

1 BIG THING

HR and Employees Have in Common:

They're Both Caught in Irrational Buying Situations

FACT

When you buy anything, your decision is based on one of only two sets of reasons:

RATIONAL REASONS

IRRATIONAL REASONS



IT'S THAT SIMPLE. REALLY.

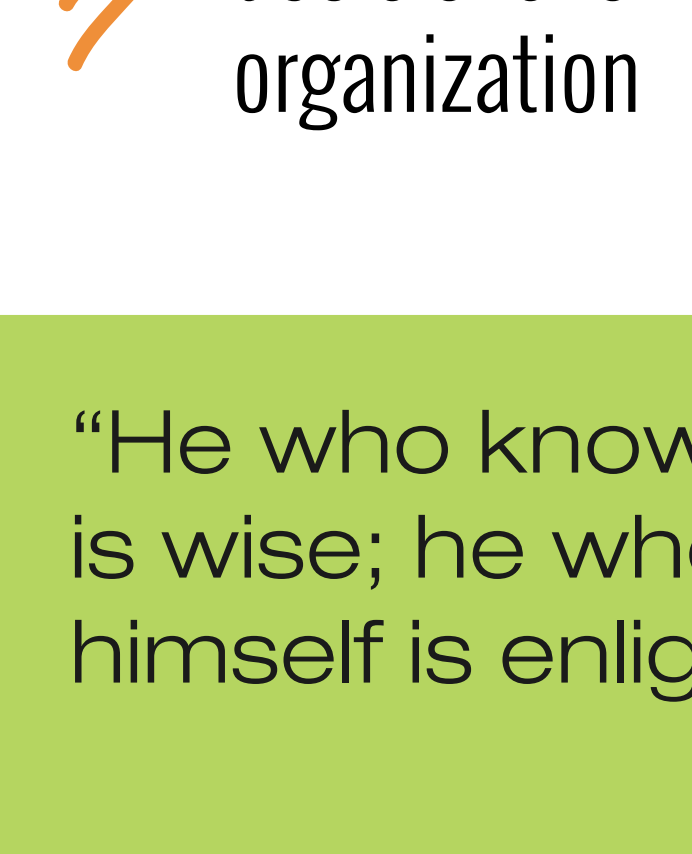
GUESS WHAT?

Both of these people are making buying decisions based largely on irrational decisions:

AN HR DIRECTOR who's considering tying the knot with a new benefits technology and services partner

AN EMPLOYEE selecting health benefits for the next 12 months

This is true no matter how much you try to be rational and objective or how many times you crunch the numbers.



