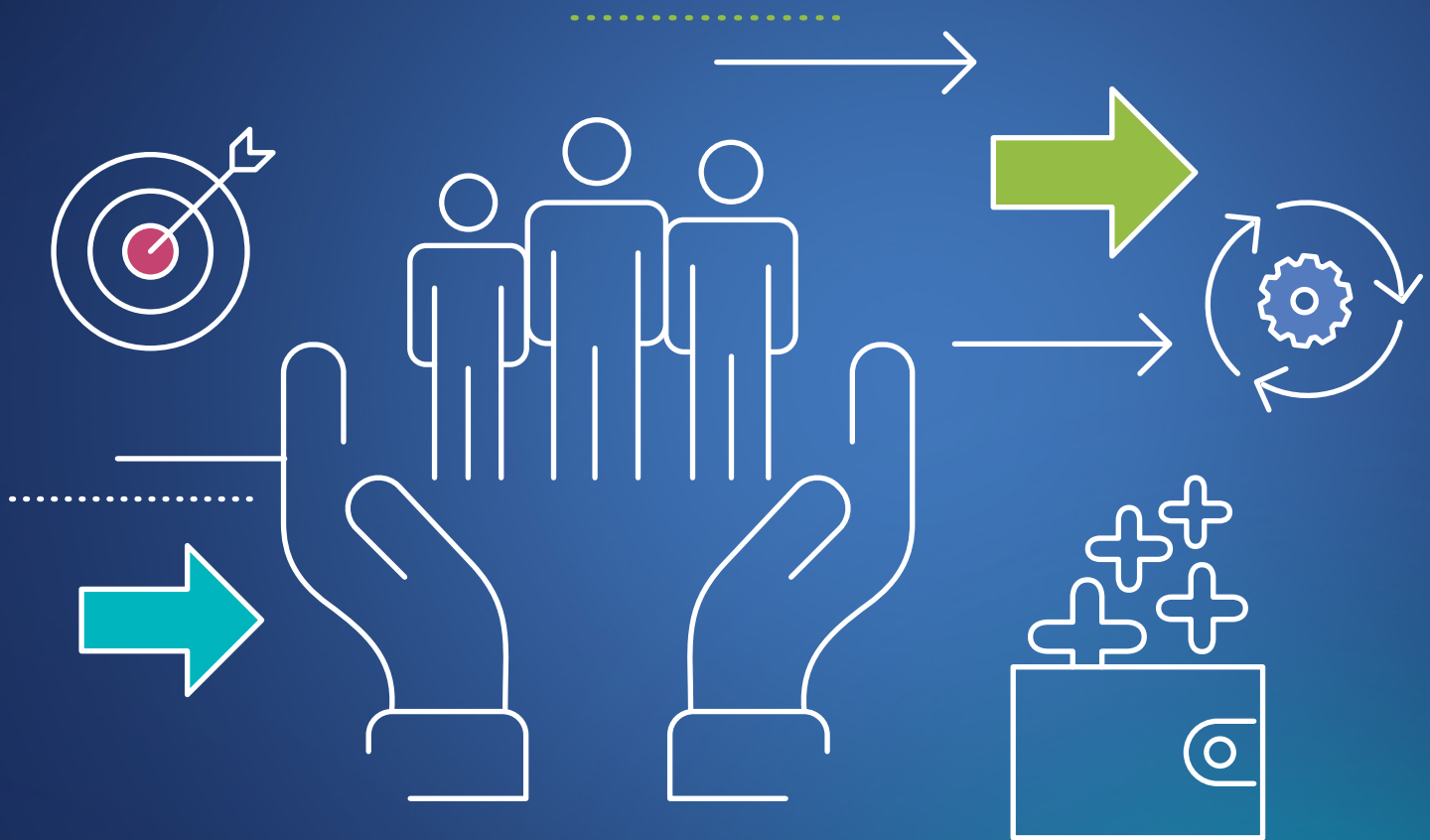
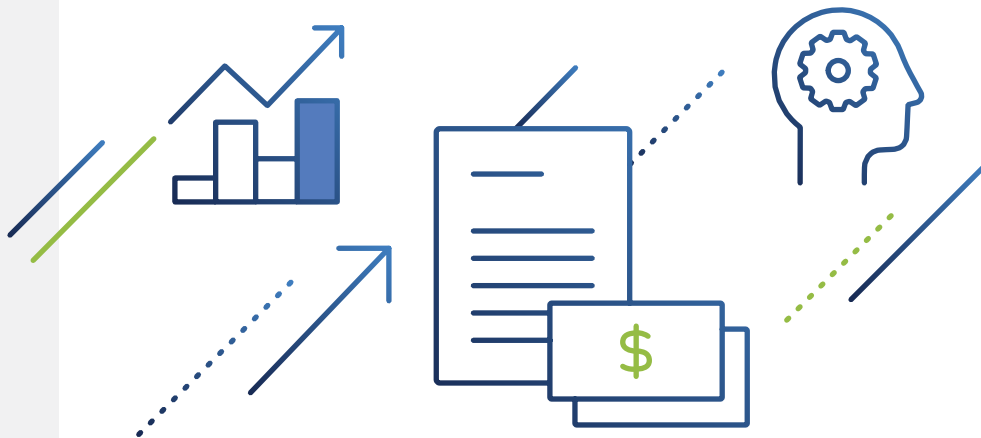


