

bswift Benefits Administration Platform Saves Costs, Reduces HR Workload and Guides Employees

Forrester Consulting conducted a Total Economic Impact™ (TEI) study to provide readers with a framework to evaluate the potential financial impact of bswift on their organizations. This summary is based on a full TEI study, which can be downloaded [here](#).

Through these customer interviews and a survey of bswift user organizations, Forrester concluded that bswift has the following three-year financial impact on a composite organization: \$281K in benefits vs. costs of \$132K, resulting in a net present value (NPV) of \$149K and an ROI of 113%.

Quantified benefits. The following risk-adjusted quantified benefits are representative of those experienced by the companies interviewed and surveyed for the study:

- › **Reduction in premium overpayments, amounting to nearly \$28,000 per year.** Automation matches accurate lists of eligible employees and dependents with insurance invoices for increasing premium payment accuracy.
- › **Saving time and boosting productivity for benefits admin staff, conservatively estimated at over \$53,000 per year** for the composite company. Mundane, error-prone tasks are automated away, with rules, checks and audit controls, resulting in less work and more accuracy.
- › **Lower insurance costs when well informed employees choose a high deductible health plan (HDHP).** bswift guides employees toward well-informed plan choices. Plans with lower costs can result in savings to the employer and employee.

Unquantified benefits. The interviewed and surveyed bswift users described benefits which are not quantified for this study:

- **Agile benefits platform.** Speedier EDI and API connections enables the ability to quickly add or remove carriers.
- **Employee Retention.** Goodwill is created for HR staff whose jobs are improved via automation, and for employees who see their employer as a tech-savvy organization.
- **Savings on paper, printing and postage;** improved security; improved compliance.



ROI
113%



Benefits PV
\$281K



Costs PV
\$149K



Payback
9.6 months

SUMMARY

Based on a commissioned study, “The Total Economic Impact Of bswift Benefits Administration Platform”

METHODOLOGY

The objective of the TEI framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact of bswift, including interviews with Forrester analysts, bswift stakeholders, and four current bswift customers. Forrester constructed a financial model representative of the interviews using the TEI methodology.

COMPOSITE ORGANIZATION

This analysis uses a composite organization, based on the interviewees, to present the aggregate financial analysis.

RISK ADJUSTMENT

Forrester risk-adjusted the financial model based on issues and concerns of the interviewed organizations to account for uncertainties in benefit and cost estimates.

The bswift Customer Journey

For this study, Forrester conducted a) four in-depth interviews with bswift customers and b) a survey of 30 bswift user organizations to understand the financial impact of the Platform. Interviewed customers include the following:

INDUSTRY	REGION	INTERVIEWEE	SIZE
Higher education	Albany, NY	Director of HR	120 employees
Medical practice	Allentown, PA	HR manager	150 employees
Manufacturing	Evansville, IN	Benefits specialist	500 employees
Nonprofit	Rochester, NY	Vice president of HR	300 employees

Key Investment Drivers And Results

The interviewed organizations shared the following investment drivers:

- › **Reduce the workload on HR and benefits staff.** A desire to reduce the workload on HR staff was expressed by most of the interviewees and survey respondents.
- › **Improve billing accuracy and the eliminate overpayment of insurance premiums.** Interviewees looked to bswift to close the gap between the rolls of eligible employees and their dependents (and the coverages selected) and insurance premium payments.

The interviewed organizations achieved the following key investment results:

- › **Savings on insurance premiums.** The great majority of companies (91%) reported benefit in more accurate matching of carrier costs with lists of who is eligible and their chosen coverages. This benefit was more prominent among larger organizations.
- › **Workload reduction / labor cost savings.** 89% of survey respondents and all companies interviewed for this study reported fewer hours and / or lower staffing requirements (fewer FTEs) needed to manage benefits administration.
- › **Guiding employees to the right plan.** The educational content and the intelligence provided by *Ask Emma* and other bswift content features can result in employees choosing a lower cost, high-deductible plan for themselves and their families.

“We were looking for an online benefit enrollment system to get away from all that paper! We chose bswift over others because it’s more user friendly.”

-- Benefits specialist



Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected, covered in greater detail in the full study. The composite organization has the following characteristics:

Description of composite: The composite company is a 300-employee nonprofit organization dedicated to conservation, outdoor experience, and public policy advocacy for the protection, enjoyment, and understanding of North America’s natural resources. The organization has a strong brand, operations in multiple locations in the US and Canada, a large membership base of about 1 million members and volunteers, and a strong online and offline presence.