HERE'S WHY YOU SHOULD CARE ABOUT THIS BUYER PSYCHOLOGY STUFF



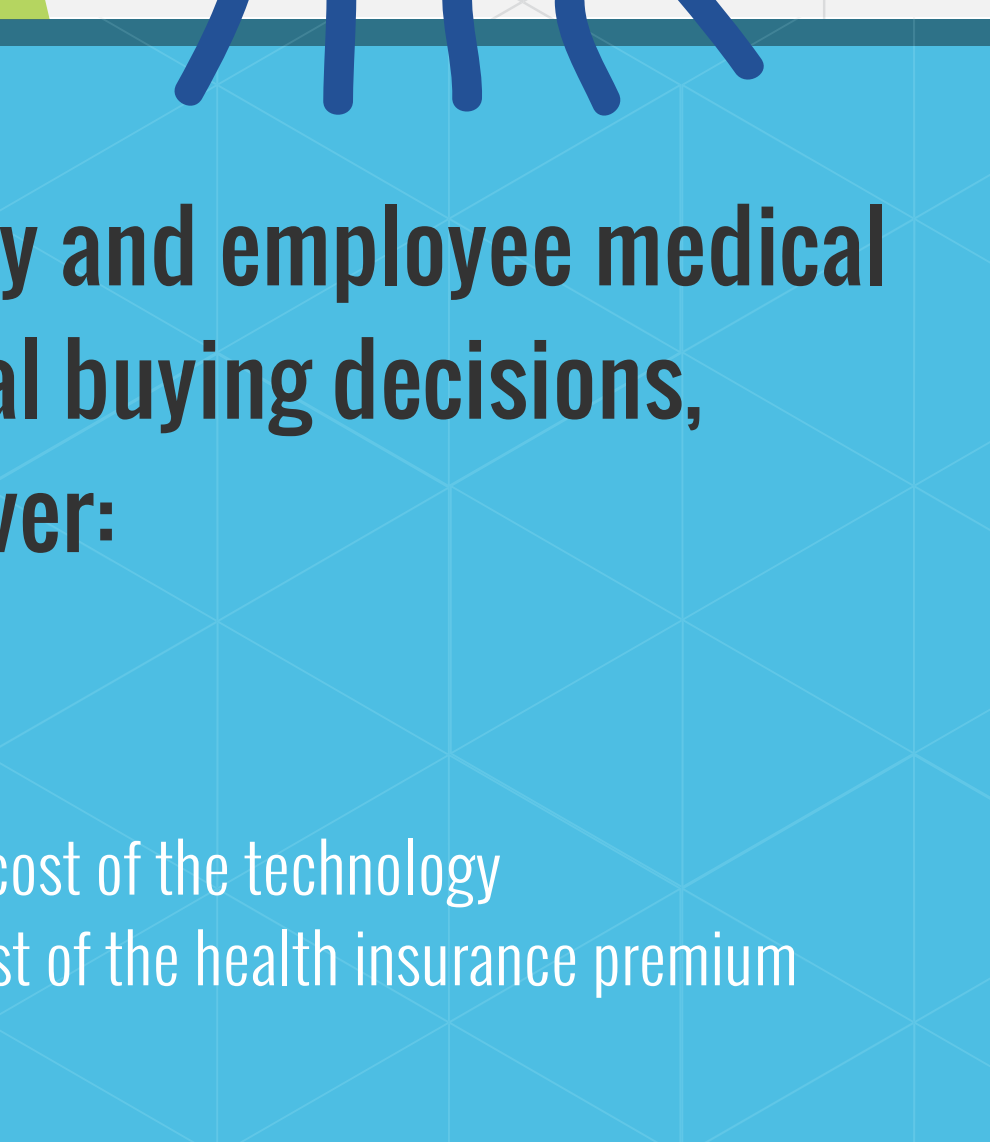
Make better buying decisions for their organization



Help their employees select and use their benefits more wisely

"He who knows others is wise; he who knows himself is enlightened."

— LAO TZU



It's true that HR benefits technology and employee medical insurance represent highly irrational buying decisions, despite the headaches and angst over:



THE COST:

If you're the **HR director**: the cost of the technology

If you're the **employee**: the cost of the health insurance premium



THE ROI:

If you're the **HR director**: the ROI of your company's investment in new benefits enrollment technology

If you're the **employee**: figuring the value of your selected medical plan compared with other options or the cost of your payroll deductions

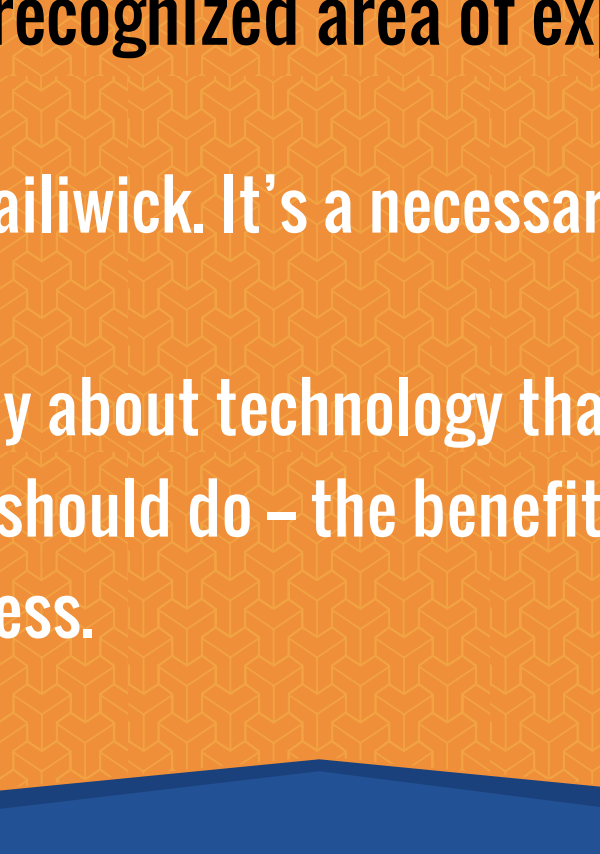


THE LEVEL OF RISK:

