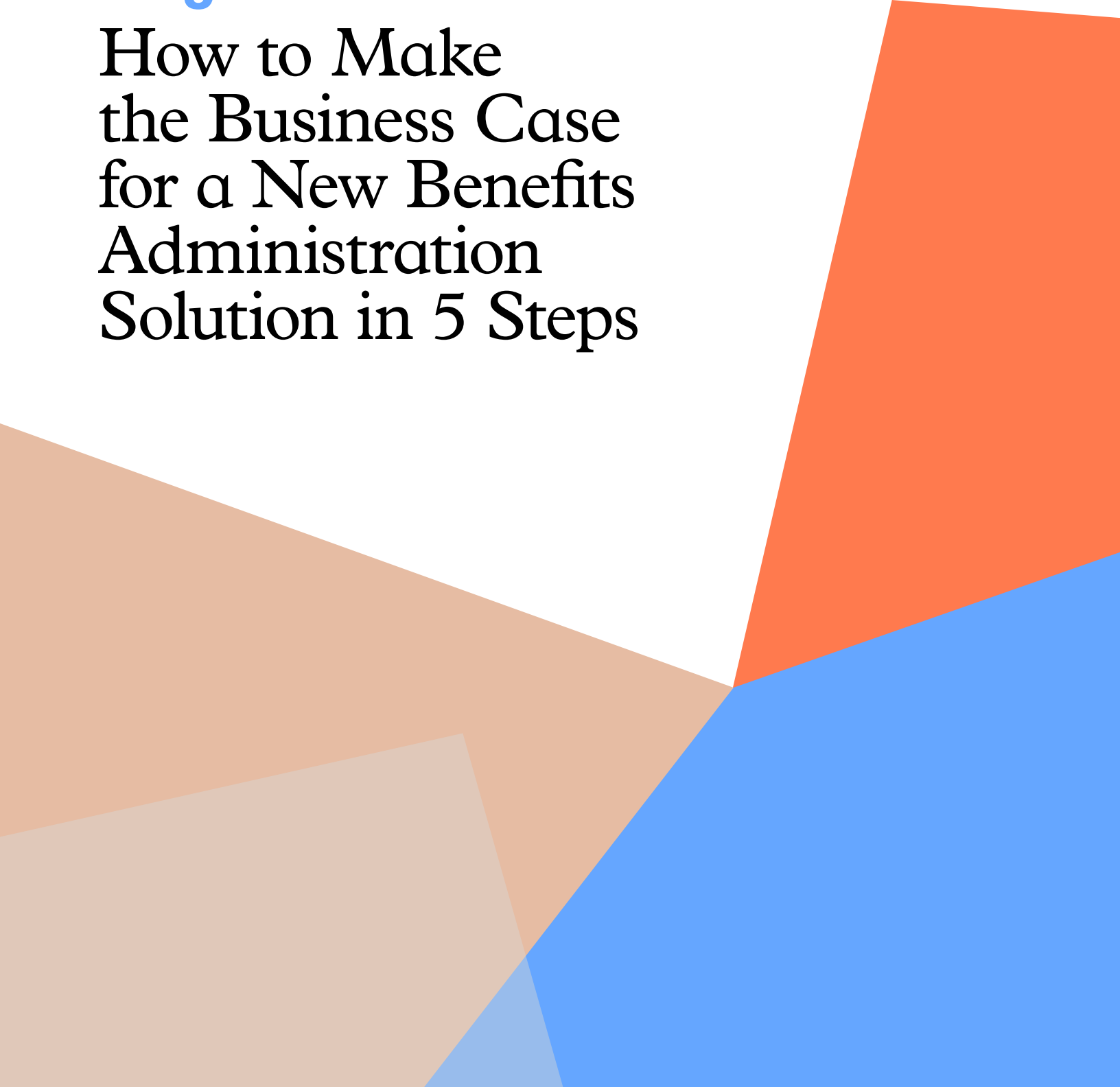




Benefitfocus[®]

Playbook:

How to Make
the Business Case
for a New Benefits
Administration
Solution in 5 Steps





Imagine walking into your CHRO's or CFO's office, sitting down, and asking for budget towards a new benefits administration solution. Without hesitation, your executive says, "Yes! Where do I sign?"

