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UBER FOR BENEFITS: DIGITAL DELIVERY IN THE POST-COVID WORKPLACE

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PLATFORM FOR SUCCESS

Better benefits tech is coming – advisers would do well to embrace the new world

John Greenwood

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It sometimes seems that disruption is everywhere – barely a day goes by without some new area of our life becoming simplified, lower-cost and easier to engage with by the almighty silicone chip. And while there are some notable new tech businesses in the employee benefits space, they are still more than outnumbered by products and services delivered through old world processes delivering barely visible levels of engagement and near to no MI.

One silver lining from the terrible pandemic that is still gripping the globe is the acceleration of technological adoption across every walk of life. For benefits professionals, another is the increased understanding of the value of protection benefits and health and wellbeing support services. Put these two together and it's not hard to paint a picture where benefits can be delivered more effectively and cost-effectively to more employees, right down the employer food chain to the smallest firms – and still provide a revenue stream to intermediaries.

Whether employers spend more on supporting and

protecting their employees' health and wellbeing remains to be seen. Cash is in short supply at the moment. But we should not forget the benefits that scale purchasing through the workplace can deliver.

Purchasing voluntary benefits through the workplace has been held back in the past by a poor user journey and a lack of communication of just how good value some, though not all, products and services can be when bought through this channel.

Imagine a world with access to real-time premium, cover, usage and benchmarking data – not only will this MI help consultants and advisers help employers to make the most of their benefit spend, but it will also assist intermediaries in evolving their business model and value proposition.

Modern technology platforms can also better communicate where value sits in voluntary benefits.

With employers and employees both looking to do more with less, technology will be key in helping advisers to achieve this.

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UBER FOR BENEFITS: DIGITAL DELIVERY IN THE POST-COVID WORKPLACE

DISRUPTING BENEFITS DELIVERY

Covid-19 has accelerated adoption of technology across the entirety of society. Benefits tech needs to catch up to stay relevant.

Emma Simon hears why

Could a more effective digital delivery of employee benefits help advisers and consultants evolve their business model and expand into the SME market? And is the benefits sector ripe for revolution of the type experienced in other sectors by tech disruptors?

These were key issues debated at a recent Corporate Adviser round table analysing the ways employee benefits could be delivered more effectively in a post-Covid environment.

Delegates at the virtual event agreed there was considerable scope to improve the management and delivery of employee benefits. And there was optimism that this process was being accelerated, in part due to some of the consequences of the Covid pandemic.

Ian Rummels, the founder and chief executive of Cloud8 – which offers its own benefits platform – laid out the challenge for the industry.

“People today can order a pizza on their phone and it is delivered in half an hour. They can use mobile apps to access their bank accounts, and see how far away the cab they’ve ordered is. But in many cases they can’t view the benefits they get from their employer – let alone amend details, or engage and interact with these services.”

Panellists explored why is it so difficult to buy, see or manage employee benefits, when in other sectors digital administration and commerce has become the norm. A number of historical barriers were perceived as being part of the problem.

Towergate Health & Protection head of specialist Debra Clark said there are a number of reasons why smaller and mid-sized corporates in particular have been reluctant to embrace digital delivery platforms.

“One of the main objections has always been the perceived cost, as well as the length of many licensing contracts. On top of that there is also concern about maintenance of a digital platform and IT

systems, the ongoing challenge of keeping the technology up to date.”

For larger corporates this may be less of an issue, she said, but in smaller companies there are challenges for those who don’t employ technical specialists within their organisation

Punter Southall Aspire principal Jon Webster pointed out that even in mid-sized and larger companies there can also be resistance to digital platforms because of the way employee benefits have historically been offered.

“Employers have a long track record of changing benefits, but not applying these changes to existing employees. This then becomes a barrier to change, and the benefit offering becomes increasingly complex – and there is a fear of giving employees access to the wrong benefits.”

Canada Life strategic propositions director Paul Avis agreed these issues can mean flexible benefit platforms can be more costly to run, if every client needs a more bespoke system to cover different legacy benefit options. He estimated that in some cases this can cost up to £100,000, clearly limiting the market for such services.

