraged by the reception that we are receiving in the pipeline of opportunities that we see.

Marc Riddick Sidoti & Company Okay. And then one last one for me, I wanted to get a sense of, it's probably early, but maybe it's too early, maybe it's not, I'm not sure. But I wanted to get a sense of, as you look at current tax code changes what we have so far. Is there a sense of what level of complexity that might look like year-over-year? I know we've had certain years where the complexity was far greater than others. I was wondering how that might look relative to maybe the last few years as far as the year-over-year changes of tax code? Thank you.

Jerry Grisko CBIZ, Inc. – President & CEO So as we look forward, right, it really kind of depends on what happens in the upcoming elections here. I think, regardless of what that outcome is, there is likely to be changes in our tax code, just as a result of all the stimulus and other dollars, other moneys, that have been put in the economy and those dollars have to be repaid at some point. So, I think tax laws are likely to change and, as we’ve said repeatedly over the years, complexity and change is good for our business, because it does two things.

Our clients, of course, turn to us to help them understand how that impacts them and their businesses and we help them navigate that analysis but maybe equally important, it really does, I think, shine a light on CBIZ and our unique value proposition to prospects, and it gives us an opportunity to go out and have that discussion and demonstrate how we could bring different levels of solutions to the clients and the prospects that their current provider may not be able to provide.

So I think, whenever there is change, whenever there is complexity, it's good for us. We've proven that over the years, and I think kind of regardless of what happens in the upcoming elections, we're likely to see a change in complexity.

Marc Riddick Sidoti & Company Makes sense. I greatly appreciate the commentary. Thank you very much.

Operator
This concludes our question-and-answer session. I would like to turn the conference back over to Jerry Grisko for any closing remarks.

Jerry Grisko CBIZ, Inc. – President & CEO Okay, well thank you, everybody. I appreciate you listening in today. In conclusion, I want to thank our analysts and investors for joining us on the call and for your continued support. I'd also like to recognize and thank our CBIZ team members who may be listening in our call today. I attribute our continued success and resilience on the commitment and dedication of our team. This has been a year like no other in our history and I couldn't be more proud of our team continues to rise to the occasion to support each other, our clients and our communities. Thank you and have a great day.

Operator And thank you, sir. The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.