If you're the **HR director**: the risk, for example, that your new benefits enrollment system won't be ready on schedule or handle every transaction perfectly

If you're the **employee**: the risk that you've selected a medical plan for your family with an annual deductible you'll never be able to meet when you face an emergency or hospital stay

Why is it true that both buying decisions are so-called "irrational" purchases?



It's true because both decisions are just as much about the heart as they are about the mind.

The HR buyer of technology is caught in an irrational purchasing process because, for starters, technology is neither HR's most desired interest nor its recognized area of expertise.



Technology is IT's bailiwick. It's a necessary evil for HR.

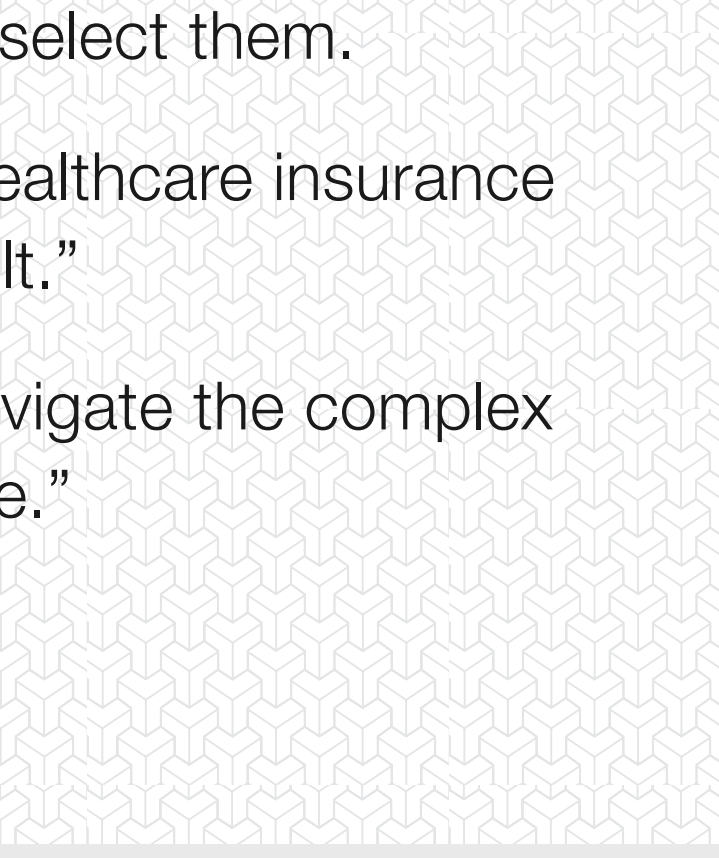


HR thinks differently about technology than IT does when it comes to what technology should do – the benefits it should offer and how to evaluate its success.