“For the SME market there is a need for more off-the-shelf options, that are simple for employers to set up and run, and easy for employees to use,” he said.

Rummels pointed out that there is now the option of “simpler plug in and play options”. This creates more of a volume business, which can help keep costs down.

But despite these long-standing obstacles, those at the round table noted there was now momentum towards embracing digital solutions and they agreed that the Covid crisis had proved a catalyst for change.

Lockdown has led to an upsurge in the number of people accessing employee benefits remotely. This includes support services, such as EAPs and virtual GP services, as well as online pension statements.



Ian Rummels, the founder and chief executive of Cloud8



Group risk providers and health insurers say the number of people accessing value-added services, such as virtual GPs, has shot up during the lockdown period, with many providers adding these extras for free to their benefit propositions.

But Clark said: "We have seen this issue being fast-tracked by the introduction of these various products. But this is a broader issue, about how employees can reach and access a range of services through a single platform."

Aston Lark director Sam Mistry pointed out that migrating towards a digital delivery system needs to benefit employers as well as their employees. "It is our role to show how this can benefit their business in the long-term, and not simply be an additional cost, or technology requirement."

Cowderoy Consulting is a technology firm that works to build platforms and systems across different sectors and industries. Chief executive Jenny Cowderoy said she has more recently seen demand for their services from those working in the employee benefits space.

She said: "It is clear what clients wanted and needed in a pre-Covid environment was very different. Increasingly it is the interest of HR teams who are talking to employees working across different environments - be it home and the office - to be able to manage everything through a single tech platform. These groups may also have various benefit requirements, so it can help HR to get information onto a single platform, which they can manage more effectively."

Cowderoy said the challenge for the industry is to sell a digital service on its business benefits, in other words helping companies operate more efficiently and effectively in the new normal.

"No-one wants to hear about how you onboard a benefit platform or set-up and integrate a new IT system. They want a plug-in-and-play system, where the platform company looks after the technology side of things.

"The challenge is to see this as a tool to transform their business, not just another piece of technology."

She also referred to differences between larger corporates and smaller and mid-sized companies. "In some smaller corporate there can be a reluctance to engage with technology. Generally there may not be anyone in the organisation that has a background in digital transformation using technology as an enabler to the business, rather than just as a piece of tech."

For business of all sizes these digital delivery systems offer a number of ►



(Left) Towergate Health & Protection head of specialist Debra Clark, and (above) Punter Southall Aspire principal Jon Webster

benefits. They can help simplify the administration of benefits systems, potentially leading to significant time and cost savings – particularly for SMEs, who may not have extensive HR departments.

Webster pointed out that another key advantage of these delivery systems is the way they allow advisers, and companies to utilise data on what benefits are being accessed and used by staff.

Aston Lark director Sam Mistry said this can help advisers ensure benefits packages are more effectively targeted, better utilised

and ultimately deliver a better return on investment for employers.

“In an ideal world we would see much better use of this MI in relation to employee benefits. At the start of the process we are making a lot of assumptions, but better use of data would help us understand what clients use and what they value most, enabling employer to target their benefit spend more effectively,” she said.

Webster argued that better use of MI data can help consultants design more relevant benefits packages that can play a key role in attracting and retaining staff.

While there are many positives, those attending the roundtable discussed potential drawbacks to this technology. Are advisers, for example, worried that digital delivery platforms could commoditise the employee benefits sector, potentially

reducing their role and income stream?

There was little concern about this scenario. Clark said better digital delivery platforms do not threaten their business, but offer an opportunity to redefine it, and emphasise the value proposition.

“It changes the conversation we have with clients. The focus is more on the employee as the end client, and the technology is an enabler that help employers run their businesses better,” she said.

She argued this effectively frees up the adviser to focus on more consultancy, driven work, using tech solutions to help improve engagement levels, and work with employers on issues such as staff retention.

“Technology is not the main element of the proposition but it will help us deliver a more efficient service to our clients.”

Cloud8 client strategy director Dipa Mistry Kandola agreed that this digital technology is not there to replace advisers.

