

Building A High-Impact Benefits Program

The Step-By-Step Process



INTRODUCTION

Last year, the insurance industry reported record-high employer-sponsored healthcare spending. In part, that increase is due to the rising costs of long-term medications and acute medical care, but it also speaks to the fact that workers in the current talent marketplace understand the true value of their healthcare benefits better than ever before.

Not too long ago, base salary was the primary concern in terms of compensation for everyday workers, with equity share for leaders and executives coming in second. Now, however, due to social/cultural shifts, changes in the way we assess work-life balance, and the incredible effectiveness of good medical treatment, healthcare and wellness benefits are more important elements of a compensation package than ever before.

A "competitive" employee benefits program has always been held up as an ideal for businesses looking to

attract and retain great talent, but what does that word "competitive" really mean? If your program is essentially equivalent to the competition, what incentive does that create for workers to sign on, buy in, and stick around?

On the other hand, if your benefits program is unique, robust, and leverages what's special and exciting about your organization and corporate culture to deliver value and peace of mind for employees and their families, then you can create something that works for everybody within the organization, from top to bottom.

Moving forward, we'll explore how businesses of various shapes and sizes can create impactful benefits programs that attract talent and support employees in a way that keeps them invested in the work at hand as well as company culture.



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STEP 1: LEVERAGE DATA

Data-driven decision-making guides nearly every aspect of business in today's world, and employee benefits should be no different. Using data, CHROs and other leaders can gain insights into which elements of their existing benefits program are most successful and satisfying and in which areas there may be need for improvement.

So, what questions should business leaders be asking as they review data related to their employee benefits programs? Here are a few "big idea" questions that definitely need to guide analysis:

- **What are we already doing?**
 - **How effective/satisfying is it?**
- **What is the competition doing?**
 - **How does that compare to us?**
- **How are employees using our current program?**
 - **How can that inform a better program?**

Of course, the big question hanging over all of those is "Where does the data come from?" Let's take a look at three different data sources that CHROs and other decision makers can mine for key strategic takeaways when it comes to benefit program assessment and planning.

Employee Surveys

When you're looking to measure the effectiveness of your existing programs, there's no better asset than your workforce. Employee surveys are easy and free to conduct, and if the proper buy-in incentives are in place, you'll get a useful, authentic data set that will help you identify areas in which people are thrilled, satisfied, underwhelmed, or dissatisfied with the current benefits program.

When it comes to surveys, getting useful data is reliant on asking the right questions. Don't just push out an employee survey with shallow, general questions about satisfaction with benefits, or you'll get shallow, general answers with minimal value. Zero in on specific measurable, quantifiable data points. For example:

- **Rate your overall satisfaction with our current employee benefits program on a scale of 1-10. (An "Explain your choice:" field could be added to gather qualitative data)**
- **Which of the health and wellness benefits you receive through this job do you find the most valuable?**
- **Which of these programs/benefits have you taken advantage of? (With a checklist)**
- **Which of these potential health and wellness benefits would you be most likely to take advantage of? (With a checklist)**



Questions like these provide insight-rich data about what employees actually want, need, and care about.

With that information in hand, you can gauge how well your benefits offerings align with the values and culture of your workforce and get an authentic sense of your current areas of strength and weakness.

Workforce Healthcare Utilization

Workforce healthcare utilization data from your insurance partners is invaluable to helping you understand what services are actually being used, what percentage of your workforce is actively taking advantage of their benefits, and how much you're spending to keep your workforce and their families healthy.



Utilization data provides specific facts and figures that fill in the gaps of the more culture-minded and qualitative employee survey. For example, you can identify which programs are creating the most engagement and encouraging workers to participate in preventative medicine. You can also determine the actual cost to the business per employee in order to fully understand how the health insurance packages you offer directly impact the bottom line.

If there are programs or offerings that employees simply aren't using or engaging with, consider replacing them with something better aligned with the data from your survey or the programs that have been most successful. On the other hand, your most engagement-driving offerings can help you understand what current and potential talent really want and need.

