
Rocketmiles Reduces Annual Benefits Costs by 7%, Eliminates Benefits Administration Errors, and Improves Benefits Offering with Launchways

Executive Summary

As they neared the 100 employee mark, Rocketmiles decided it was time to take a more strategic approach to employee benefits while eliminating the compliance and administrative burdens they were struggling with. They chose Launchways as their benefits broker to eliminate existing inefficiencies and develop a long-term benefits strategy. Launchways was able to deliver significant immediate savings while outsourcing key liabilities and implementing in-depth reporting to fuel Rocketmiles' future benefits strategy.

Company Overview

Rocketmiles is a fast-growing, Chicago-based company that understands that its employees are the basis of its success. They help their customers earn loyalty rewards through hotel bookings so they can travel more. Their employees are a group of energetic, web-savvy, creative, and analytical individuals with a track record for building new businesses from scratch. They work with loyalty programs worldwide and attract customers from every corner of the globe. Rocketmiles curates the user experience in-house from beginning to end, relying on a team that includes front- and back-end developers, customer service, data analysts, designers and marketers, accountants, and partnership managers. Rocketmiles began as a start-up and was acquired by the Bookings Holdings Group in 2015.

Lack of Guidance and Visibility Leads to Gaps in Coverage and Benefits Management

Rocketmiles' benefits program had been essentially on autopilot for several years. As a result, they were not owning key compliance obligations, and lacked the benefits data to understand and take control of their benefits costs and strategy. In fact, the company was even unknowingly continuing to pay health insurance premiums for former employees. As Chris Stone, Rocketmiles' Head of People, recounts,

"The real truth is that we didn't have much management in place. Which was obvious when we realized that we had seven people on our plan who had been gone from Rocketmiles for a while. Benefits onboarding and offboarding was not being handled very well and Launchways was able to step in and make it run smoothly."

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Case Study Highlights

Challenges

- No guidance on benefits and insurance strategy
- Lack of visibility into benefits costs and claims data
- Inconsistent plan management resulting in continued premiums for terminated employees
- Minimal ancillary benefits led to a reduced ability to compete for top talent

Solutions

- Eliminated excess premiums for cost-savings and smoother operations
- Self-funded short-term disability & outsourced STD and FMLA management to offload compliance liability
- Implemented additional voluntary ancillary benefits including life and AD&D
- Rolled out an HDHP with an HSA & in-depth reporting

Results

- Reporting provides valuable visibility to drive future benefits strategy
- Key liability issues addressed
- Self-funded STD delivered significant short-term savings due to low claims numbers
- Saved 7% on health insurance renewal

In addition, Rocketmiles was growing rapidly and was about to hit the 100 employee mark. Looking ahead to their further growth, Rocketmiles knew they needed a more comprehensive, competitive benefits offering. However, they did not have the plan performance data they needed to make strategic decisions effectively. The time had come to bring in outside help to clarify Rocketmiles' employee benefits and create a cohesive long-term benefits strategy.

While the Rocketmiles team had been working hard to internally administer open enrollment, negotiate insurance terms and rates with carriers, and audit their bills, the organization had outgrown the do-it-yourself approach and knew they needed to enlist expert help. They chose Launchways as their new benefits partner due to Launchways' experience crafting flexible benefits, in-depth and personalized approach to employee benefits education, and ability to deliver valuable reporting and visibility into plan performance.

Eliminating Inefficiencies to Control What Matters

After conducting an audit of Rocketmiles' benefits, Launchways identified several immediate inefficiencies that had to be addressed before turning to Rocketmiles' long-term benefits strategy. In the process of taking over benefits administration from the Rocketmiles team, Launchways discovered and removed the premiums for former employees who were mistakenly still having their premiums paid for. When Launchways identified and reconciled this error, it saved Rocketmiles tens of thousands of dollars in unnecessary annual costs. Additionally, Launchways outsourced short-term disability and FMLA administration to a third-party administrator to protect Rocketmiles from future compliance liability.

Once the kinks were worked out of Rocketmiles' existing systems, it was time to start improving their benefits program. Launchways started by assessing Rocketmiles' current benefits program to identify areas of strength to build on and areas of weakness to mitigate. Given the low number of STD claims, Launchways benefits consultants set up a self-funded short-term disability program in which Rocketmiles pays claims out to the state directly. And to expand the company's benefits offerings and help them compete for talent, Launchways implemented voluntary life insurance and accidental death and dismemberment (AD&D) insurance programs that Rocketmiles employees could opt-in to.

For Chris Stone, Launchways has streamlined the benefits process by using their expertise to guide the Rocketmiles team and get leadership buy-in for crucial benefits decisions: "Launchways has also been instrumental in getting internal stakeholders and leadership to see the value in additional benefits to maintain Rocketmiles talent. The Launchways team is very passionate about benefits and brings a well-informed and confident opinion to every discussion."

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In addition to bolstering the overall benefits package without increasing annual costs, Launchways also implemented strategic long-term cost control tactics. Before working with Launchways, Rocketmiles was facing a significant premium increase in their upcoming renewal and did not have the claims data they needed to inform strategic benefits decisions. So, Launchways implemented a high-deductible plan with a tax-advantaged health savings account to help Rocketmiles employees control their healthcare costs, deliver savings compared to the prior renewed rate, and provide much-needed visibility into plan performance.

Stronger Benefits, Lower Costs, and Forward-looking Benefits Strategy

Through its partnership with Launchways, Rocketmiles has expanded its employee benefits package, reduced costs significantly, and begun formulating a long-term benefits strategy. As the company grows and gets the plan data it needs to continue to refine its approach, Launchways continues to guide their efforts and ensure that Rocketmiles maintains a proactive, forward-looking approach to employee benefits.

In the first year of working with Launchways, Rocketmiles was able to reduce its benefits expenses significantly. In addition to the savings from removing former employees from the company's health plan, Launchways benefits consultants were also able to negotiate Rocketmiles' plan rates, resulting in an additional costs savings of \$70,000 annually. As Chris Stone summed it up,



"The Launchways team got us set up with an HSA, FSA, and high-deductible plans to go with [our existing plan structure]. On top of that, they negotiated a lower rate for our BCBS plan, which I thought was incredible given the fact that we are growing so quickly and have generally high usage numbers. That was a serious win. Overall, Launchways did an excellent job bidding our insurance out and delivering savings."

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The addition of voluntary life insurance and AD&D coverage was met with enthusiasm by Rocketmiles employees and the company is working with Launchways to further expand the life insurance program. The two

companies are also collaborating to implement further ancillary benefits including long-term disability and a comprehensive telehealth and benefits-education platform that will help Rocketmiles employees become better stewards of their healthcare.

And Launchways continues to help Rocketmiles manage their compliance. Having successfully outsourced the responsibility for administering STD and FMLA, Launchways will guide Rocketmiles through the compliance implications of their 100 employee milestone, including taking stock of the company's retirement programs to assist in their 5500 filings. Finally, Launchways' detailed reporting and benefits strategy consultation is empowering Rocketmiles' long-term benefits strategy. The two companies are working together closely to monitor the new HDHP claims data to continue to reduce healthcare costs while improving the overall benefits package.

Rocketmiles has discovered that a broker like Launchways gives them more control over their benefits, And the partnership is paying off in cost-savings, benefits strategy, and increased value for employees that help Rocketmiles attract and retain the talent they need to fuel their continued growth.