

### THE FOUR MOST COMMON EMPLOYER GOALS FOR BENEFITS ADMINISTRATION

Have you ever felt like you're alone? That no one could possibly understand you and your needs? Well, lie down on Dr. Kaiser's couch, and let's explore those human resources technology (HR tech) concerns. That's better, your breathing has calmed. Tissue? Would you be surprised to find out that there are others just like you out there? They, too, are HR and benefits leaders fed up with their systems and the confusing marketplace of alternatives. You are not alone!

Okay, so the conversation is imaginary, but truth be told, we hear very common themes from the employers we're helping with HR technology in their businesses. After a recent engagement with a mid-market client that wanted a replacement for its benefits administration system, I thought it would be helpful to share some of its desires for its next benefits administration solution. We see these same goals for many of the employer-clients we work with.

#### **1 COMMON GOAL ONE—One System to Run All HRIS Functions**

While we always start by looking at single-source solutions to minimize frustrating vendor management duties, often we recommend that our employer-clients break off those portions of their infrastructure with high complexity or importance to their identity as an employer for "point" solutions specializing in that area. Benefits administration is one of the most frequent pieces addressed this way. Others include Affordable Care Act (ACA) compliance, time and attendance, and talent management.

Most of the stand-alone benefits administration solutions are usually excellent at working with a separate payroll/HR vendor. That being said, our implementation oversight teams often have to advocate for these vendors to prioritize the connectivity feeds to payroll and HR.

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Sometimes your existing HR, payroll, or time technology vendors are able to provide benefits administration services as well. For example, to pick the most common vendor in the marketplace, ADP's WorkforceNow suite is an all-in-one application that's doing rather well in some of our clients' evaluations. It has better benefits administration functionality than most other all-in-one solutions. Most telling to our buyers: until recently, its benefits module was strong enough to be sold as a stand-alone without payroll. Very few other vendors can say that about their benefits modules in the mid-market. It will offer less than the stand-alone benefits administration vendor solutions but will be the most integrated offering.

Carrier connectivity may be a problem if the vendor isn't heavily versed in the benefits domain, as is the case with many of the payroll vendors who only scratch the surface of benefits complexity. As a gallant attempt at a proof statement, Paychex offers free carrier feeds to its BeneTrac clients to assure those employers that it understands and can handle the connectivity needs. It's a great marketing technique, and it continues to hone any rough spots.



## 2 COMMON GOAL TWO—Ability to Customize

Customization. This is a scary word for our account teams, as most of the dissatisfaction we've seen with vendor solutions after the contract has been signed originates from customers' customizations or ongoing maintenance of those customizations. There are times customizations make sense—but they are very rare indeed—and expectations need to be crystal clear of the ongoing maintenance required. We much prefer finding a solution for our employers where “configuration” is possible within the toolset/options included in the standard product (i.e., flipping switches vs. writing code).

The higher-end solutions can accommodate a lot of plan and communication complexity within their solutions without requiring professional services work. Vendors in this space include bswift, Businessolver, and Empyrean, among others. Of course, each will have different areas of strength, and remember: a well-researched Business Requirements Document (BRD) can save an employer-buyer a whole heap of heartache!

## 3 COMMON GOAL THREE—Ease of Use for Employees

This has gotten a lot better recently. Benefitfocus really challenged the industry with its great user experience four years ago. By now, a lot of other vendors have caught up—but since this is a huge part of Benefitfocus' identity in the market, it continues to prioritize resources for design and technology. Even the most traditional firms are jumping on the ease-of-use bandwagon. Currently, ADP's WorkforceNow and Vantage products have improved the user interface considerably from previous versions where enrollment events were confusing or intimidating for employees. ADP has also invested heavily into the UX (User Experience) with a swanky and gritty Innovation Lab in New York's Silicon Alley. The programmers and other hipsters are transforming ADP's HR tech for mobile and the Millennial consumer at a breakneck speed.

To help you evaluate a vendor's efforts, the use of video, avatars, and decision support are three areas where vendors are differentiating from each other. For example, if voluntary products are part of your offering, pay attention to how those last three innovation areas are able to support them. Will decision support cover both core benefits and voluntary?

## 4 COMMON GOAL FOUR—Customer Service

This has been the most frustrating aspect of the benefits administration space. Service has continued to be negotiated out of our industry (credit for this fantastic insight and turn of phrase goes to our friend, the infamous Rhonda Marcucci). In addition, a lot of the victims in the merger and acquisition war have been some of the best servicers in our industry (SHPS, Aliquant, Workspace, etc.). Alas, good soldiers all—too bad that overly good service makes it difficult for a business model to succeed! That being said, we've seen some vendors aggressively address this with either fees at risk or even more innovative methods. We have one national vendor that agreed to offer all Lockton clients a segmented implementation and service team to improve our customers' consistency of service. Other vendors are also very responsive to Lockton's agitation as we have a sizeable book of business with each.

We feel the best vendors are willing to put service-level agreements (SLAs) in place to help their clients rest easy after contracts are signed. Not everyone is able to do this, but it's certainly a way to objectify a subjective process. Speaking of subjective—there are even a couple vendors who do away with many of the technically measured SLAs and just focus on customer satisfaction. It's an up or down vote, and it controls at least 2 percent of fees paid. That certainly won't bankrupt anyone, but it does show a willingness to put the customer's satisfaction above profit margin . . . that is a beautiful sight in our book. Give us a holler if you'd like to have some recommendations in this area of the vendor landscape, as it changes frequently!

**How do these goals differ from those of your organization when considering replacing your benefits administration system?**

**Did we channel your inner frustrations—or do you have some unique needs not captured here? *Please follow our blog at [www.LocktonHRTechBlog.com](http://www.LocktonHRTechBlog.com) for more insights and the latest news in everything HR tech.***



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