Benchmarking

While employee surveys and utilization data help you look within your organization for answers, benchmarking is all about using external milestones to inform decision-making.

By arming yourself with a deep understanding of what your competitors offer employees, you can calibrate your offerings to maximize competitive value and stay up-to-date on emerging benefits-related trends in your industry.

Unlike surveying your own talent, benchmarking the competition will likely require working with a strategic benefits partner to provide you with a benchmark survey/report or conduct unique research for your business.

As with internal data, it's important to review benchmarks with an eye toward pulling out specific insights. You can easily overwhelm yourself or get lost in a sea of numbers comparing the nuts and bolts of several different competitors' packages, but if you head into the process with a few focused data points in mind, you can learn a lot about your competition and your own organization.

For example:

- **How many different health plans are your competitors offering, on average?**
- **What are the mean and median copay, deductible, or out-of-pocket maximum numbers for businesses in your industry of comparable size? What about the industry leaders?**
- **What percentage of competitors in your industry offer 401(k) programs? What percentage offer matching programs, and what are the mean and median percentages for matching?**
- **What are the average values of life insurance policies offered by businesses of your size in your industry?**



Of course, you can also drill deeper on your nearest competitors' offerings or those of an industry standard-bearer with a reputation and culture you'd like to emulate. All benchmarking analysis should be conducted with an eye towards creating a data story about established standards, industry leaders, and where your organization stands currently and where you'd like it to be.

STEP 2: STRATEGIC DESIGN

Once you've crunched the numbers, surveyed the people, and built the strongest possible understanding of both the benefits you offer and your competitive standing within the marketplace, it's time to start planning and building out the structure of your new high-impact employee benefits program.

Remember, your goal is to create something that's truly impactful, attractive, and strategic – you're not just “making a competitive offer.”

The program you're designing is one of the cornerstones in your organization's employee attraction and retention strategy, and that means delivering employee-centric plans.

Finance & Brokers

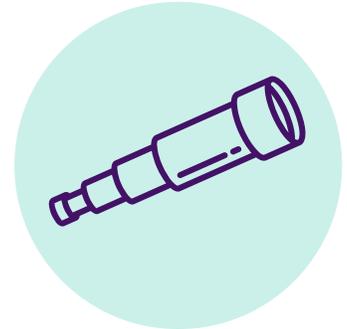
As you design your new benefits program, you should be in touch with your organization's CFO and other financial planners to ensure that what you're building is aligned with company goals for growth and profitability. While the goal is to blow talent away with your offerings, your program will ultimately be a failure if the organization doesn't have the wherewithal to make it work.

In addition to bringing the finance team into the discussion, you should also take this time to evaluate your relationship with your benefits broker. The data you gained when you surveyed your employees and analyzed the competition should go a long way in assessing how good a job your broker is doing negotiating plans and rates that work for you and your employees.

If the plans your broker has been negotiating just aren't delivering the services or value your current employees need, don't hesitate to make a change.

Remember, these plans need to deliver real, attractive value, and if you're launching a new program, there's no reason to retain a broker who hasn't fought hard to get your employees what they want and need.

Creating a Realistic Vision



After you've studied the data, consulted finance, and partnered with a benefits broker whose values align with yours and your employees', it's time to sit down and start imagining what your new employee benefits program will actually look like. It's important that this vision is grounded in financial reality but also aspirational in its ability to provide impactful benefits to high-quality talent.

With a data-driven commitment to meeting employee needs and finding the best prices in place, the next step is to officially articulate your goals and ideals for the new program. Then, it's time to get to the line-by-line process of building your benefits program.

STEP 3: BUILDING WELL-ROUNDED, COMPETITIVE PACKAGES

When it's time to begin putting benefits packages together and transforming your program from an idea to a reality, it's important to build balanced, strong offerings that contain a variety of impactful benefits. Let's take a look at the must-have components of an impactful program as well as some nice-to-haves that can help your organization stand out compared to the competition.

THE MUST-HAVES



Health Insurance

When people think "employee benefits," the first thing that comes to mind is health insurance. To anchor a great employee benefit program, health insurance offerings must provide a variety of options for employees with various health needs and family situations.

