



The New Paradigm for Marketing Your Agency to Customers

by Tom Gilligan
Senior Vice President, Marketing and Branding
Colonial Life
Columbia, SC
JTGilligan@coloniallife.com

The practice in the benefits industry has been to focus on the employer's perspective—the cost and quality of the client's benefits program and the carrier's service. Here, the primary emphasis is on major-medical insurance and all of the dollars the client invests. What absorbs all your time is figuring out how to help your clients save money on this key benefit.

Looking only at major-medical solutions can keep you blind to the real opportunity of working in partnership with your clients. But there's a trend shaping the view of the services you bring clients—a new paradigm that looks at workplace benefits from the perspective of both employers and employees. Shift your focus from an employer-centric view to a dual view and you become an integral partner in helping your clients build a more loyal and satisfied workforce and, ultimately, a stronger business.

Understand the Forces at Work

Before you can truly help your clients build a stronger business, you have to understand the dynamics affecting employers and employees:

Employers need a competitive benefits program to attract and keep quality workers. But, as health insurance costs skyrocket, businesses try to bridge the huge gap between the benefits they'd like to provide employees and those they can afford to offer. A solution is to bring in voluntary benefits to enhance their benefits programs at no additional cost to the company. In fact, companies primarily offer voluntary benefits as a tool to attract and retain employees and, secondly, in response to employees asking for them.¹

Employees have tougher choices to make regarding benefits at the workplace. In particular, major-medical choices are more complicated, and wrong decisions can lead to higher financial risks. Voluntary benefits can give employees the power to personalize their benefits package. However, benefits in general can be complicated, which makes it hard for employees to understand what they have and what else they need. If they don't understand the coverage available to them at work, they can't fully appreciate the value of their benefits.

Benefits Education Is Vital

Research shows a critical need for employers, brokers and insurance carriers to offer more meaningful and personalized information to guide people through the benefits decision-making process.² Decision-making support for both their core and voluntary benefits can help employees choose the coverage that fits their lifestyle and budget. In fact, employees want to meet with benefits representatives either annually or as needed.³

Research shows that benefits count when it comes to employee job satisfaction. In a recent survey by the Society for Human Resource Management, employees say the top two contributors to job satisfaction are pay and benefits.⁴ In addition, Watson Wyatt research shows that the more employees understand their benefits, the more satisfied they are with their company. Companies that don't do a good job communicating the value of their rich benefits programs have an average 17% turnover rate among top-performing employees. Companies that do a comprehensive job communicating the value of less-rich benefit packages have a 12% average turnover rate among top-performing employees.⁵

Provide the Resources Needed for Benefits Education

Each client may have a different cost-management strategy for its benefits program—cutting back on benefits, increasing employee contributions, adding voluntary benefits solutions, or introducing new concepts such as consumer-driven health care, Health Savings Accounts and more. But all of these require effective communication, and group meetings just aren't enough to do it right.

A recent Watson Wyatt Worldwide study reports that “open enrollment is a much more active process than it



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was just a few years ago. With some employers making significant changes to their benefit offerings, employees will need to pay closer attention to their options than ever before, and that will require time to ensure they receive the benefits they want to next year.”⁶

Yet your clients can't staff up their HR departments to provide one-to-one benefits education. Likewise, most agencies aren't staffed or equipped to deal with such a labor-intensive process. And although major-medical insurance is the catalyst driving the need for employees to get help understanding their benefits, you won't find many major-medical carriers addressing this need.

The voluntary benefits industry, however, has responded by providing innovative, effective one-to-one benefits education for both core and voluntary benefits. A top carrier can bring in benefits professionals who will spend time with each employee and provide personal, straightforward advice. Some firms charge for this capability, and some offer this service at no direct cost to the business or the employee.

Make Yourself a Partner in Benefits Solutions and Education

The need for benefits education calls for a paradigm shift in which you serve clients and their employees. Gone are the days when employers think of their benefits program as simply a perk for employees. Instead, you must help clients realize that a competitive benefits program is a vital business strategy for attracting and retaining quality workers who can help their company grow and compete in the marketplace. And a competitive benefits program requires benefits education for employees to understand and appreciate their benefits choices. Your job is to explain to clients how an effectively communicated benefits package can make a big difference in how employees perceive their company and how they may perform—no matter if the company has a few employees or a few thousand.

So not only should you see yourself as a benefits deliverer, but also as a partner in helping your clients strengthen their business. You can do this by meeting employee needs through the voluntary benefits and one-to-one benefits education solutions you deliver. Employees need one-to-one benefits education at least once a year, if not more often.

If you're still not sold on the value of effective, personal benefits education, let me issue this challenge: Within the next 30 days, observe a one-to-one benefits education session delivered by a reputable voluntary benefits carrier. It may open your eyes to a new way to make yourself a stronger business partner with clients.

Employers need a comprehensive benefits package to attract and retain top performers. In addition, employees are more concerned about their benefits now than ever before, and they need help to make smart benefits decisions and to appreciate the value of what their employer provides. It makes sense to change the way you market your agency. Help clients strengthen their company by

enhancing the value of their total benefits package through personal insurance products and benefits education services. In the end, when your clients consider you a contributor to their business success, you can keep competitors out of your business. ■

¹ "What's Hot and What's Not in Voluntary Benefits," Aon Consulting study, 2006

² "Industry Currents," produced by Employee Benefits News, "MetLife Research Spotlights Thirst for Life-Stage Guidance in Open-Enrollment Season," October 29, 2007

³ "Navigating the Workplace Benefits Landscape," Ron Neyer and Patrick Leary, LIMRA International, 2006

⁴ "2007 Job Satisfaction Survey Report," Society of Human Resource Management

⁵ "Communication Plays Critical Role in Improving Retention Power of Health Benefits," Watson Wyatt Worldwide, February 23, 2005

⁶ "Watson Wyatt Identifies Major Benefit Trends During Open Enrollment Season," Ted Nussbaum, Watson Wyatt Worldwide, September 2007