“Many clients will still want the advice, support and the personal touch,” she said. “A digital delivery of employee benefits can help free up a consultant time so they are able to focus on these core services with clients.” ■

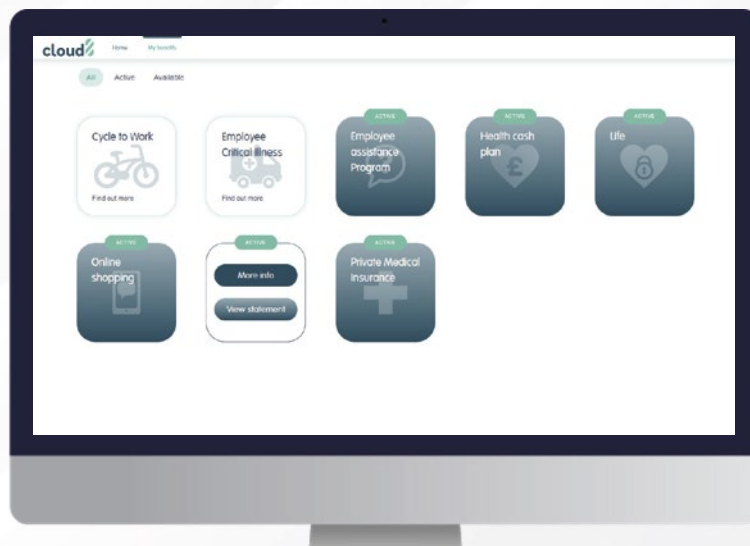
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UBER FOR BENEFITS: DIGITAL DELIVERY IN THE POST-COVID WORKPLACE

VOLUNTARY SIMPLICITY

The Covid crisis has shown the true value of workplace protection and wellbeing products at a time when some employers will struggle to afford them. Voluntary benefits could offer a cost-effective way to improve employee resilience hears **Emma Simon**

In the post-Covid world issues of health and wellbeing have risen up the corporate agenda. But at the same time the economic fallout has restricted many employers' abilities to fund comprehensive benefit options.

Will a shift towards digital delivery systems and new technology help square this circle, with a move towards voluntary benefit options.

Advisers, providers and technology experts at a Corporate Adviser virtual round table event on the future of employee benefit provision discussed how new platform technology might facilitate change, provide a cost effective way to enhance health and wellbeing propositions for both smaller and larger corporates, and deliver products and services to employees that have been costed at prices closer to institutional rates than retail ones.

Previous efforts to increase the take-up of voluntary benefits have often stalled. Research has indicated that many employees place a relatively low value on a whole range of employee benefits – from pensions to critical illness policies. As a result they can be reluctant to pay for these themselves, even when offered at a discounted price through their employer.

This problem is exacerbated by the fact there is low visibility of many of these benefits through existing benefits systems.

Advisers said that a poor online experience meant that some employees were not aware of existing benefits paid for by their employer, and were missing out on the full value of these benefits as a result. In such cases take up of further voluntary benefits is likely to be small.

But there was agreement that more effective digital delivery, particularly through the use of a single platform, could address some of these issues.

Punter Southall Aspire principal Jon Webster said that this could help employers promote existing core benefits more

widely, delivering a better ROI on this benefit spend.

Cloud8 founder and CEO Ian Rummels added that this could also lead to wider take up of voluntary benefits, creating additional revenue streams for advisers, and also enhancing the overall 'value' of the benefits package for employers, at relatively little additional cost.

Digital platforms also give greater opportunity to communicate the true value of voluntary benefits to employees. While some voluntary propositions focus on discounts with retailers that can often be found elsewhere on the internet, when it comes to protection insurances and health and wellbeing support services, whether standalone or with insurance, the institutional buying power of the workplace can often mean significantly lower prices than can be found in the retail space – with the added comfort of having been sourced via the employer as a trusted partner.

The recent Covid-19 crisis has brought many of these issues to the fore, with a marked change in people's attitudes to health and wellbeing.

Canada Life strategic propositions director Paul Avis said: "There has never been a greater awareness among the general public of both mortality and



morbidity. Families are having conversations as to how they would cope financially if a partner died or was too ill to work."

Group risk products can provide an essential lifeline at such times. But Avis said it is also the added support services – such as EAPs and virtual GP options – that are increasingly valued.

