

An overhead photograph of a business meeting. Several people are seated around a white conference table. On the table, there is a laptop, a tablet, a calculator, a pen, and some papers. The scene is brightly lit, and the participants appear to be engaged in a collaborative discussion.

The Importance of Benchmarking

Provided by: R&R Insurance Services

How Does Your Business Measure up?

An attractive benefits program is vital for your recruiting and retention efforts, but it is also a significant expense. To ensure you are providing a package that is both competitive and economical, you need to know how your offerings compare to those of other employers in your industry. Benchmark data can provide valuable insight for evaluating your benefits package, helping you conform to or even set industry standards. Quality benchmarking allows you to search for best practices, innovative ideas and highly effective operating procedures that lead to superior performance.

Employer interest in benefits benchmark data has grown over the past decade, as the cost of providing health care benefits continues to skyrocket and companies look for new ways to manage expenses. Analyzing how other companies are structuring their plans and the strategies they are using to cut costs may make your own benefit plan decisions easier.

Benchmarking can show you:

- Where your weaknesses are
- Where your strengths are and how to maintain them
- Which areas you can improve
- Strategies for improvement
- New or different ways to do things

Everything Can Be Benchmarked

The first step to successful benchmarking is to identify different aspects of your benefits and choose which are most costly and which are most important to your business's success. There is information available for almost any aspect of a benefits program, including:

- Total costs
- Cost-sharing measures
- Plan design
- Voluntary offerings
- Workers' compensation

Analyzing how other companies are structuring their plans will arm you with vital information when making important benefit plan decisions.

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- Paid leave

Using claims analysis, employers can analyze their own health claims for the previous year to see where employees are spending more money or utilizing care above national norms. Once cost drivers are identified, employers can make changes to plan designs to influence employee wellness and spending habits.

Benchmarking can also be a powerful tool to measure your business against the competition. By benchmarking your plans against competitors', employers can remain competitive in the market while implementing strategic changes—for instance, you may see that your deductible is much lower than other employers' deductibles in your region or industry, so you may feel comfortable raising it.

Whether you are curious to know how your voluntary disability benefits stack up or are wondering if your paid leave program is comparable to competitors, there is likely benchmark data available.

Precisely Adjust for Impact of Health Care Reform

Interest in benefits benchmark data has grown since the introduction and implementation of health care reform.

The regulations and provisions of health care reform require significant changes to benefit plans and, in many cases, tough decisions for employers. How are you handling the expansion of dependent coverage for children or the impact of removing annual limits? How is your company planning to manage the increased costs associated with the auto-enrollment provision that will take

effect? Will your company pay or play regarding the employer mandate?

Employers are responsible for implementing many new rules and absorbing the costs, which will likely mean cutting or shifting costs elsewhere. These decisions can make the difference between maintaining a competitive benefits package and seeing a decline in recruiting and retention of quality employees.

Knowing how other employers plan to address these benefits decisions can be incredibly advantageous for your company, allowing you to anticipate the shifting benefits landscape and evolve before your competition responds.

R&R Insurance Services provides access to all this valuable benchmarking information and more. Contact us to find out more.

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