

Efficiency, effectiveness, engagement: A platform for success

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Executive summary

Organizations walk a fine line when it comes to benefits. On one hand, the attention paid to compliance and controlling costs has never been higher. On the other, a tight labor market means top performers can be picky and wait for the best offer. Innovation is also changing the benefits space at a rapid pace, with a constant stream of new offerings focused on well-being, financial wellness, and many other benefits.

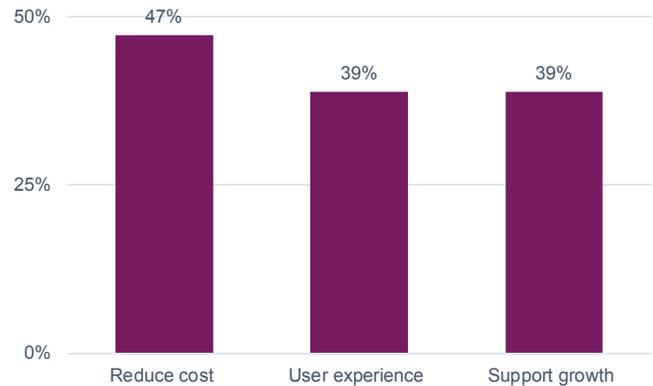
In the war for talent, the competition is fierce. Employers must differentiate their offer in any way they can—including through their benefits package.

Organizations of all sizes are looking for ways to thrive in this complex benefits environment while reducing their costs and delivering a better experience. Providers have seized on this opportunity to gain efficiencies—the same data feeds many of the processes for compliance and benefits management—and add value through a streamlined, self-service user experience.

This report is designed to help you understand the drivers and impact of a modern, cloud-deployed benefits platform. It will also guide you through six key questions that must be answered to build a business case for an integrated benefits platform:

- What talent problems are you trying to solve?
- How can a benefits platform help solve those problems?
- What are the risks for not investing in a benefits platform?
- What is the business value for investing in this technology?
- How do you build buy-in and support?
- What's next?

Why a benefits platform?



Reasons for investing in new benefits administration solutions

Source: Aptitude Research Partners. HR Impact Survey, 2018.

We are entering a new age of the employer-employee relationship. Employees expect more extensive, personalized benefits from their employers. Employers must follow more compliance regulations and reporting mandates that are designed to protect their employees. Everyone—employees and employers—is under pressure to control costs.

In addition, employees are looking to employers for tools that can help them work more productively and manage their health, finances, and other life issues.

To meet these challenges, more organizations are looking for platform solutions that integrate multiple aspects of compliance reporting and benefits administration—including employee education and self-service—from a single source of data. There's good reason for this shift: Aptitude Research's 2018 HR Impact Survey found that organizations that automate and integrate benefits administration, absence, leave, and compliance reporting achieve better results. They are:

- 7 percent less likely to have payroll errors.
- 36 percent more likely to report improved employee productivity.

The right benefits platform can help companies ensure that efficient and accurate administration, reporting, and compliance happen simultaneously, and that employees have an enhanced experience.

Only 41 percent of responding organizations said they feel confident their employees have a strong understanding of the benefits available to them.

Top performers in the HR Impact Survey were defined as organizations with the highest levels of productivity—measured by the percentage of employees who attained performance and productivity goals—and revenue growth.

Even the most comprehensive and generous benefits plan won't deliver value for your organization if your employees aren't aware of it. That's why it's important to think about how you can educate your employees about their benefits. Only 41 percent of the organizations who responded to the HR Impact Survey said they feel confident that their employees have a strong understanding of the benefits available to them.

How can you overcome this challenge? One way is through a technology platform that helps you personalize communications. Organizations with high engagement are:

- 11 percent more likely to offer interactive tools that aid in benefits selection.
- 85 percent more likely to use video in their benefits communications.

Building the case

What talent challenges are you trying to solve?

- Attraction
- Retention
- Absenteeism
- Productivity

How can a benefits platform help solve these problems?