Company characteristics: bswift has been deployed for the administration of health; dental; vision; employee and spouse basic life; supplemental employee, spouse, and child life; long-term disability; short-term disability; critical illness; critical accident; AD&D; and flexible spending accounts (FSAs) for health care and dependent care. Functions for COBRA tracking and ACA reporting were sought as well.



Key assumptions
300-employee
nonprofit
organization

Benefits reflect the mission of
stewardship and social

bswift Investment Benefits

Reducing the workload on benefits administrators was the No. 1 reason cited by survey respondents and interviewees for an organization to invest in bswift. Said one interviewee, “When we added up just the hours we would save [administering benefits] for new hires and life changes, we had a strong business case for investing in bswift.”

Benefits automation also enables administrators to match the roster of covered employees and their dependents, and the coverages they elected, with the billing invoices from insurers. As the size of the organization increases, so do the challenges of having accurate lists of eligible employees, their eligible dependents, and the benefits they have chosen. This becomes even more challenging when keeping track of terminated former employees and those who have elected COBRA coverage. However, bswift can conduct the equivalent of a line-by-line audit of the insurance bill against bswift’s enrollment data, thus eliminating discrepancies that result in higher-than-necessary premium payments.

The benefit impact experienced by the composite organization is based on the past and current experiences of the four interviewees. Over three years, the composite organization expects risk-adjusted total benefits to be a present value (PV) of \$68,396.

“With self-service in benefits education and selection instead of administrator-led ‘classroom’ sessions, we have reduced our classroom-type sessions for 10 to six.”

-- HR manager



Total Benefits

REF.	BENEFIT	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Atr	Cost savings from overpayment of premiums	\$27,720	\$27,720	\$27,720	\$83,160	\$68,936
Btr	Hours saved annually from automation	\$42,588	\$42,588	\$42,588	\$127,764	\$105,910
Ctr	Labor cost savings: improved open enrollment process	\$11,232	\$11,232	\$11,232	\$33,696	\$27,932
Dtr	Premium reduction for HDHP w/savings option (SO)	\$31,500	\$31,500	\$31,500	\$94,500	\$78,336
Total benefits (risk-adjusted)		\$113,040	\$113,040	\$113,040	\$339,120	\$281,114

- › **Cost savings from overpayment of premiums.** Cost savings occur in four categories. The four categories include: Overpayment of premiums for ineligible employees, overpayment of premiums due to ineligible independents, overpayment of premiums due to tier/coverage discrepancies, and overpayment of premiums due to terminated employees. This resulted in risk-adjusted cost savings of about \$28K per year.
- › **Workload reduction for benefits admin staff.** A reduction in the number of hours required to administer benefits throughout the year is one of the outcomes of a bswift implementation seen by all customers engaged in this study. For the composite organization, Forrester believes that three FTEs can each save 20 hours per week by using bswift services.
- › **Labor cost savings from improved open enrollment process.** With bswift, administrators save time developing benefit enrollment options forms, booklets, and paper election forms; creating the communications materials to educate employees; conducting classroom sessions; collecting the paper enrollment forms; entering data into HRIS/ERP systems and multiple carrier systems; supervising temporary data entry workers; confirming benefits elections; answering questions from employees and partners; and communicating with plan brokers and insurers.

- › **Premium reduction for HDHP with savings option.** Ask Emma and other knowledge features contained in bswift can lead employees and their families to make their best choice for coverage. For the composite company, we assume that the HDHP was 1 year old when the bswift Platform was implemented and 30 employees selected this option. We then assume that 60 additional employees will elect the higher deductible plan when they have a better understanding of the features of the plan due to bswift education features. This brings the percentage of employees electing the HDHP to 30%.
- › **Unquantified Benefits:** Savings on paper, printing, and postage; Employee retention for benefits admin personnel and other employees; Fast and flexible benefits platform; Improved security and greater assurance of HIPAA compliance

bswift Costs

The composite organization experienced four categories of cost associated with its bswift investment. Over three years, the composite organization expects risk-adjusted total costs to be a PV of \$132K.