# Getting Strategic About **Employee Benefits Operations**



# A Need for Greater Efficiency

From increasing customer expectations to talent shortages, today's employee benefits insurance brokers are being challenged to find new ways to operate more efficiently within their industry and the market they serve. In this eBook, we'll explore the market drivers currently impacting benefits brokers, the common solutions brokers utilize to address these issues, and how brokers can go about optimizing their operations to increase productivity and profitability.



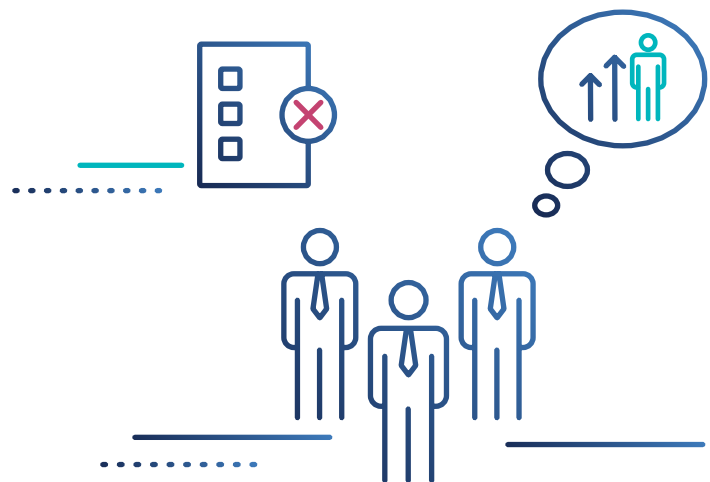
# Market Drivers

## Increasing Market Demands

In the past, employee benefits was transactional, with brokers focused primarily on finding the best rates for their clients. Today, however, brokers are expected to provide a more nuanced level of service. This includes helping employers find innovative ways to drive down healthcare costs, educating them about changing healthcare regulations, serving as extensions of their human resource departments, and managing and/or digitalizing their benefits delivery and administration. For many agencies, this has led to greater pressure on already taxed operations.

## Talent Shortages

For insurance organizations across the industry, recruiting and retaining talent is, and will continue to be, a significant barrier to achieving profitable growth and delivering positive customer experiences. With many older insurance professionals leaving the industry—and many younger ones choosing to pursue alternate career paths—the insurance talent market has become increasingly competitive. As many as 75% of independent agencies are searching for new talent<sup>1</sup>. Yet, according to the Big “I,” 41% of agencies are struggling to find and screen strong candidates<sup>2</sup>.



<sup>1</sup> <https://www.agentforthefuture.com/next-gen-hiring/recruitment/>

<sup>2</sup> <https://www.independentagent.com/research/AgencyUniverseStudy/agency-universe.aspx>

## Seasonality

Every year, renewal season places tremendous stress on insurance organizations across the value chain. During this period, agencies tend to see increased overtime, slower turnaround, and greater risk of employee burnout and administrative processing errors. Now, with many agencies suffering from a reduced workforce due to the Great Resignation and widespread retirement, this already difficult time of year has become more challenging.

## Changing Regulations

New and changing employee benefits regulations—such as the Transparency in Coverage rule—are a constant concern for insurance organizations and employers alike. Benefits brokers must continually ensure that the coverage they are supplying and its administration are compliant. Implementing changes because of new or evolving regulations is labor intensive and must be done accurately to avoid exposing the agency or customer to increased risk. These changes may involve training staff on updated procedures, updating systems, checking policies for compliance, and communicating with customers.



