

CURCIO ✦ WEBB



Health & Welfare Benefits Administration

Human Capital Management (HCM):

Should we implement an internal software platform
or hire an outsourced / co-sourced provider?

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HCM Software vs Service: 10 Considerations

Should you implement the HCM system selected by your IT/HRIS group or search for a benefits administration provider (outsourced or co-sourced)?

Review the attached decision criteria and place an X by the answer that fits best. We recommend several people in your organization complete this worksheet and compare scores.

Criteria	TRUE	FALSE
1. Our IT Group wants to manage the HCM system internally. <i>Challenge: You may be faced with internal political pressures to implement an HCM solution, even when this is not the right option.</i>		
2. We have adequate resources (internal or external) to implement and maintain an HCM solution. <i>Challenge: It can be difficult to find HCM resources know who know the system and have employee benefits knowledge.</i>		
3. We have the software development resources (internal or external) to change the HCM solution when our business or benefit design changes. <i>Challenge: Ongoing support resources can be even more scarce than implementation resources, depending on the HCM solution selected.</i>		
4. We have an HCM solution in mind. We're confident this solution can manage the plan complexity of our organization. <i>Challenge: Some HCMs are not designed for complex plan design, such as retiree H&W plans, unions, split families, etc.</i>		
5. The selected HCM solution supports ancillary H&W requirements such as COBRA, direct billing & ACA. <i>Challenge: Many organizations find it difficult to use their HCM service provider to manage these specialized functions and choose to outsource the ancillary functions.</i>		

Criteria	TRUE	FALSE
<p>6. The HCM service provider is fully committed to employee benefits and can make changes quickly when needed.</p> <p><i>Challenge: Employee benefits are frequently impacted by legislative changes that require plan design creativity, efficiency and agility.</i></p>		
<p>7. We are prepared to hire, train and maintain internal staff to support H&W benefits administration.</p> <p><i>Challenge: Using an internal HCM solution normally means internal staff will provide customer service and operational support.</i></p>		
<p>8. We are prepared to create and maintain a HIPAA-compliant service environment for internal HCM staff.</p> <p><i>Challenge: Creating and maintaining a HIPAA-compliant environment can be challenging and expensive.</i></p>		
<p>9. We're prepared to deal with unpredictable costs.</p> <p><i>Challenge: In outsourced or co-sourced service provider contracts, costs are relatively fixed over the life of the agreement, including some predictability around change orders. With HCM solutions, it is more difficult to predict costs, because they're driven by availability of support staff and the need to adjust system requirements to address changes in the environment.</i></p>		
<p>10. Our participants don't want or need tools such as chatbots, mobile apps, plan selection tools, etc.</p> <p><i>Challenge: Many HCM solutions are not investing in employee benefit administration, whereas service providers are moving quickly to incorporate new technologies into their offerings.</i></p>		

Scoring Your Results

Once you've completed all 10 questions, go back and add up all the TRUE questions.

Your score is: _____

Interpreting Your Results

The higher your score, the more likely it is that you are prepared to take on the management of your HCM solution internally. A score of 10 would be 100% in favor of purchasing HCM software, and a score of 0 would be 100% in favor of using a co-sourced or outsourced service provider. However, if the results were that clear, you wouldn't be taking this assessment.

Every situation is different, and you may have one answer that's an absolute deal-breaker for you. The point is to use these consideration points as a guide for internal decision-making.

HCM Software or Service Provider Search, Benchmarking & Contract Renewal Help

Whichever direction you decide to go, Curcio Webb can help. With over 22 years of employee benefits systems and solutions experience under our belt, we can help you either re-negotiate your existing contract or conduct an objective search.

Contact us at <https://curciowebb.com/> or by calling (847) 279-7341.