

## Thought Leadership Business Process Outsourcing



Organizations of all sizes today are struggling with a major problem. In an era of rising costs, they simply can't afford to maintain their current approach to employee benefits.

So how do you resolve the situation? One innovative approach is this: Transform the traditional approach to benefits management and empower employees to improve their health and financial well-being.

This timely topic is the subject of a white paper I recently co-authored with Rohail Khan, Executive Managing Director of Total Benefits Outsourcing for ACS, a Xerox Company. You can download the white paper [here](#).

### A clarion call for reform.

If you surf the Internet, you'll find that organizations around the world are calling for pension reform. It's a major topic of discussion in France, Greece, the Ukraine, and many other countries.

You'll also find headlines about the need for pension reform in a number of states and municipalities across the U.S. In fact, I recently read that the state of Connecticut now has pension obligations totaling more than \$19 billion. But it has less than \$10 billion set aside to pay for them.

Many companies in the private sector face the same problem. And they also have to contend with the rising costs of healthcare, which, according to a recent report from PricewaterhouseCoopers' Health Research Institute, are expected to go up about 9 percent in 2011.

### The status quo is unsustainable.

Given the uncertain state of the global economy, no organization can afford to increase its investment in employee benefits year after year. But cutbacks can hurt employee satisfaction and productivity. Efforts to attract and retain a talented workforce may suffer, too.

At first, this seems like an impossible dilemma. But a number of innovative organizations are finding a way out of this box by transforming the way they manage benefits to reduce costs and help employees live healthier lives.

### Making the move from entitlement to empowerment.

Rohail and I go into a lot more detail in the white paper. But in general, here are the basic steps involved in aligning your approach to benefits management with the harsh economic realities of our times.

- *Analyze the data to develop actionable insights.* When you combine internal and



**Rich Bailey**  
VP, Business  
Process  
Outsourcing  
Xerox Services—  
North America  
[www.xerox.com/  
thoughtleadership](http://www.xerox.com/thoughtleadership)

external data with the right data analytics, you can identify the specific behavioral outcomes that will be most beneficial to your company and your employees.

- *Develop carefully defined benefit-based incentives to motivate employees to change their behaviors.* The right incentives will encourage employees to act as smart healthcare consumers and improve the way they manage their health and financial future.
- *Launch a high-powered education and communication campaign.* In addition to incentives, your employees need education, information and tools to change their behaviors.
- *Communicate with your employees on a one-to-one basis.* A lot of organizations spend a fortune on ineffective employee education and communication programs. The problem? Too much of the information is generic and does not motivate people to take action. If you create simple, action-oriented, one-to-one communications, you will increase your ability to achieve the desired behavioral change outcomes.
- *Reach your employees through their preferred channels.* With a multi-channel communication strategy that includes self-serve web portals, email, print, social media, mobile computing platforms and call centers, you will get the message through to employees regardless of their media preferences.

### Innovative organizations are getting results.

Safeway launched an innovative program to motivate employees to adopt healthier lifestyles and behaviors by combining the right incentives with an aggressive communications campaign. This comprehensive program is also helping the company control the rising costs of healthcare insurance. A world-renowned retailer took another approach by developing a multi-faceted educational campaign to help employees improve their financial management skills.

These stories prove that it's possible to strike the right balance between fiscal responsibility and employee satisfaction with a transformative approach to benefits management. So find out more by reading the white paper. [Then e-mail me your thoughts and questions.](#)

I look forward to hearing your views on this increasingly important topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Rich Baily". The signature is fluid and cursive, with the first name "Rich" and last name "Baily" clearly distinguishable.

Rich Baily