

& TECHNOLOGY

Dreaming of a Benefits ATM BY JOHN NAIL

My oldest daughter recently went to Asia to teach for a year. The first thing she did when she got off the plane in Thailand was what all of us do every week – use her ATM card to get some cash.

What does this have to do with employee benefits and HR? Imagine what it could be like if an analogous “benefits ATM” network existed today that connected employers and employees to all of their insurance carriers and service providers in one integrated manner.

The possibility of the various insurance and health-care companies we all do business with behaving like their banking brethren

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and cooperating to make their customers’ lives easier is improbable at best, but the concept of a benefits ATM provides some intriguing food for thought.

My goal with this column is simple – to help you create your own ATM to meet your specific needs that simplify your HR, benefits and life-event transactions, enhance employee appre-

ciation for your benefits programs and lower your administrative costs while improving service times internally and with your vendors.

Since I wrote the business plan for Employease in the fall of 1995 right after Netscape (remember them?) went public, well over a billion dollars in venture capital has been poured into this indus-

try can do today, regardless of your company size, to use the Web to simplify your benefits and HR administration. According to one recent study, 22 percent of employees will enroll online this year, with the Web being the channel of choice for nearly half of all employees. In large companies (more than 5,000 employees), according to a recent MetLife



try’s Internet bubble to focus on its inefficiencies – with seemingly little to show for it.

All is not lost, however. While this one-stop, comprehensive benefits ATM network does not exist nationally, there is a lot you

can do today, regardless of your company size, to use the Web to simplify your benefits and HR administration. According to one recent study, 22 percent of employees will enroll online this year, with the Web being the channel of choice for nearly half of all employees. In large companies (more than 5,000 employees), according to a recent MetLife

study, 71 percent of workers will use the Web to enroll this year. When asked by clients for help in vendor analysis, I try to focus on the following four key ROI principals as the foundation for planning and implementation of

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2-7/8" x 11-1/8" bleed

any type of HR/benefits technology. When reviewing vendors who seemingly all do the same thing, I think you will find that a very close review of these key areas where all providers are not the same will help you narrow your choices very quickly.

1. One source or truth is critical. Ultimately you are trying to solve an information logistics problem that revolves around employee data. Choose a vendor whose database will become your sole "source of truth" for employee, HR, payroll and benefits information and feed all of your other needs and service providers. Trying to synch up multiple databases for multiple functions will prove problematic and error-prone.

2. Focus on process and workflow capabilities, not simply features and functionality. The idea I want to stress here is that HR and benefits transactions are part of a larger workflow in any size organization. Automating data capture solves a functional problem, while automating information flow solves a process and business problem. Simply capturing data and not being able to build routings and workflows for approvals within your firm solves part of the problem, but leaves gaping holes where old-fashioned paper-based and error-prone processes must interface with new technology.

3. Be sure a solution is configurable, not just customizable. The benefit of true Web-based solutions is that they are highly configurable, not solely customizable like large packaged ERP software solutions. A well-designed, comprehensive native Web solution can meet the needs of nearly all size firms while bringing the

benefits of rapid and inexpensive implementations coupled with low use and maintenance costs.

4. Connectivity to your vendors and partners is critical. This is the biggest area of confusion I see for clients, where every solution provider says they "can" connect. The real questions are, do they connect and what does that mean to them? How many employers and lives do they send to various vendors, especially yours? Do they have real-time connections, batch connections and tools to allow easy configuration to meet your needs? Real experience and success in connecting to carriers and payroll providers is what you need – not being someone's test case.

I know of one 3,000-employee organization that recently did a marketplace review for its 2003 enrollment and reviewed 35 vendors in detail. That was a lot of work, much of which could have been avoided if they had focused initially on these four key infrastructure questions, and then focused on their "features and functionality" spreadsheet.

Steering your company through the decision process around the type of solutions you want to implement can be difficult and confusing. If you use these four principles to help guide you and make sure to do a rigorous check of references (ask specifically for companies like yours), you will be well on your way to creating the long-term infrastructure resulting in a benefits ATM for your organization. ■

John Nail founded Employease, one of the first companies to offer online benefits administration, in 1996. He is currently a vice-president with BenefitPoint.