If only it were that easy.

You know that for an HR team to meet its goals, you need to transform your approach to benefits administration. Health care costs, program complexity and employee expectations are all growing, while your resources stay the same, at best. Layer on top regulatory changes and it's easy for anyone in your position to see why a next-gen benefits administration solution is necessary to get the job done.

(What's not as easy is illuminating every person at your company who is part of a technology purchase as to why. But that's why we're here with these 5 steps!)

More than [one-third](#) of HR professionals say they don't have adequate technology. Well, it's time to change that. It's time to make your business case for investment in a benefits administration solution or budget for an upgrade.



- > **Step 1:**
Establish the business need.
- > **Step 2:**
Outline what's in it for them.
- > **Step 3:**
Gather evidence and define requirements.
- > **Step 4:**
Consider the costs.
- > **Step 5:**
Put it all together.





Step 1: Establish the Business Need.

Why now? Why are you doing this? These are the fundamental questions you will have to answer, ultimately setting the foundation for the rest of your business case.

Of course, you can – and should – outline the macro challenges that are facing every HR and benefits team, like administrative burden and resource constraints. But the most persuasive way is to align the need to overall business objectives and goals.

Here's an example. Companies continue to grapple with talent retention and attrition. According to McKinsey, roughly **40%** of employees are planning to leave their jobs in the next three to six months. Yet, McKinsey also notes that “companies that successfully develop people and manage them well gain a long-term performance edge.”

Here are two examples of how to connect the dots:



Business Objective: To increase employee engagement by x% through engagement, development opportunities, recognition, workplace culture and benefits.



Business Need: We need a benefits administration solution to increase employee engagement and improve their experience with our benefits program.



Why: Employee feedback has indicated that our benefits experience is substandard as it is currently a manual process for employees, making it overwhelming and difficult for them to understand, select and use the benefits available to them. This has the potential to result in underutilization and undervaluing of our plans and programs, and ultimately the inability to keep and nurture talent. A benefits administration solution will help align employees with the benefits that match their needs, potentially resulting in the support and retention of healthier, happier and more productive employees.



Business Objective: To increase visibility into benefits program utilization and ROI.



Business Need: We need a benefits administration solution that aggregates, organizes, transmits and translates data into usable insights that help us understand and optimize program performance.



Why: We offer many benefits programs to our people, and it has been difficult to assess which programs are making the biggest impact on costs, health outcomes and employee satisfaction. As long as our data sits in silos, we risk spending more on benefits and are missing out on opportunities to make improvements in our benefits mix, vendor selection and employee communications. A benefits administration platform designed to help us take control of our data and tap into its full potential will help set us up for measurable success.



Step 2: Outline what's in it for them.

Aligning your benefit team's need with key business objectives is a great way to get the buying team to pay attention. But you also want them to act (i.e., approve the budget). Nudge them in the right direction by showing them what's in it for them – or their role the bigger organizational picture. Consider every stakeholder involved, and certainly don't forget your folks in IT!

**Here are some ideas
to get you started:**





Stakeholder	Concern	What's in it for them
CEO	Business growth	A study from Sierra-Cedar points out that investing in specific approaches to HR Technology strategy, integration, and change management correlate to 15% year-over-year increases in overall HR, talent, and business outcomes.
CFO	Cost compliance	Manual processes introduce risk. Highlight how technology can mitigate those risks as well as make it easier to prepare for and pass auditing.
CSO	Security requirements	Employee data security is a priority. Make sure you're able to respond to concerns about data privacy regarding your chosen vendor. But also outline how moving to a benefits administration solution will be an improvement on any current processes. For example, relying on paper copies, scanned documents, and emails puts personally identifiable employee data at risk.
CTO/IT Dept.	Incompatibility; data silos	Data silos are a big issue for modern companies, especially enterprises. They make it difficult for leaders to make an informed decision on the direction of the business. Show IT leaders how your chosen vendor fits into your tech stack and its compatibility with other business software. Show them how it ultimately allows you to lean into emerging technologies, like AI, to make your data work for you.



