

Benefits technology popular but in need of tweaking

BY SARAH DOBSON

Web technology has a firm footing in the benefits world — with plan sponsors and employees using online tools more frequently and more broadly — but a few areas still need tweaking when it comes to expectations and delivery.

That's according to *Trends in Benefits Web Technology*, a research report by Newark, N.J.-based Prudential Financial that analysed responses from 1,218 benefits decision makers in the United States.

The report found plan administrators that have successfully integrated the online systems into the daily routine are the most satisfied with performance. But many sponsors expect greater efficiency and effectiveness, almost immediately upon implementation, and are disappointed by the results when it comes to cost savings, quality and efficiency.

The findings, overall, are consistent for Canada, says David Krieger, president of benefits consultants Krieger & Associates in Toronto.

"This technology is still relatively new so it's evolving and everyone is trying to make something work that works best for them — there's no standard platform," says Krieger, who adds employers should be setting benefit plans based on their needs, not adapting them

to whatever technology they're using.

"These benefit plans need to engage employees and whatever technology is used needs to be appropriate to the clients' objectives and business strategies and employers shouldn't have to compromise. Technology needs to support employers and these benefits plans, it's not the benefit plans and employers that need to support the technology."

Objectives not always met

Most employers feel the current technology hasn't adequately met top objectives. When plan sponsors were asked to compare the importance of various online tools with their actual performance, the largest gaps were seen in reducing costs (a gap of 39 per cent), enabling HR staff to focus on strategic initiatives (32 per cent), improving the quality of information available to employees (29 per cent) and reducing errors (29 per cent).

Also problematic were personalized employee information (a gap of 26 per cent), more up-to-date information (24 per cent) and round-the-clock access (22 per cent).

"It's new and it's going to take time for people to figure out what are the right costs and the right expectations," says Krieger. "What's key is everyone have a realistic understanding of what the work is, what it might look like and what the outcomes should be,

because your objectives and targets need to be established around the quality, cost and timing."

A reduction in costs should not really be expected now that more functionality is available online so employers can do it themselves, says Alex Diemer, client service delivery leader, Central-West region, employee benefits outsourcing and technology at Aon Consulting in Toronto.

"From a cost savings point of view, it's not that the carriers reduce their administration charges substantially now because they've allowed you to do the work. If anything the carri-

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ers are going to respond "This (technology) is what's keeping our costs lower. If we don't do it, the price is going to go up."

But the quality has improved, he says. For example, most systems have a proper real-time edit and many applications don't allow saves unless the information is complete.

There is still a considerable gap when it comes to navigation, the most important attribute of a plan administrator's website experience, says Prudential. However, completeness (meaning it contains all the

data and reports needed) ranks well, as do accuracy, (up-to-date information), technical support and availability.

Tools make work somewhat easier

The research reveals some divisions when it comes to web technology making the jobs of benefits administrators easier. More than one-quarter (28 per cent) say technology has made their jobs "extremely easier" and one-half say "somewhat easier" but one-fifth (21 per cent) say there has been "no change."

The options are improving but original implementations that date back five or six years still have a carrier feel to them, meaning they're built for someone managing hundreds of companies versus one user at a time, says Diemer.

"The industry itself has gotten better at getting away from that insurance-speak, how we use the vernacular on terms like plan members, participants or employees," says Diemer.

"It's all about managing expectations," says Krieger. "Employers that perceive this technology to be the answer to all their problems may be shooting a little high. It is the answer to cleaning up a lot of boring, routine administration tedium. My advice is for clients to test and test and double test and focus on quality, realizing you're trying to create a long-term solution with technology that's still relatively new in a lot of ways."