# Typical Solutions to Address Today's Market Challenges

The market drivers previously discussed have many benefits brokers searching for solutions that will allow them to maintain or increase their customers' experience and profitability. Most agencies choose one or more of the following paths to address these market challenges.

**Status Quo** – While challenges exist, some agencies take a reactive approach to dealing with them, addressing them only when they become acute or putting out fires. This frequently comes at a price, which may include considerable amounts of overtime, increased errors, and reduced service levels and employee satisfaction.

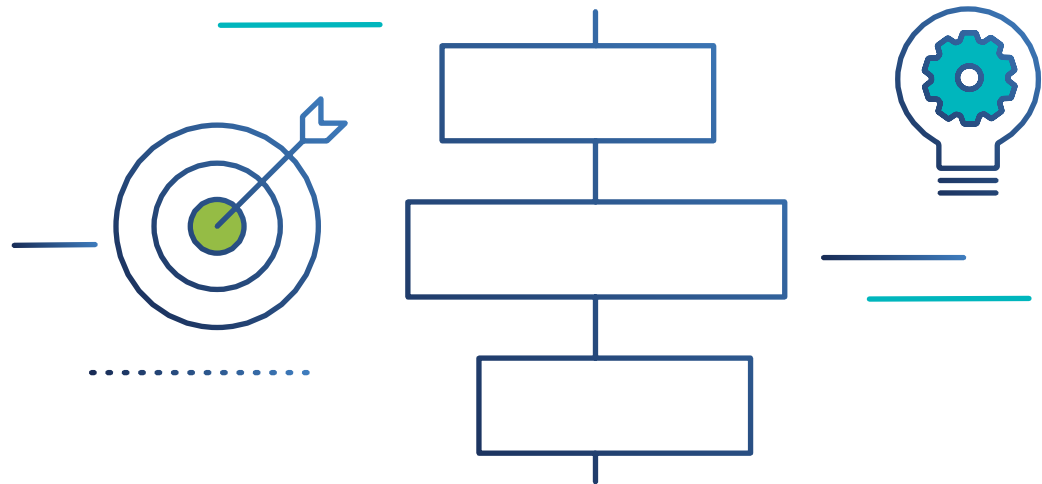
**Temporary Staffing** - During peak season, many agencies employ temporary staff to handle the increased activity. This solution can help alleviate some of the burden, however, it can bring mixed results depending on the employee benefits expertise of these staff. For instance, they may lack the knowledge required to handle more advanced tasks, such as spreadsheeting, billing audits, plan builds, and compliance-related activities.

**Automation** - Deploying automation can be an effective way to reduce or even eliminate the need for employees to perform certain high-volume activities, such as those in enrollment processing. Note that there are some drawbacks to this approach. Between development and maintenance, automation tools often come at a large cost. In addition, these tools are limited to performing basic, highly standardized tasks with minimal variation, meaning that humans need to remain involved in the overall process.

# An Aligned, Strategic Approach to Operations

The challenges discussed will be exacerbated as disruption to traditional distribution channels continues. To effectively deal with change, organizations must get strategic about operations. This means identifying where to focus resources, ensuring people have the skills and knowledge to execute processes efficiently, and deploying the right technology and tools to execute the organization's strategy. Each one of these areas—strategy, people, process, and technology—should not only be optimized but also align to one another to achieve maximum benefit for the organization.

Employee benefits divisions that take an aligned, strategic approach to operations gain the agility and capacity to profitably grow their business. They also benefit from the ability to handle market and seasonal fluctuations in a responsive manner, without sacrificing customer service.



# The Five S's Method

One way to optimize processes within an insurance organization is to use the Five S's methodology: Standardize, Segment, Streamline, Source, and Scale. The Five S's are about creating the capacity to maximize the productivity of your staff, enabling profitable growth.

## **Standardize**

Standardization of key workflows reduces variability and complexity and improves measurement and management of data. This not only benefits your employees—as it provides them a clear understanding of how to perform a given task—but ensures greater quality and consistency when it comes to delivering client services. Achieving process standardization is a time-consuming but worthwhile endeavor, and typically involves mapping the process, identifying the most effective approach, training employees on the approach, and then capturing data to measure impact.

