

CASE STUDY

SKYMIND EMPLOYS TALENTED ENGINEERS ACROSS THE GLOBE WITH SUPPORT FROM ELEMENTS

CUSTOMER

SkyMind

INDUSTRY

Artificial intelligence

OFFICES

Headquarters:
San Francisco, California

SUBSIDIARIES:

Europe
Canada
Japan

GLOBAL EMPLOYEES

20 full-time employees in U.S., Canada and South Korea

ELEMENTS SERVICES

Onboarding new employees
Employment contracts
Payroll services
Tax compliance



OVERVIEW

Founded in November 2014, SkyMind is an artificial intelligence company that supports an open source, distributed deep-learning framework that businesses use for rapid storing, processing, and analyzing massive amounts of data. The company's goal is to simplify deep learning for a wide variety of applications—including natural language processing (NLP), computer vision, database predictions, pattern recognition, image/video processing, and fraud detection.

SkyMind helps large corporate teams build deep-learning applications for media, images and sound, and time series data for finance, healthcare, telecommunications, and the Internet of Things. They provide support for large-scale implementations, on-site training, and enterprise distribution.

Headquartered in San Francisco, SkyMind has subsidiaries in Canada, Europe, and Japan, with plans to open a subsidiary in China. The company currently has 20 full-time employees and working relationships with dozens of contractors. With its distributed team, SkyMind is able to hire engineers from all over the globe, many of whom would not ordinarily be able to work at a company like SkyMind.

SkyMind has been a customer of Elements Global Services (Elements) since February 1, 2017, when the company hired its first employee in Canada. In March, the company began onboarding employees in South Korea.



CHALLENGES

When the company hired its first Canadian employee, SkyMind worked with a local attorney and accounting firm to set up payroll services and to review the employment contract to ensure that it would be compliant in Canada. Prior to initiating its relationship with Elements, the company worked with local attorneys and accountants, which turned out to be a costly proposition. As a result, the SkyMind executive team opted to conserve its resources for other client projects by outsourcing its human resources functions.

Keeping pace with ever-changing regulations regarding banking and taxes, payroll, employment law, and other issues can be a daunting proposition for a business looking to expand to other countries and that was the case for SkyMind. In fact, since SkyMind began hiring employees outside the U.S., compliance has been the major challenge it has encountered. Because the overriding goal is long-term growth, the company wanted to make sure it had the right foundation in place to avoid major issues in the future.



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CHOOSING ELEMENTS

After determining that compliance and the legal implications of hiring abroad were too complex to handle in-house, the Skymind executive team made the decision to outsource to a global employment resource. Searching for an international professional employment organization (iPEO) led them to resources that followed procedures that were not fully compliant with local regulations. While many organizations believe that payroll can be run by simply wiring money to employees, Skymind was determined to set the bar higher.

Many companies like Skymind concerned about going global have looked at partnering with local providers to support them in a particular country and are seeking a cost-effective solution that will keep them in compliance or alleviate risk when they expand globally. This is the critical need that a company like Elements can fill.



WORKING WITH ELEMENTS

At the beginning of the company's relationship with Elements, Skymind stressed the need for speed. Because often, urgent issues must be dealt with quickly, it is critical that Rick Hammell, CEO of Elements, and his team are able to respond right away.

At the outset, Skymind quickly transferred its prior hires to Elements. Because of its extensive experience in crafting employment contracts that are not only compliant with international labor laws but also protect the interests of the client organization and their employees, the Elements team was able to promptly revise the existing employment contracts for those early employees to ensure compliance with local regulations. Prior to its relationship with Elements, Skymind managed multiple versions of employment contracts and relied on local attorneys and accountants. Now when they onboard new employees, they know they can expect the process to be painless.

Elements also provided critical support for accounting and payroll functions. As a startup required to provide investors with an accurate accounting picture and evidence of compliance with regulations in the U.S. and other countries, that was particularly important to Skymind. The further along a startup like Skymind proceeds along the investment path, the more serious investors take due diligence. So, the company needs to make sure that its employment records and books are all in order. Working with an organization like Elements is critical for compliance and competence.

Early on, Skymind was interested in hiring talented engineers in South Korea and Elements was a key partner in that endeavor. For example, it is difficult for a company to hire anyone in Korea without its own entity in the country. With Elements acting as an entity that functions as employer of record in the country, Skymind is now able to hire talent that it might not be able to hire otherwise.





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RESULTS

Today, the executives at Skymind can't imagine working without the help of the Elements team. According to Skymind, working with Elements has enabled the company to prevent taking the risk of spending time and money in places that it should not. In fact, Elements offers all the advantages of setting up an entity without the need to deal with complexities upfront and without risking its long-term strategy.

And, because the Elements team is responsive and competent, working with them is a clean, easy process that helps the Skymind team hit the ground running. Now, when the company makes an offer to a new hire, they know that the employment contract will be compliant with the country and will be able to pay them in their country's currency.

Simply put, Elements has simplified the lives of the Skymind executive team. Because Elements is always available to answer questions or help with issues, they have more hours in the day to get more things done.

EMPLOYER OF RECORD (EOR) DEFINED

Elements coined the term employer of record (EOR) to differentiate its services from a professional employment organization (PEO), which is a term most recognized in the U.S. for describing the co-employment relationships between the PEO, client company, and employee. By contrast, an EOR becomes the legal employer of record in the country in which the organization wants to hire or place an employee for work. As such, an EOR like Elements takes responsibility for ensuring that the organization is operating in compliance with local regulations in the country in which the employees are working.

There are different models of EORs in the marketplace. The traditional model that has been around for about 15 years is a brokerage model in which the company serves as your main point of contact with access to a local provider in a particular country. Elements represents a direct model that cuts out the middleman by serving as a strategic HR partner that develops a core solution. The client company's employees are employees of Elements in that country.