Be sure you're providing a great plan for employees with long-term prescriptions, a great plan for employees with kids, and a great plan for single, young, healthy people, who are just looking for coverage in case they suddenly realize they need it. The more variety you can provide, the better.



Dental Insurance

Dental insurance is a natural complement to health insurance and relatively inexpensive to provide. With that said, there's a wide array of dental needs out there, from routine cleanings to wisdom tooth extractions and other surgical procedures, and that means you and your broker need to find a dental program that covers a variety of needs without you or your employees getting hit with any big bills.



Vision Coverage

Over 60% of Americans wear glasses, and that number is higher for desk-bound workers who rely on computer screens all day. Like dental insurance, vision coverage is a relatively inexpensive concern but still something worth shopping competitively for, as different plans cover different numbers of pairs of glasses per year and offer wider variety in terms of frames and retail locations to visit.



Retirement Savings

People work so they can pay the bills and thrive today, but there's also the inherent agreement that employers help their workers plan, prepare, and save for retirement. 401(k) programs are essential to help employees prepare for retirement in a way that protects the maximum amount of long-term earnings from taxes and builds security.

THE NICE-TO-HAVES



401(k) Matching

It's fundamental and necessary to offer some form of retirement plan, but it's truly a strategic advantage in terms of talent attraction and retention is you can afford to offer a matching program. 401(k) matching programs are great retention tools that allow employees to build a long, enjoyable, high-quality retirement through hard work today.



Flexible Scheduling/ Time Off

Over the last decade, businesses have become more flexible about moving away from the traditional schedule and allowing assets to schedule and work in the times and environments that work best for them. At the same time, the earned time off model has been flipped on its head, with employers increasingly offering unlimited PTO and similar programs. If you're looking to attract great talent, consider making scheduling flexibility a pillar of your program.



Wellness Programs

Employee health is a long-term concern for both you and your workers. Obviously, health insurance is the primary way for businesses to provide support, but employee wellness programs also foster a culture of healthy decision-making, invite co-workers to be part of a community that goes beyond simply working together, and build buy-in for other positive initiatives. When you're designing or incorporating a wellness program, however, the goal is always to keep it engaging, positive, and optional in a way that makes it seem like an exciting benefit, not a drag.



Employee Assistance Programs

Many hard-working people are finding making ends meet tougher and tougher. A business can establish itself as compassionate and employee-centered by providing support programs for workers who require assistance paying utility bills, keeping a roof over their heads, or feeding and clothing their children. While many big businesses and high-earning executives can't imagine a situation where such a fund was needed, an employee assistance program can be a huge difference-maker in someone's time of need.



Childcare

For employees with kids, childcare is among their main concerns, both in terms of scheduling and budgeting. By providing on-premises childcare or subsidizing childcare costs for your employees, you present your organization as welcoming, family friendly, and motivated to connect assets with the support they need to set them up for success.



Fun Workplace Perks

A decade or so ago, the workplace was buzzing with ping pong tables, snack pantries, and refrigerators full of craft beer. As the economy and workforce have evolved, those "fun at work" perks have become less relevant, but that doesn't mean you still can't tout a thriving workplace culture where people work, eat, play, and relax together as a community supported by their employer.