## **Segment**

Segmentation is about analyzing the size, profitability, and complexity of your accounts, and allocating resources accordingly. Without segmentation, your organization could be overservicing some accounts while underservicing others. This not only results in a poor experience for customers but creates unnecessary strain on employees, increasing turnaround time as well as raising the risk of errors and other problems.

## **Streamline**

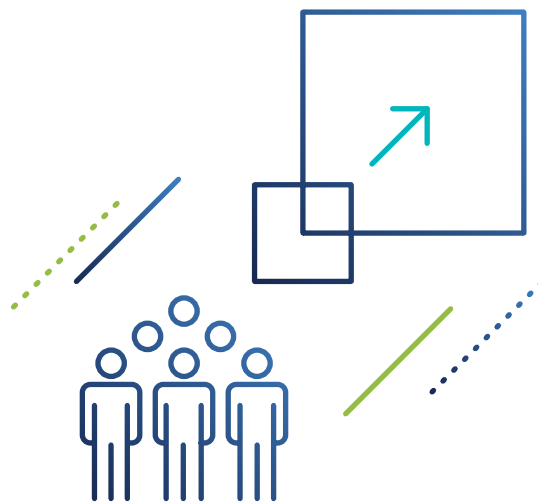
In Lean methodology, any step in a process that does not add value for the customer is considered “waste.” In the benefits process, common examples of waste can include price shopping, reformatting proposals, or having senior employees perform junior-level work. Streamlining your operations will require analyzing your processes, determining where waste exists, and taking the appropriate steps to reduce or eliminate it.

## Source

Sourcing is about directing the right work to the right person and can be done both internally and externally. Internal sourcing offers some benefits but isn't always practical, especially if it means increasing an employee's workload or transferring them from one critical role to another. On the other hand, external sourcing allows you to gain the support you need without needing to make sacrifices. External support teams can also bring in fresh perspective on the efficiency of your operations.

## Scale

How scalable is your organization? Without scalability, employee benefits divisions can find themselves in a bind when business demand suddenly increases, such as when acquiring a large client. Scalability isn't just about having the resources to handle increased demand but having the right processes, too. Is the process repeatable across your teams so that you can use it no matter the client (e.g., regional vs. national)? Is it easily teachable, allowing you to quickly train new team members when needed? Be sure to keep scalability in mind as you follow the Five S's method.





# Optimize Your Operations

The Five S's method is just one of many that can be used to optimize processes within operations and increase productivity and profitability. Transitioning to a strategic approach for your operations isn't easy and does require external expertise and support in most cases, but the benefits are well worth it. When you start taking a broader view of operations, one that aligns strategy to people to processes to technology, business runs smoother, more efficiently, profitably and with greater satisfaction for all—employees, customers, and shareholders.

Whether your employee benefits agency needs an extra hand for peak season or wants to enhance operational efficiency, ReSource Pro can help. We've supported employee benefit operations for more than a decade, and our experts provide clients with dedicated assistance across all aspects of the policy lifecycle. Some highlights of the services we provide include:

- **Peak Season Support** – Gain the resource flexibility to scale up quickly during open enrollment season.
- **Benefits Administration** – Spend less time spreadsheeting and more time consulting clients with our enrollment and billing support.
- **Data & Analytics** – Keep your data current while gaining insights on how to optimize your operations.
- **Comprehensive Regulatory Compliance** – Reduce your E&O exposure and reputational risk by implementing and maintaining regulatory compliance (HIPAA, 5500 Filing, etc.).
- **Operations Advisory** – Receive a diagnosis of your operations and recommendations for process improvement.

Learn more about how ReSource Pro can help your employee benefits staff gain more time to focus on serving clients by visiting [resourcepro.com/eb](https://resourcepro.com/eb).

## **ABOUT RESOURCE PRO**

ReSource Pro is an insurance-focused business solutions company that integrates people, process, technology, and data analytics. Over 1,500 carriers, brokers, and MGAs rely on ReSource Pro to execute strategies that improve profitability, accelerate growth, deliver improved claim outcomes, and enhance client and employee experience. With more than 7,000 employees globally, ReSource Pro provides business process management, strategic advisory services, management and organic growth consulting, training, and compliance solutions around the clock. ReSource Pro was listed as one of the Inc. 5000 Fastest Growing Private Companies from 2009 to 2021 and has consistently achieved a +95% client retention rate for over a decade.

**[resourcepro.com](https://resourcepro.com)**