Aptitude's research found a strong correlation between organizational performance and an employer's willingness to offer financial, physical, and emotional well-being programs that are supported by technology. Top-performing companies understand that offering employees tools to help them better manage their health and wealth makes them more loyal and more productive while at work.

A benefits platform can give employees a better understanding of their benefits and make them more likely to use those benefits.

Put it to work

When designing a benefits plan to attract and retain top talent, it's important to get it right. Use these steps to determine what work still needs to be done. Document your answers in the next sections.

- **Consider your audience**—Who makes up your workforce today? Whom will you need tomorrow? Do you have multiple generations with unique needs? Think about the staff you most want to retain and most need to attract.
- **Market evaluation**—Do you know what your competitors—traditional and nontraditional—are offering? Does your employee population have hard-to-find skills?
- **Input from current employees**—It's easy to believe you know what your employees want when it comes to benefits, but listening is the best way to really understand. Are your employees' benefits accessible? Are they being used? What do employees like or wish they had?
- **Find champions**—Do your managers understand your benefits? Managers need to be able to "sell" all the advantages of working for your company.

The goal is not to design a benefits package for everyone, but to design one for the talent you need.

CASE STUDY

An organization in the health care services industry—known for lower pay but strong loyalty to its mission and values—reorganized its Human Resources function. It put health care, benefits administration, physical and financial wellness, leave, and compliance under the umbrella of “well-being.”

This person-centric approach, along with ongoing communications encouraging employees to take advantage of their benefits, saved the organization and its employees more than \$3.3 million. The savings came from a number of places, including a shift in enrollment in consumer-driven health care plans (from less than 15 percent of the employee population to more than 70 percent in two years). This shift was largely based on increased visibility and education of employees about the plans. The savings also included more than \$1 million in personal debt that was eliminated as a result of employees using volunteer debt counseling. In addition, the organization looked at its health testing results to determine the most effective tools and insights to drive healthy behaviors.

In a space known for dedicated workers who often take care of others before themselves, these changes were a huge win for everyone.

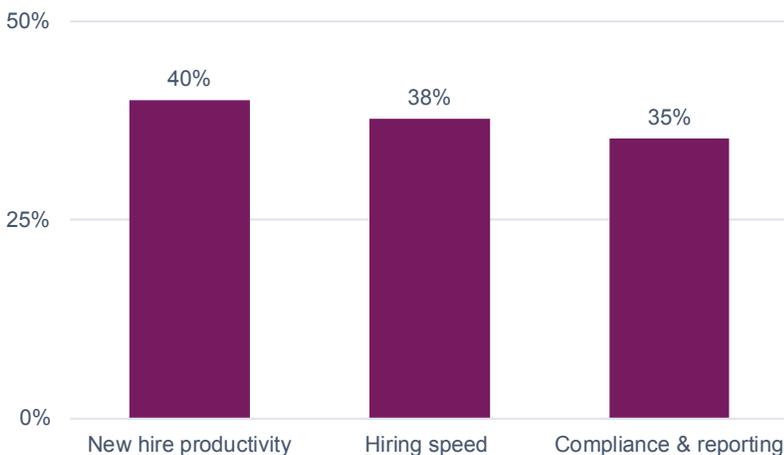
The penalties for noncompliance can be steep: Financial considerations aside, an organization would need to expend time and resources to resolve any damage that results from a violation becoming public.

Increasing value, minimizing risk

A benefits platform can offer a better experience for employees and help you achieve your organizational goals, such as increasing productivity, attracting top talent, and retaining high performers. However, compliance and cost concerns should be addressed before you make any substantial changes.

In its 2018 HR Impact Survey, Aptitude Research Partners found that compliance was among the top three critical needs shaping HR technology investment (behind improving productivity and improving hiring speed and effectiveness). This is not surprising given the growing complexity of wage and labor laws in the United States at the federal, state, and even local levels, in addition to new GDPR requirements impacting most of Europe.

Most critical needs shaping HR technology investment



In the U.S., there are rapidly changing regulations regarding health care, overtime, leave, and many other wage and labor issues. In addition, new compliance regulations at the state and local levels are emerging every day.