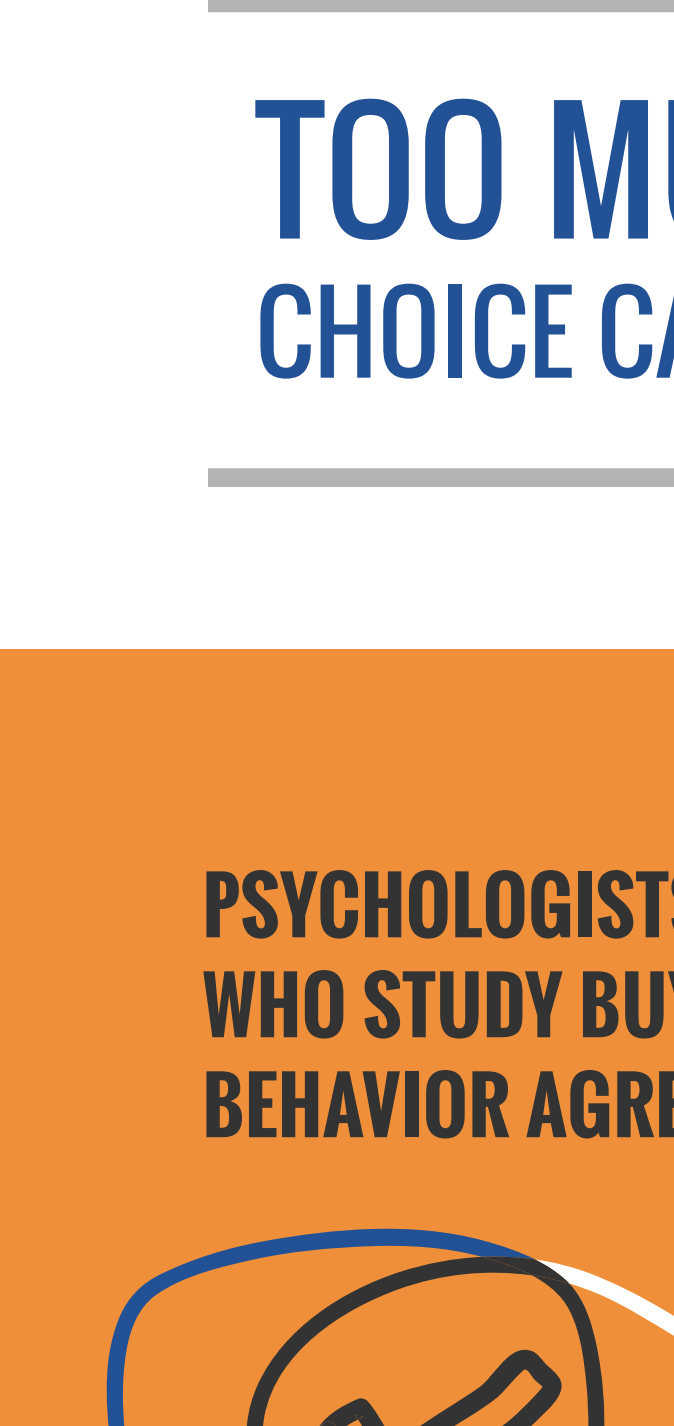
"HR executives score much higher in traits such as empathy and consideration for others [compared with leaders of other business functions, such as sales, marketing, finance, and operations]. ... They tend to be more intuitive, and have a deeper understanding of how others see the world."

— HUMAN RESOURCE EXECUTIVE® MAGAZINE, 2008

AS A SAVVY HR LEADER, when you realize your purchasing decisions for your company are driven at least to some degree by irrational buying logic, you can actually make better buying decisions because you're better able to determine what's driving your thinking.



Buying health insurance is simply something most employees don't want to think about. How's that for irrational buying?



On average, U.S. employees spend only about **20 minutes** on their annual benefits enrollment.



61 percent seem to be on autopilot – enrolling as soon as they receive notification.



53 percent agree that they need more help understanding how their benefits work or meet their needs.

No wonder so many employees put so little time into choosing their benefits – even though they know how important it is and how much it costs.

"Education has resulted in little to no improvement in employees' knowledge" about their benefits or how to select them.

Selecting plans "requires long-term planning ... healthcare insurance decisions are complex and difficult."

"Workers simply lack the ability to successfully navigate the complex and technical nature of healthcare."

— THE EMPLOYEE BENEFIT RESEARCH INSTITUTE

Another problem, according to the EBRI:

TOO MUCH CHOICE CAUSES



"NEGATIVE CONSEQUENCES."

PSYCHOLOGISTS WHO STUDY BUYING BEHAVIOR AGREE.

Options distract us because "we have an irrational compulsion to keep doors open," and we can't focus on the most important things because we're "running back and forth among the things that might be important."