Not sure what matters most to them? Simply ask! You should also rely on your benefits advisor to help guide the C-suite buy-in conversations.



Step 3: Gather evidence and define requirements.

Your chosen vendor should have an abundance of resources illustrating why they are the partner of choice for your organization. For example, you can review case studies outlining the benefits other customers have seen by choosing them. Custom strategic roadmaps can help you identify specific results you can expect while partnering with the vendor, validating that the solution can scale with you across your different and evolving administration needs. Moreover, vendors can facilitate connections with current customers who can share their firsthand experience and help you evaluate your fit.

It's important, though, to go beyond the vendor's resources. By looking at the bigger picture, you'll be able to make a stronger case. Peers in your professional network have a wealth of knowledge they're usually eager to share, for example, and analyst reports and research publications can offer trusted evidence for your proposed investment.

The buying team wants to know what the new technology will do for the organization, but also what it looks like to get it up and running. Be clear about what's involved in the implementation plan like the timeframe, resources needed, and roll-out. Also, don't forget to include a summary of potential challenges and mitigation plans. With that, the buying team can feel confident implementation will go as smoothly as possible.



Step 4: Consider the costs.

Sure, there are hard costs to any technology purchase, but there are also costs of doing nothing. And leaning into a bit of psychology can help you make your business case.

Take, for example, the [Prospect Theory](#), which asserts that the fear of loss is a more motivating factor than the prospect of a gain, and that people are more likely to take action to avoid losses. So, with that in mind, demonstrate what's at loss if your business doesn't invest in a benefits administration solution, such as:



Your existing solution or approach fails to deliver sufficient results.

There are any number of reasons for this, but perhaps you're missing some key functionality, forced to grapple with inefficient workarounds or suffering from sub-par vendor service. Benefits data may be siloed and hard to access so you don't have insights into employee benefits utilization or the ROI of your benefits spend. These are often among the significant limitations of sticking with an existing technology vendor that hasn't grown with you.



Your lack of strategic focus limits progress and innovation.

Without the right technology, you're unable to automate processes, meaning you're wasting time you could be spending on evolving your benefits strategy or managing your data more effectively. Rather, your team must continue with manual or labor-intensive processes, which increases the risk of costly data errors and leaves little room to adequately respond to employees' needs, let alone adopt emerging technology.



Your disconnected benefits experience risks attrition.

Offering consumer-grade technology experiences that enable employees to grasp and act on the full spectrum of their benefits package matters! Failing to provide a simple, guided benefits experience doesn't go far to meet employees' benefits needs or preferences, especially Millennials and Gen Z employees. These workers account for roughly half of the workforce and have the [highest expectations](#) for the technology they use at work. It stands to reason that a less than optimal employee experience with benefits has the potential to result in underutilization and undervaluing of your plans and programs, and ultimately the inability to keep and nurture talent.



Step 5: Put it all together.

If your team has been evaluating a few different vendors along the way, it's time to finalize the competitive review and prepare your business case. Pull all your analyses together to tell the story. It can be a PowerPoint presentation, an executive-style document or even a concise memo – depending on how much you have to share. The most important aspect is that your “case” answers the questions your buying team will have in a way that speaks to them.

Avoid the jargon, opting instead to clearly articulate your business case in plain language. Focus on the outcomes for your team, your company and executive leadership. At the same time, balance showing the ROI of your proposed benefits administration solution investment with risk of not making changes.

With all that in hand, you'll have a compelling business case for the technology you need. Good luck – we're rooting for you and always happy to help!

Benefitfocus acts as an extension of your benefits team to help you radically simplify benefits and achieve your goals, whether you're looking to increase engagement and satisfaction, empower your employees to choose the best plan for their needs or successfully introduce new benefits.

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