



Benefits Think Tank
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Exclusive Follow-up Material for Attendees of Benefits Think Tank Session II *Planning Benefits Strategically: A Benefits Best Practice*

Benefit Strategic Planning

Definition: **ben-e-fit stra-te-gic plan-ning**

1. The formal consideration of an organization's future course as it relates to human capital management
2. An organization's process of defining human capital issues, direction and making decisions on allocating its resources to pursue defined objectives, including its capital and people.
 - a. A proactive process that is internally focused, with management in control.
3. The outcome is normally a strategic plan which is used as a guide to define implementation plans.

The Value of a Benefits Strategic Plan

The employee benefits marketplace has become increasingly complex and competitive. The central questions that need to be addressed are: What is your organization's current strategic view of benefits and HR? What are today's human capital management priorities? What is the role of your benefits program? Why do you spend money on benefits? And what do you want to accomplish with your benefits program over the next 3-5 years?



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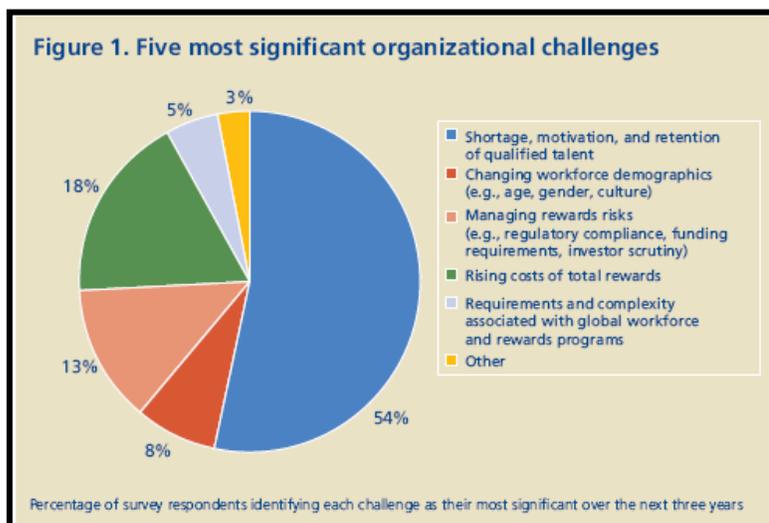
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At a strategic level, the primary concern of CEOs and Boards of Directors is optimizing the money spent on benefits to attract and retain workforce talent.

In many organizations, HR has been viewed as a “tactical function” as compared to a “business partner” of other departments within the enterprise. Advancing HR and transforming this discipline to one that proactively advances business strategy is a major focus of forward-thinking CEO’s.

The cost of the total rewards package and controlling the expenses associated with the total rewards package remain important issues. For

several years this central issue topped the list of primary employer concerns. Today, however, cost reduction and containment has been eclipsed by the need for talent management.



Today, the shortage of qualified employees as well as motivating and retaining existing employees is the leading priority for a majority of organizations. (Data and Graphic Source: Deloitte Top Five Total Rewards Priorities Survey)

Since you are a key advisor on benefits and HR topics working in conjunction with your Benefits Advisor, you must be prepared to deliver solutions that address today’s needs while anticipating tomorrow’s challenges. Utilizing strategic planning as a tool, and building a Benefits Strategic Plan, is the starting point from which success will be achieved.



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Strategic planning determines where an organization is headed over the next several years – and maps out how it is going to get there.

A solid strategic plan is the culmination of a deliberate set of activities that:

- Assesses needs and resources
- Defines a target audience and a set of goals and objectives
- Plans and designs coordinated strategies
- Logically connects these strategies to needs, assets, and desired outcomes
- Incorporates contingency planning and budget forecasting
- Measures and evaluates the process and outcomes

A Benefits Strategic Plan is a strategic plan specifically focused on the current and future needs of a company as it relates to its employee benefits program.

It articulates how the benefits program will continue to support the attainment of the overall business plan and corporate objectives while taking into consideration tactical and budgetary priorities.

The main objective of any strategic plan, and specifically a Benefits Strategic Plan, is to strengthen the management decision making process by recognizing and addressing key internal and external factors that affect the business and the benefits program. It will also build consensus among the key constituencies.

HR professionals who choose to employ this approach will transform their own role in the process and improve the effectiveness of the benefits program they are charged with managing. In the process, they elevate their status in the organization to become a trusted business partner or advisor.



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Benefits Strategic Planning Made Easy...

Daymark Advisors and Selden Beattie Benefit Advisors advocate a nationally recognized, six-step process that simultaneously serves as a *project plan*, and a *springboard* for future management decisions regarding the benefits program.

When engaging in the strategic planning process the following themes should be emphasized:

- Clearer alignment of the total rewards strategy with the overall business strategy is a critical key to success for all employers today. HR must play a strategic role in the organization and be the driving force behind the workforce becoming a unique competitive advantage for the company.
- A well-defined road map (ie – Benefits Strategic Plan) is an essential tool to ensure proactive management of the rewards program and its alignment with the business mission. This is a philosophical approach that will aid HR professionals and make their job easier. The absence of such a plan results in HR being relegated to a reactive role that diminishes the potential of a company's biggest asset – their workforce.

The Benefits Strategic Plan in Practice

Embracing the concept of the Benefits Strategic Plan will cause a long-term, positive change in the planning and management of your benefits program.

You should expect your Benefits Advisor to facilitate the strategic planning effort. During the planning process, your Benefits Advisor



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should meet and work jointly with you to strategize and develop the essential components of the Benefits Strategic Plan. At the conclusion of this collaboration, the Benefits Advisor should produce a final document for your organization that memorializes the Benefits Strategic Plan.

At this point, the Benefits Strategic Plan becomes the project plan for the near-term. It is the roadmap for: managing benefits and containing costs, modifying plan design and introducing new voluntary benefits, enhancing or improving benefits communications, adjusting or implementing new administration processes, and leveraging technology.

Looking further into the future, on a semi-annual or annual basis you and your Benefits Advisor should utilize the Benefits Strategic Plan to review progress and to ensure all activities are aligned with the current business circumstances. You should formally update the Benefits Strategic Plan each year.

Contact us for assistance in facilitating the strategic planning process and the creation of a written benefits strategic plan for your organization.

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