Cloud8 client strategy director Dipa Mistry Kandola said there is a focus not just on the services available to an individual employee, but on wider family benefits.

"For example, in many cases, partners and children can access virtual GP services, mental health helplines EAPs." If this isn't available there may be the option to add these as a voluntary benefit, she said, extending the coverage that is available, at a relatively low cost.

However, she said the full range of employee benefit options need to be easily accessed by staff, ideally via a laptop or mobile phone app.

Canada Life strategic propositions director Paul Avis, (left) Cloud8 client strategy director Dipa Mistry Kandola and (below) Cowderoy Consulting Chief executive Jenny Cowderoy



Digital platforms also give greater opportunity to communicate the true value of voluntary benefits to employees

“How much easier is it to discuss over dinner if you have the key details on your smart phone as to how much life insurance you have, or whether you can access a private GP service or mental health support line in an emergency,” she said.

“The information is there when you need it. People don’t want to have to find, then wade through a 20-page document they received when they joined the company.”

Webster said Covid-19 is putting increased pressure on health and wellbeing budgets, with many companies looking to either reduce spend in this area, or at least ensure it is better targeted to deliver maximum benefit.

Some financially-squeezed employers may be looking to reduce their core benefit

offering, but augment this with a suite of voluntary extras.

Alternatively, for many SMEs who may not have offered group risk products, voluntary benefits offered through digital platforms can be a way to enhance their benefit offering without significant upfront costs.

Mistry Kandola added that it is important for advisers and consultant to look at these issues “through an HR lens”. Employers are now more focused on health and wellbeing issues, but there will be increased scrutiny on budget, and ROI and VOI are likely to become even more important.

Towergate Health & Protection head of specialist Debra Clark said better use of

technology to deliver benefit solutions also has the potential to increase engagement levels. This can also boost the value of benefit spend for employer clients.

In order to maximise engagement, Aston Lark director Sam Mistry said it is important that employees can access the full range of employee benefits through one platform. This should encompass more than just financial benefits, such as workplace pensions and protection products.

“This should link through to different providers, such as the AE pension provider, health insurers and group risk providers. Products that companies are legally obliged to offer (such as the pension) should be there with other voluntary options,” she said.

“It would be great if this is the same platform that staff also use to book annual leave, for example. This would be used regularly, and not simply downloaded on a phone once and forgotten about.”

Mistry added there is scope to extend this to other benefits, such as the ►



Aston Lark director Sam Mistry and (right) One Pension Consultancy partner Stephanie Windsor

cycle-to-work scheme, which offers tax relief on new bicycles if they are used for commuting. She reported that her company has seen increased interest in this scheme recently, given the reluctance people feel about using public transport in the wake of the coronavirus pandemic.

If people are using a digital platform regularly this gives companies the opportunity to promote key benefits they are providing, hopefully further boosting take-up, benefiting both employee and employers.

One Pension Consultancy partner Stephanie Windsor argued the key is to provide fresh content to and ensure this is lively and engaging. This might include videos as well as options to book face-to-face meeting with advisers on key issues, such as retirement planning.

Consultants can help with communications and messaging around many of these issues, she said.

Windsor added that better use of MI data can also help advisers and HR departments understand what services and messages are resonating with employees, helping to evolve the proposition going forward.

Avis added: "In our industry we are really at the infancy of how we can use this MI data to encourage greater take up of voluntary benefits. When you look at the way companies like Amazon utilise data, for example to profile customers, we have a long way to go."

He gave examples of how Amazon will show related purchases. It is not hard to see how this could be effectively used to increased engagement and take up on a



If people are using a digital platform regularly this gives companies the opportunity to promote key benefits they are providing, hopefully further boosting take-up

range of employee benefits, he added.

Cowderoy Consulting CEO Jenny Cowderoy said it is important that consultants work with clients to ensure any digital benefits solution is helping support wider corporate strategies.

Bringing benefits into a single platform can ensure a comprehensive proposition that works to support key initiatives is created – whether to improve staff retention levels, reduce absences or increase overall levels of health and wellbeing in the workplace.

