

# 5 Mistakes to Avoid When Choosing a Benefits Administration System

Benefits administration systems take the hassle out of managing employee benefits. They save you time, money and paperwork.

Unless you choose the wrong system, which can end up costing you *more*.

We don't want you to waste time and money on the *wrong* system, so here are 5 mistakes to avoid when choosing a benefits administration system for your organization.

## **Mistake #1: One Size Fits All**

The old saying "One size fits all" is great for hats or socks, but NOT for a benefits administration system. Ask the potential provider if they can tailor products and services to the needs of your particular organization.

## **Mistake #2: Signing a long-term contract**

Your business wants and needs will likely change over time and the simple fact is, systems and technology are constantly evolving. Signing a long-term contract could become a costly frustration. Make sure you clearly understand the contract commitments of the benefits administration system that you're considering.

## **Mistake #3: Spending too much**

You could easily spend 6 figures on a system by the time you factor in monthly or annual system subscription fees and the cost per employee per month. But is it worth that? Keep in mind that technology costs should come down over time. Ask your potential provider about their specific fees and if they offer carrier offsets that would make the system revenue neutral.

## **Mistake #4: A system that requires you to hire additional staff**

Your benefits administration system shouldn't require you to hire additional staff just to manage it. If it does, you'll quickly see any cost savings evaporate. Ask your potential provider if they offer training and support to HR and existing employees on how to use the system.

## **Mistake #5: Systems with limited payroll platforms**

As we mentioned in Mistake #2, your business wants and needs may change over time which may include your payroll vendor. Make sure you know if the benefit administration system you're considering works only with limited payroll vendors.

We promised 5 mistakes to avoid, but this last mistake can be costly to an organization so we're adding it here as a bonus.

## **Mistake #6: Not knowing the impacts of system errors**

Benefit administration system errors can be costly. And the last thing you need is to wonder how many employee hours it will take to correct. Not to mention the potential trickle down impact to payroll that may also need correction, depending on how long the benefits administration system is down. Ask the potential provider about their specific support and how quickly an error can be corrected.

Use this as a guide to help you avoid costly mistakes and implement the system that's right for your organization.

## **About Benefit Enrollment Solutions through Technology (BEST)**

As a leader in benefits communication, education & enrollment services, we focus on increasing the value of benefit programs for our brokers, their clients and their employees. Contact us today and ask how we can help your organization streamline the benefit process, saving you time, money, and paperwork.