Total Costs

REF.	COST	INITIAL	YEAR 1	YEAR 2	YEAR 3	TOTAL	PRESENT VALUE
Etr	Platform services fee	\$0	\$21,600	\$21,600	\$21,600	\$64,800	\$53,716
Ftr	Internal labor for setup and launch	\$40,625	\$0	\$0	\$0	\$40,625	\$40,625
Gtr	Initial setup fee to channel partner	\$30,000	\$0	\$0	\$0	\$30,000	\$30,000
Htr	Internal labor for ongoing system support	\$0	\$3,042	\$3,042	\$3,042	\$9,126	\$7,565
	Total costs (risk-adjusted)	\$70,625	\$24,642	\$24,642	\$24,642	\$144,551	\$131,906

- › **Benefits Administration Platform services fee of \$21,600 per year.** The monthly charges paid to the channel partner for the platform services.
- › **Initial labor for setup and launch of \$32,500.** The roles — benefits administrators, the HR manager or director, and some IT resources — contribute various amounts of their time from kickoff through testing.
- › **Setup fee of \$30,000.** The channel partner typically charges a fee for professional services to set up benefit administration for a new client.
- › **Internal labor for ongoing system support.** Forrester assumes 60 hours per year at a burdened compensation rate of \$39 per hour for this labor cost category.

A bswift Investment Today Can Create Future Opportunities

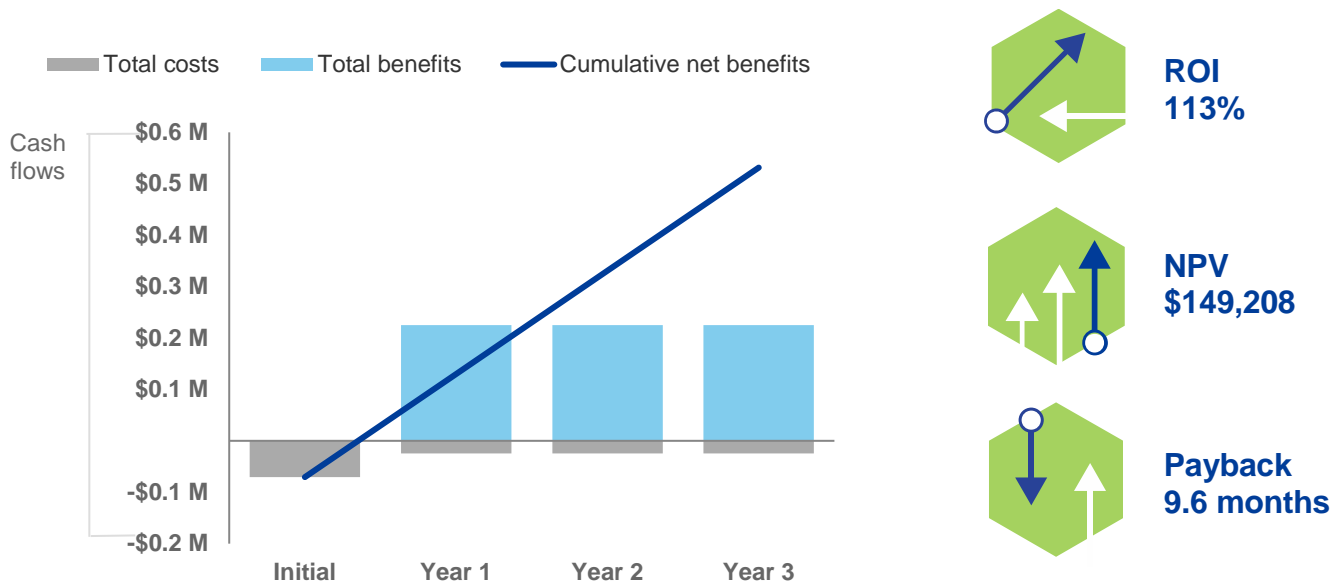
The value of flexibility is clearly unique to each customer, and the measure of its value varies from organization to organization. There are multiple scenarios in which a customer might choose to implement bswift and later realize additional uses and business opportunities, including:

- › **Shifting HR resources from benefits admin to benefits optimization.** This includes the ability to quickly add, replace, or change a benefit plan or carrier.
- › **Ease of business combination.** Organizations may gain the ability to quickly integrate benefits programs when a company acquires another or is acquired.

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for a future additional investment. This provides an organization with the "right" or the ability to engage in future initiatives but not the obligation to so.

Financial Summary

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment in bswift. Forrester assumes a yearly discount rate of 10% for this analysis.



For more information, you can download the full study [here](#).

Disclosures

The reader should be aware of the following:

- › The study is commissioned by bswift and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- › Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in bswift Benefits Administration Platform.
- › bswift reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.
- › bswift provided the customer name(s) for the interview(s) but did not participate in the interview(s).

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ABOUT TEI

Total Economic Impact™ (TEI) is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility. <https://go.forrester.com/consulting/content-marketing-consulting/>

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