



Evaluating Benefits Administration Systems

New Technology Brings Opportunities and Challenges

Executive Summary

The implementation of a new administration system is one of the most challenging activities a benefits department will undertake. The requirements around data privacy, the state of the system being replaced and the amount of work required by your “day job” are enough to throw even the best run implementation off-track. Of course, the evaluation and selection of a new system the most critical element in the process.

Below are several areas that are typically not given enough attention when choosing a vendor to implement a system.

Testing

Who is responsible for testing the configured system?

Testing is an overlooked area in all systems projects. Testing can be the determining factor as to whether a project is a success. Everyone knows the significance of testing, but few project plans accurately reflect the true testing effort. To complicate matters, the plan sponsor professionals who are qualified to test the system also are usually the people stretched thin with their current job responsibilities. If the plan sponsor is required to produce resources for testing purposes, this should be explicit in the agreement and reflected in the price.

System Configuration

Is the software rules-based or is programming required?

Rules-based systems are the norm these days and can reduce the initial implementation time as well as the time to make a change once the system is in production. Some systems contain self-documenting capabilities whereby the entire rules structure can be documented automatically and printed for verification or substantiation purposes. Plan sponsors should ask to see how the rules are set up. It is relatively easy to determine if the platform under consideration groups rules in a logical, organized fashion or if the platform is put together with thousands of lines of hard-to-maintain “spaghetti code.”

How Are Rules Changed?

If a change to a rule is required, how does the vendor ensure that no unintentional changes occur as a result?

The self-documenting feature of the rules engine is most helpful in this situation. For systems with this feature, a report may be run on the affected rule to ensure that a change to that rule affects only what the vendor intended. This type of functionality can save hundreds of hours per year in regression testing as well as much aggravation.



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Software Versioning

This is an area few people are willing to ask questions about during a demonstration. Versioning of the software is the key to being able to roll back the system to a stable point when an upgrade or enhancement adversely affects the integrity of the platform.

In addition probing the questions described above and on the prior page, we recommend that you look for the following characteristics, which are common to the most successful implementations.

Set Reasonable Expectations

The entire system implementation process is complex with many stakeholders and complex critical paths to success. By laying the groundwork early in the project for the difficulties that lie ahead, the project manager will be able to more easily handle issues when the project hits bumps in the road.

Establish a Governance Board

An executive oversight committee should be established to which all parties are subject. The oversight committee must have jurisdiction over both the plan sponsor's resources as well as the vendor's resources. This committee also must have the authority to make decisions without seeking additional approval. The oversight committee should be comprised of resources of the plan sponsor, including senior management and the project manager. The vendor should be required to formally present monthly progress reports. The reports should focus on accomplishments achieved since the last meeting, as well as issues that may endanger the project timeline.

Make Training a Priority

Training sessions should be held on-site at the plan sponsor's facilities in an environment that resembles actual working conditions. In most cases, the person leading the training will be different from the people who implemented the system. The plan sponsor should request that one of the people who implemented the system also be present for the training. This implementation professional should play an active role in the training session in assessing how those being trained are relating to the system. After all, the system was implemented to make their jobs easier.

Attention to Data Conversion

Convert data early and often. Without good data, the new system will be no better than the old system. During the implementation, the goal should be to convert the data no less than three times. The theory is that by the last data conversion, every problem has been identified, documented and corrected.