

Nashville Business Journal

JUNE 2-8, 2000

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TRAINING & PERSONNEL

Online enrollment

High-touch industry goes for high-tech

By Claudette Jones

Two veterans of the insurance and employee benefits arena have joined forces to drag their industry into the 21st century by creating an Internet-based company to provide online benefit election and administration.

Nashville entrepreneurs Matt Cowan of Cowan Benefits Services and Tom Smith of Southeastern Benefits spawned their new joint venture, BenefitEnrollment.com, to improve the existing employee benefits presentation process and simplify the management of employee benefits.

While BenefitEnrollment.com isn't alone in its efforts to bring the industry into the computer age, it has certainly risen to the task.

"There are large national firms that handle benefits outsourcing for corporations employing several thousand people, but the customer we're looking for is smaller," says Smith.

Launched in April, BenefitEnrollment.com has developed an online benefits enrollment process for businesses with anywhere from two employees and up.

Smith and Cowan are both independent benefit brokers and neither is a newcomer to insurance or benefits management. They are counting on their experience to create a useful tool for their industry.

Cowan, before going into business for himself, managed the employee benefits department of a major national brokerage firm. He graduated summa cum laude and first in his class in the School of Management, according to Cowan and Smith. Outsourcing of both employer, as well as employee funded benefits, can eliminate the day-to-day chores of benefits maintenance in addition to onsite enrollment.

Using BenefitEnrollment.com, computer-savvy employees of the firm's clients can sign up for a wide variety of benefits that they can pay for and forecast the cost of several different scenarios of benefits before ultimately deciding which custom package to choose.

Some brokers aren't ready to believe that the Internet will ever replace face-to-face relationships with their clients.

"There will always be a need for service delivered with a personal touch. I don't know that high-tech will ever replace high-touch, but anytime you can give the client

Business at the University of Tennessee.

Smith, a University of Georgia graduate, moved through the insurance ranks from employee benefit counselor to enrollment manager, before becoming a marketing representative working with brokers in designing and implementing voluntary employee benefit plans. He then joined a voluntary benefit firm as director of marketing and designed benefit plans for companies with 500 or more employees.

While they have joined forces to start BenefitEnrollment.com, the two entrepreneurs' firms continue to offer their respective specialties. Cowan Benefits Services specializes in employer-funded programs and Southeastern Benefits offers voluntary employee-funded programs.

As benefit packages have become more sophisticated, business are finding it simpler to outsource the majority of services they used to manage internally.

In a broad sense, the entire benefits function is a cost-effective service, you're on the right track," says Brock Baker, president of Nashville-based Baker Benefits and a 20-year veteran benefits broker.

Human resource benefits coordinators say there will be a group of employees who will welcome the opportunity to actively participate in their enrollment online. Those people will go online to check their benefit status, print out updates, and use the service to research questions they have about their benefits.

But, HR coordinators admit, there will also be a group of employees who are not as computer literate, and are therefore uncomfortable with online enrollment.

Wayne Wilson, director of Electronic Commerce for Blue Cross Blue Shield of Tennessee, says his employer, the insurer of



NEJ photos by Todd Stringer

Thomas Smith, owner of Southeastern Benefits, and Matt Cowan, president of Cowan Benefit Services, outside the Cool Springs office of their joint Internet venture, BenefitEnrollment.com, at the Dover Centre.

tion and all insurances — health, life, and AD&D; cafeteria plan items like pretax 125 selections; and 401K fund allocations — approximately 2.5 million Tennesseans, has a similar online enrollment site under development. BCBST plans to activate its site by the end of the year.

But rather than outsourcing its enrollment function, BCBST prefers to protect and maintain control of records for the customers enrolling directly into the plan. However, the BCBST site will be capable of accepting electronic enrollment transactions from independent enrollment vendors, such as BenefitEnrollment.com.

"We're interested in being able to keep our enrollment data current. The challenge for us all is providing the customer with both access and ease of use without losing the personal touch," Wilson adds.

Claudette Jones is a Nashville freelance writer.