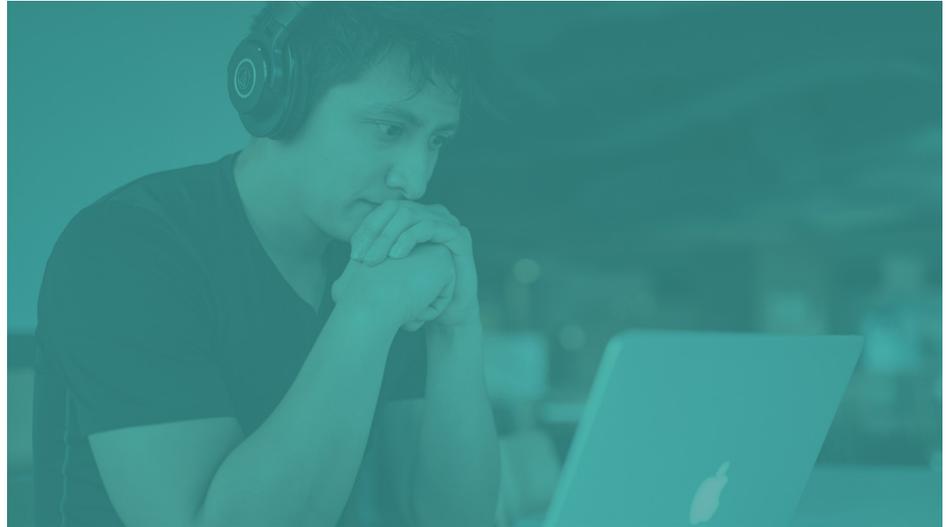
STEP 4: COMPREHENSIVE EMPLOYEE EDUCATION

When people talk about “benefits,” professional development always winds up getting left out in the cold. Employee education is actually an incredible valuable commodity that potentially increases earning potential for both the employee and the employer, however. No high-impact benefits program is complete without a strong and clearly articulated approach to employee education.

Employee education shows investment in talent from the organization.

When professionals are encouraged to grow through training, authentic learning opportunities, and career-centered education programs, they grow their skillsets, capabilities, and awareness of emerging trends, as well as their own value in the talent marketplace. That means that the organization and employee grow together, fostering buy-in and demonstrating the value of employment.

When it comes to building employee education into a benefits program, there are at least two specific scenarios to consider: creating a strong, valuable, organized internal professional development program and supporting your employees as they seek outside learning opportunities.



Internal Professional Development

On-going, built-in professional development is an industry norm for professionals like teachers, nurses, lawyers, and law enforcement, but it's certainly not a ubiquitous practice in enterprise business or the office setting. By creating a mindful internal professional development program for your employees, you help them increase their knowledge and capabilities while growing specifically in directions directly related to job and company success.

The true key to professional development is transparent value. Nobody wants to sit in a boring class or learn something irrelevant, and without engagement, your professional development program won't seem like a “benefit” at all. By identifying core competencies related to different roles within your organization and planning targeted training sessions and learning experiences tailored for the people they would impact

most, you can create a program that keeps your workers engaged, learning, and at the cutting edge of your industry.

Of course, none of this means that it's your responsibility to plan and execute all this professional development yourself. A wide variety of contractors, organizations, consultants, and educators are out there on the market with fully designed units and lectures – you just need to identify which topics and approaches will be most attractive to employees and most beneficial to the company.

Doneright, built-in development programs create an organization-wide understanding of competencies, expectations, best practices, and emerging approaches, while also inviting employees to engage with ideas related to their job in new and different ways. That builds value for both sides, making it a truly mutual “benefit.”



Supporting Outside Learning Opportunities

Some of your employees may want to better themselves and your organization by returning to school and seeking a higher degree. If you're going to retain those ambitious learners when their educational journey is complete, it's important to have been a key part in that journey.

Tuition payment or reimbursement plans encourage top talent to do their part in climbing the ladder by meeting them half-way with very meaningful support. If you're looking to catch rising stars early in their careers, this is an especially important consideration, as you may be hiring someone at bachelor level who you see taking on masters-level responsibilities within the next decade.

Many young professionals already manage a great deal of student loan debt, which may present a significant obstacle to returning to higher education programs. As their employer, you can re-open that door for them, building a sense of mutual loyalty and investment.

Strong built-in professional learning programs and tuition support help organizations stand out from the rest of the pack as thoughtful employers with long-term thinking and talent investment in mind. Even though education is by no means the biggest consideration when it comes to employee benefits, it can potentially be one of the most unique and eye-catching for the right organization.



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STEP 5: HAVING A SUCCESSFUL ENROLLMENT

Education

Too often, businesses set their employees up for health benefit failure with their enrollment processes. New hires are asked to select a plan almost immediately, and current employees get little more than a reminder email telling them when the enrollment window opens and closes. In both situations, there's a lack of education, which means employees are more likely to fail to select the plan that's best for them, potentially setting up a dissatisfying experience and costing both themselves and the organization more than is necessary.

