Buyer Beware: Not All Benefits Technology is Created Equal

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HR TECHNOLOGIST

Pay attention to the news in the HR world and one thing will become very clear: there's a software platform for just about everything. But not all benefits technology is created equal.

There are benefits administration platforms to select and manage plans, automate payroll, manage retirement plans, onboard new employees, track applicants, measure satisfaction and track time off—all in one or separately.

Benefits technology platforms promise a better way to manage HR functions.

It's easy to be wooed by the promise of carefree benefits administration. But whether you're moving from paper to a benefits administration platform, or you're adding another program to your current HR stack, there are a lot of ways it could go wrong.

Here are important considerations to guide you in your journey for easier, more streamlined benefits administration:

Determine your organization's needs.

If you want to move to a better benefits technology solution, consider why. For example, if your employees enroll in benefits on paper and you manually enter elections, moving to a tech platform will save time.

But if you're interested in moving from one benefits administration platform to another, figuring out your next move can be difficult. We've heard more than once that a client wants to move to a new platform because the "data is all messed up." The solution might be as straightforward as working with your benefits technology vendor to correct some errors, rather than implementing something completely new.

Every organization is unique and has different needs. Benefits administration platforms are not a one size fits all.

The needs for a 150-person bank switching from paper to a tech platform are no doubt different than the needs of a 500-person factory. When figuring out your needs, focus on how your employees consume information and what your HR team needs.

- What is the channel of choice for your employees? (email, mobile device, text, paper, chat, etc.)
- Are your employees computer savvy?
- What is your employee benefits participation rate?
- How important is full integration for HR as well as the employee experience?
- Does your HR team need help with benefits billing reconciliation?
- Do you need more robust reporting capabilities or analytics?
- Is the benefits administration system able to automate the evidence of insurability process?
- How complex are your eligibility and employee benefit offerings?

While you're discussing your needs and evaluating [benefits technology vendors](), you should also consider the pros and cons of a "fully integrated" benefits administration system. Though some platforms tout the idea of seamless integration, it's often not the best approach. For example, the platforms that excel at HRIS/payroll functions may be lacking on the benefits administration side, and vice versa. Employers should seriously evaluate if a fully integrated solution is the right approach. If you choose multiple vendors, there are other ways to "integrate" platforms via an API or single sign-on.

Your benefits administration platform should minimize risk and provide the most up-to-date information to you and your HR team.

Think through your multi-year plan.

Choose benefits administration software that will help you solve immediate needs and will work for you over the next several years. To do this, you've got to know where your organization is headed, and how the benefits software will grow with you. If mergers or acquisitions are in your future, your platform may need to support more complicated employee benefits or the need to add new groups or locations with different rules and/or benefits.

You should also consider costs over a three- to five-year period since most platforms add implementation fees to year one.

Ask benefits technology vendors the tough questions.

Now that you have a sense of your needs, it's time to request vendor demos. I recommend reviewing three or four benefits administration platforms. This will allow you to compare features and interfaces. As part of this process, it may even make sense to see the first two platform demos a second time after you've seen several. This will give you the opportunity to ask better questions the second time around.

The benefits technology vendor's job is to sell their product based on features. I urge clients to ask specific, pointed questions about a feature you're interested in, including:

1. Do you have clients doing this today? If so, how many?
2. Have you seen any pitfalls? How have you addressed them?
3. What is your support/service model? What can you tell me about the team supporting it?

When it comes to choosing benefits technology, you want a solution that can help you and your employees save time, easily access and update coverage, control cost and minimize risk. But choosing the right benefits administration platform can be tricky and you *don't* want to be the guinea pig. By looking inward at your own needs and goals before undergoing a sales pitch, you can avoid making the wrong decision. ■

For more information, please call **1.877.426.7779**