— DAN ARIELY, *PREDICTABLY IRRATIONAL: THE HIDDEN FORCES THAT SHAPE OUR DECISIONS*, 2008



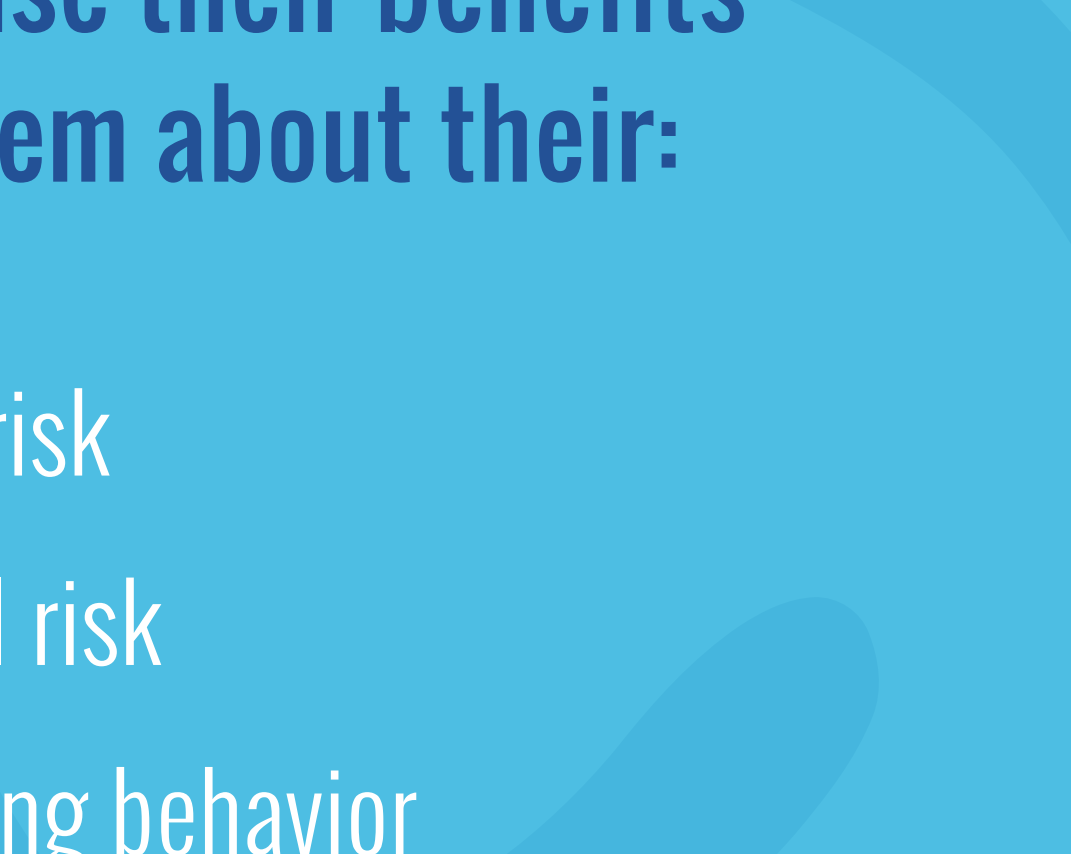
IN A NUTSHELL:

Employees are easily frustrated by the whole insurance-buying process.

The decision-support tools they get aren't cutting the mustard.

It's Time for a Better Way

Imagine a decision-making tool that could factor in personal details that drive truly personalized results.



MyChoice™

helps employees buy and use their benefits more wisely by asking them about their:

- Tolerance for financial risk
- Tolerance for emotional risk
- Perceptions of risk-taking behavior
- Consumer behavior
- Health status
- Health compared with national health data

MyChoice™ by Businessolver goes there. Which makes it smart, comprehensive, and completely configurable.

Founded by HR professionals, Businessolver delivers market-changing online benefits administration technology that's supported by an intrinsic and unwavering responsiveness to your needs – today and down the road.

We know and respond to what HR needs and wants. That's why we're able to help HR leaders successfully:



Minimize exposure to risk in all of its shapes and forms



Support employees and their dependents to confidently navigate the less-than-friendly waters of benefits selection, enrollment, and processes

Ensure that benefits technology will be able to grow with the organization and adapt to changing demands

CONTACT BUSINESSOLVER

TODAY.

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