By providing informative yearly training on your organization's benefit offerings, you greatly increase the chance that your talent will make an informed and empowered decision that maximizes their experience and the value of their employment. When you're rolling out a new program, this is doubly important for success.

Impactful enrollment preparation involves both distributing informative literature and building an organization-wide understanding of how benefits actually work.

A shocking number of talented professionals – even executive leaders – don't speak the language of insurance and benefits. As an

HR leader, it's your responsibility to bridge that knowledge gap and set everybody up for success.



Pitching the words “company-wide HR meeting” might sound a little intimidating, but by taking just one hour each year to demystify the process and help people understand how to connect with the plan that maximizes their employee experience and their family's health and wellness, you're advocating for your staff and your organization's overall well-being.

In the case of new hires, nobody wants to overwhelm a new employee on the first day of work, but having a detailed conversation about benefit election from the outset is one of the best ways to help someone new feel plugged in and like a valued part of the team as quickly as possible.

Leveraging Technology

As a thoughtful and proactive CHRO, you can set your staff up to select the best insurance plans for them through training and education, but you can't make the proverbial horse drink. At the end of the day, employees have to make their own benefit elections, and ensuring that they're set up for success means using technology to simplify and clarify the experience as much as possible.

Working with a benefits broker that offers online enrollment technology will ensure your employees have a smooth enrollment process. Ideally, you want to ensure employees can enroll without ever leaving their work stations. This maximizes on-time enrollment by encouraging everybody to use a few minutes of work time rather than relying on them remembering to do it at home.

You can also use company email and notification systems to inform employees of when the enrollment window is open, schedule times to chat with people who have questions or require your expertise, or send reminders to those who still have not made their elections late in the season.

Make no mistake, setting up a successful rollout and enrollment period, especially for a new benefits program, is one of the greatest logistical challenges an HR department can face. With that said, by creating a strong knowledge base across your workforce and providing technological support, you can set the entire organization up for success.

STEP 6: ONGOING MAINTENANCE

If you create a great employee benefits program that's built on a strong foundation of data, designed to meet a wide variety of employee needs in a real way, supported by a backbone of continuing education, and rolled out in an organized, informed manner, there's still one gigantic mistake left to make: letting it sit there.

In any dynamic or growing market, stagnancy is the enemy of growth, and what was a competitive

package today may not be next year or three-to-five years from now. Ongoing management of what you've built means maintaining your own awareness of industry trends and emerging employee needs so that the beautiful thing you've made doesn't get stale.

Keep surveying your employees; not in a way that's intrusive or bothersome, but in a way that keeps you up-to-date on the realistic health, wellness, and educational needs of your workforce. Keep

your eyes on industry benchmarks and use what the competition is doing as a jumping-off point to refine your own approach. Ensure your benefits broker continues to find and negotiate the best deals for your talent and your company. Never get complacent with what you've built.

CONCLUSION/TAKEAWAYS

Most respectable employers have an employee benefits program of some form or fashion, but in the war for talent, it's the organizations able to provide the best variety of strong employee benefit packages who win in the long-run.

In today's environment, healthcare and benefits are in the forefront of many people's minds and are seen as a key component to long-term individual and family security, even more so than salary. Providing strong benefits can absolutely be the anchor of a powerful talent attraction and retention strategy, but to be truly impactful, a great employee benefits program must:

1. Leverage Data

from employees, insurance companies, and competitors to build a better understanding of company offerings and the market as a whole.

2. Be designed strategically

with business goals and both long- and short-term strategy in mind.

3. Include well-rounded packages

that offer a wide variety of strong options that meet different needs and appeal to different sensibilities.

4. Create a comprehensive employee education approach

that encourages team members to continue growing.

5. Plan for a successful enrollment

using both employee-empowering training and enrollment technology to maximize access, keep it simple, and demystify the entire process.

6. Perform ongoing maintenance

to ensure the program stays up-to-date with the evolving benefits market and the competition.