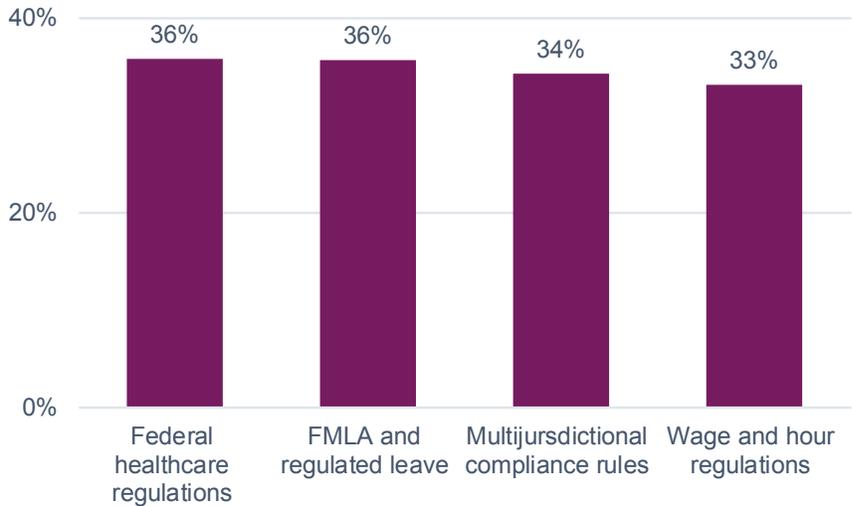
The penalties for noncompliance can be steep: Financial considerations aside, an organization would need to expend time and resources to resolve any damage that results from a violation becoming public.

Most noncompliance is not willful. It tends to occur as a result of user error. This is another reason more organizations are looking to integrated solutions. They want to ensure that there is a single source of truth.

Source: Aptitude Research Partners. HR Impact Survey, 2018.

Most pressing compliance concerns

By using an integrated compliance platform, organizations can improve their ACA and FMLA compliance, reduce costs, and alleviate significant manual burdens on HR staff members.



Source: Aptitude Research Partners. HR Impact Survey, 2018.

More and more organizations are moving toward making data-driven workforce decisions. Having visibility in benefit eligibility, leave, absence, and applicable work rules is a critical part of managing the workforce. Visibility—whether it’s to ensure accuracy, spot trends, or guarantee consistency of process—is a necessity. Without this information, individual managers may grant or deny leave time inappropriately, despite their best efforts. Ensuring compliance with leave rules and being able to audit past actions are important for all employers.

All organizations that want to better manage their absence and leave programs need solutions that can help them be more efficient and effective. These solutions must also foster greater transparency, both across the company and between managers and employees. In addition, organizations need to ensure that the tools they put in place to help manage absence are supported by clearly communicated policies that are interpreted in a consistent way.

By using an integrated compliance platform, organizations can improve their ACA and FMLA compliance, reduce their costs, and alleviate significant manual burdens on HR staff members.

Building the case

What are the risks of not investing in a benefits platform?

For each risk in the left column, write down the potential impact for your organization in the adjacent rows (quantify if possible). Add rows as needed.

Risk	Financial impact	Reputational impact	Operational impact
Tax			
Regulatory			
Licensure			
Reporting			
Geography specific			

What is the business value for investing in this technology?

Look back at the talent challenges you’re trying to solve. Use the chart below to determine a potential return for solving those challenges.

Challenges	Cost avoidance	Revenue generation	Customer experience
Attraction			
Retention			
Absenteeism			
Productivity			
Other (explain):			

CASE STUDY

A community college system with slightly more than 3,500 employees realized that having the right information, education, and enrollment process can greatly impact costs, employee satisfaction, and compliance. Having an automated enrollment process ensured that the system had higher-quality data, so its reporting was more accurate and its ACA compliance processes were more efficient.

The system's benefits administrators are now able to spend their time using analytics to craft benefits offerings that will attract quality talent.

