

TECHNOLOGY

Taking Ben Franklin's Advice

BY JOHN NAIL

The new biography of Benjamin Franklin is at the top of the nonfiction best-seller list because old adages like “pennywise is pound foolish” still ring true today. This is especially true for workflow and technology solutions decisions any HR professional is facing.

I talk with HR and benefits professionals every day and the two main complaints they all have are not having the resources to do their jobs well and the layers of redundancy and rework

ments – HR/ benefits professionals can solve their tactical problems while providing strategic direction to their organization with true, measurable ROI.

The key opportunity (and one of the least understood) that Web-based networked technology solutions afford any organization is

concept of getting work in the most effective way – either internally “insourcing” or by using a combination of people in various places and organizations “co-sourcing.”

Outsourcing is a term we are all familiar with – having a third party provide services better and

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they are forced to confront in dealing with their benefits insurance carriers and other vendors.

Most of these problems emanate from workflow and process issues inherent in the paper-based universe most of us still live in. By focusing on one of the four principals we discussed in last month's issue – targeting workflow and process improve-



the ability to task work inside and outside that organization in new and different ways. This technology enables two new variations on outsourcing. What is common to these two approaches is the

more cost effectively by “experts” than it can be done in-house. The most common areas of outsourcing are, of course, payroll, TPA, COBRA, FSA and 401(k) administration. Using a benefits

broker/consultant for marketing your plans and helping solve problems with carriers is another common outsourced service.

The combination of a centrally hosted, Web-based HR/benefits solution with a single “source of truth” database at its core and the ability to define on the fly the roles people can play and the information and functionality to which they have access opens up new ways of doing work – insourcing and cosourcing.

For a simple example of insourcing, consider a company with multiple locations where the HR and benefits team can have regional personnel provide services across the enterprise rather than simply act as functional support to their location. For instance, if the best person for handling 401(k) issues is in a remote location, he or she can be given specific access to the

functionality and information that allows him to be the “expert,” wherever his office is.

A variation on this theme could come during a hectic open enrollment, when any HR or benefits professional in any location with appropriate access to the company’s Web-based system can support employees anywhere. This

such as staff on maternity or family leave. Work can be assigned temporarily to different parts of the team to assure smooth support and functioning.

Cosourcing is another variation of the outsourcing theme, which involves tasking some work internally and some externally to trusted advisors and vendors. This

The key to insourcing and cosourcing is giving benefits professionals the flexibility to use resources in new ways.

can be done in real time, taking the burden off overworked areas for even a few weeks by having specific things temporarily tasked elsewhere. The same thing holds true for other temporary issues,

term was first used by a benefits consultant friend of mine in Houston, whose practice involves providing his clients with flexible administrative solutions.

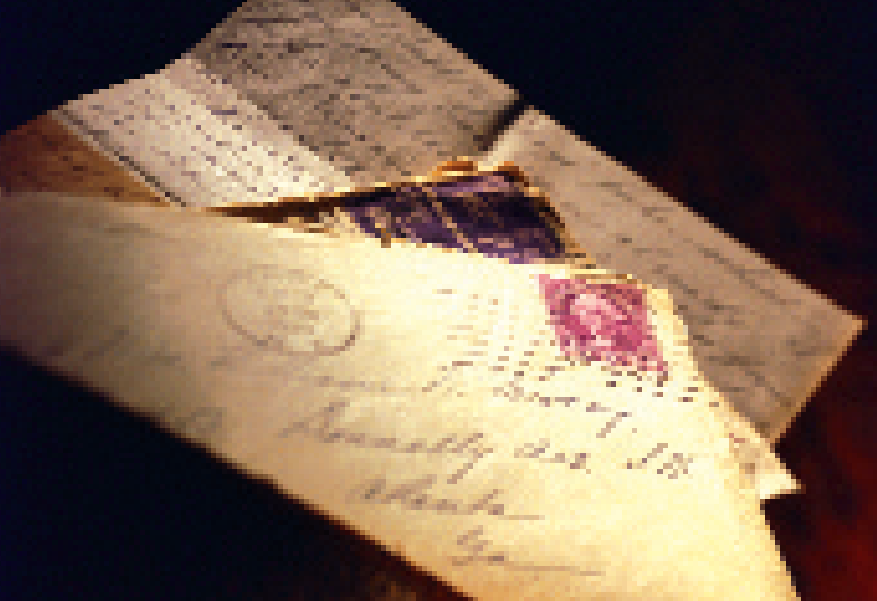
A cosourcing solution allows

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his staff to handle certain tasks like billing and eligibility for their client while the client still uses a third-party payroll provider. It also allows the broker to answer employee questions if the client wants him to, or handle overflow calls during open enrollment or other peak times. In the five years he has provided these services, his business has grown threefold.

The key to both insourcing and cosourcing solutions is really very simple – giving HR/benefits professionals control and flexibility to strategically utilize available personnel and outside resources in new and different ways.

Having the ability to control dynamically what gets done and by whom – be they in-house resources, employees in other states,

or the staff of trusted advisors or outside vendors – in the most effective way is critical to maximizing ROI.

The decision you have made or are considering for Web-based HR, benefits and enrollment solutions should allow you this type of total control over workflow and process change, whether you plan to use its full flexibility today or not. If it doesn't, seek out a vendor that does even if they are a bit more expensive.

The ultimate payback for strategic professionals is a strong and measurable ROI which combines hard-dollar returns required by their business with the important human touch of improved employee satisfaction ... just what Ben Franklin would advise. ❧

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

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