Mistry said that these digital innovations have the potential to change the conversation around employee benefits, particularly for advisory firms like hers who are talking to smaller and mid-sized corporates, who might employ up to 200 people.

"The revenue from voluntary benefits is a valuable new evolution of the business model and an effective way to target more SME customers." ■

OPINION

WHY ADVISERS AND INTERMEDIARIES CAN'T AFFORD TO IGNORE THE DIGITAL REVOLUTION

» Ian Rummels founder and CEO, Cloud8



A digital revolution has swept the globe over the last few decades. Twenty years ago, it was hard to imagine working without a PC on every desk. Then the flatscreen monitor banished the cathode ray tube forever. Today, life without constant internet access is unthinkable.

Recently, the pace of change has accelerated wildly. When smartphones first launched in 2008, just 17% of early adopters owned these revolutionary little devices. Ten years on, that figure had leapt to 78%.¹

Many enterprising businesses have embraced digital transformation with incredible results. Who had heard of Uber, Airbnb or Monzo Bank 10 years ago? As customers flock to book rides, reserve rooms or bank online, Monzo's revenues increased by 241% in 2019,² while Airbnb enjoys a global compound annual growth rate of 153%.³

The key question is, should the corporate advisory industry follow suit?

In a word, yes. Employers (clients) are weary of the time-consuming headache of paper-based employee benefits administration. Evaluating the success of a benefits scheme without instant data access is challenging. Many valuable policies languish unused by employees because, in this notification-fuelled era, they don't get enough reminders. It's a missed opportunity to ensure that they understand what their employer provides and how it could support their families.

Employees are hungry for digital delivery. There are thousands of tech-savvy, device-wielding workers who want to update their life assurance or health cover as easily as ordering a pizza. If protecting our health and our families is far more important, shouldn't it be just as easy?

The recent mass move to remote, online working during the Covid-19 pandemic makes the case for digital benefits with integrated communications even stronger.

In other words, lack of technology leads to poor employee engagement and client dissat-

isfaction – which is bad news for advisers. It's time to change.

Perhaps many advisers feel that 'it's not what we're known for.' Despite the rewards to both the business and its clients, there's a belief that introducing technology could be costly and painful. Changes to IT infrastructure, integration with other systems, end-user training, not to mention the worrying prospect of ICO fines for data breaches – it all contributes to a dimly-held belief that this is a paradigm shift too far.

Thanks to affordable, secure, cloud-based technology, advisers can adopt this benefits software via an inexpensive licence model

Flexible benefits providers haven't fully embraced digital transformation either. Those who offer technology as part of their advisory proposition require significant investment, usually by their clients. Many benefit providers are staying safely within their comfort zone, slow to develop products which fit the digital delivery model and all the services it offers to end-users – employers and employees.

No wonder there aren't many intermediaries seizing digital transformation opportunities. A few larger players have invested in their own technology, but to be fair to the rest, there just hasn't been a truly flexible, cost-effective solution – until now.

A new breed of benefits software is emerging, inviting intermediaries, corporate advisers and Employee Benefits Consultants (EBCs) to

join the digital party. It offers the end-user a simple, accessible window onto a wealth of choice. It's mobile-friendly and available 24/7, catering for the needs and expectations of today's employees.

Thanks to affordable, secure, cloud-based technology, advisers can adopt this benefits software via an inexpensive licence model. It lends itself to integration with provider sites and HR systems, while delivering a stylish product platform. It offers all the MI advisers need to truly customise their service and deliver advice tailored to their clients' demographic.

A prime example is Beam at Work from Cloud8. Beam is powerful, cloud-based software which showcases benefits via a mobile-friendly, intuitive interface. It's easy to use, encourages employee engagement and offers sophisticated reporting. It comes with all the materials and support required to onboard clients quickly and easily.

When it comes to digital benefits, there's motive (profit), means (technology) and opportunity (client need). For those advisers who are ready to take the plunge, treasures lie in store. Not only will the visibility and ease-of-access to their own products increase, there will be a chance to expand their portfolio with partner services on the same platform. With digital transformation, intermediaries are poised to become benefit brands in their own right.

Yes, it's a paradigm shift – in technology, business model but most importantly of all, profitability. ■

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