Putting it together

When building a case to invest time, money, or resources, you have to weigh the business impact against the effort involved. You must have a clear picture of the desired outcome, an understanding of who is involved, and the ability to measure success.

By assessing the critical business challenges, integration needs, and stakeholders, you can prioritize where to focus first and determine how to approach each step.

Building the case

How do you build buy-in and support?

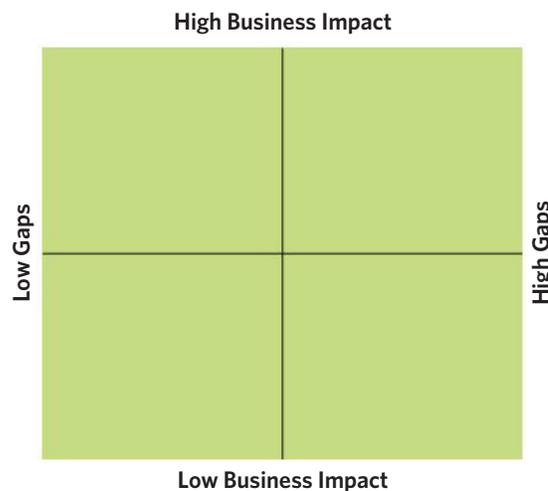
PRIORITIZE

Look back at your challenges. List them in the left column of the chart below. Based on the risk and value evaluations you completed, rate the business impact of the challenges as high, medium, or low.

Then evaluate where you have technology gaps, development needs, or change management hurdles that may inhibit your ability to address those challenges. Rate each category high, medium, or low.

Challenges	Business impact (H, M, L)	Technology gap	Development/Skill gap	Change readiness gap

Plot each challenge on the 2-by-2 grid based on the business impact and the overall significance of the collective gaps.



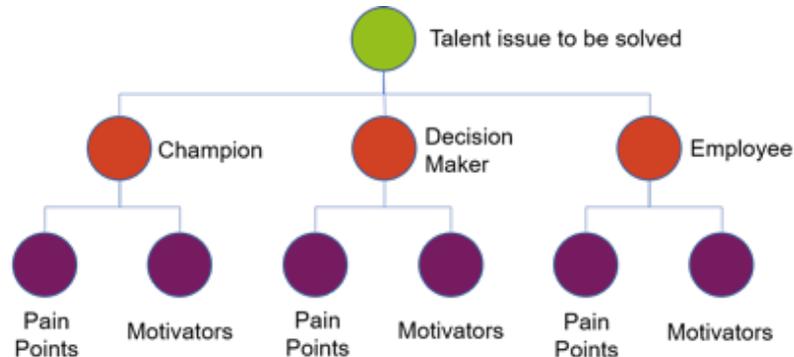
STAKEHOLDER MANAGEMENT

Success with technology always begins with people. The best way to get support from all your stakeholders—whether they are decision makers, champions, or employees—is to help them see the connection between their needs and motivations and the changes that are necessary.

To plan your stakeholder management strategy, look at the challenges at the top of your 2-by-2 grid. These are your

high-impact projects. For each of these challenges, list the stakeholders who will be involved. Map out their pain points and key motivations.

With this understanding of each stakeholder or stakeholder group, you can begin to craft messaging that will connect the goals of the initiative to their concerns.



What's next?

Benefits have a huge impact on your organization, from a cost and talent management perspective. When building a case for an integrated benefits management platform, it's important to think about:

- The key issues that benefits can impact.
- A benefits strategy and plan that can help you attract and retain talent.
- The key initiatives required to make those strategic and plan changes.
- The most effective way to involve stakeholders and manage their expectations throughout the process.

There are hard dollar metrics you may want to consider:

- Percentage of employees who may move to a consumer-driven plan
- Percentage of employees who may opt for value prescription programs
- Reduction in disease-related leave
- Attainment of healthy living bonuses from providers

There are also some harder-to-measure impacts to consider, such as risk avoidance and the part your benefits platform plays in the overall employee experience.

It's also important to measure the impact of adopting this change and determining how you will define success.

For more information or to schedule a demonstration:

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