



WHITE PAPER

How to increase – and *keep* – your association membership

You should read this paper if . . .

You're looking for ways to attract new members and keep existing ones.

You want to provide benefit services that are attractive, powerful, and that set you apart from other associations.

You want a compelling answer to the question, "Why should I join your association?"

You want to avoid the frustration of seeing current members leave because they are finding better benefits and services somewhere else.

but...

You don't want to increase associated costs and you want to be able to stay with the broker you have now.



MASTER THE BUSINESS OF BENEFITS

Getting and keeping members

It used to be that, if you were a United Healthcare or MetLife, you could afford to offer the kinds of packages and services that wowed your clientele. But not if you were a smaller business.

That's not true anymore.

You know it's no snap to build and retain membership in an association. It costs a lot of time, money and energy to get members. And it costs more time, money and energy to keep them.

Members want more

With member expectations on the rise, and with an increasing number of associations that potential members can choose from, your real challenge is to make your association stand above the rest. You want your organization to be everybody's first choice. Right?

But, how do you do that?

The answer I'm about to give might sound flip, given the perceived difficulties involved, but it *is* the right answer. Here it is: You've got to offer the best benefits package around. And you've got to be sure it's backed up with unparalleled service.

I can almost hear your reaction: "Sure, and if I had all the resources in the world, I could probably pull that off."

You've probably talked to brokers about this. And, unless they're among the enlightened few, they've told you how difficult the situation is. That they'd love to offer better benefits and more services, but their commissions are dwindling, they don't have the resources, competition is stiffer. In other words, it ain't likely to happen.

And, not too long ago, the brokers would've been right on the money. It used to be that, if you were a United Healthcare or MetLife, you could afford to offer the kinds of packages and services that wowed your clientele. But not if you were a smaller business. That's not true anymore.

Welcome to the 21st Century

Times have changed, and I think you need to know about a factor that makes it entirely possible for smaller brokers — and you, their associations — to offer the health, dental and life insurance packages and services that members demand, while, at the same time, reducing costs, increasing sales, and drastically improving retention rates.

It's a factor your broker would love to know about. And it's a factor that can make your association shine like a full moon in the night sky.

But, for whatever reasons, this factor is little-known in the industry. That shouldn't be the case, and that's why I've written this paper.



The difference between thriving associations and dying associations

- It is Web-based.
- It's easy to use (there's virtually no training involved).
- There's no maintenance required.
- No high-priced techs needed on staff.
- No hardware to buy.
- No servers necessary.

The factor I'm talking about is Web-based technology. Specifically, Web-based benefits management technology.

If you're thinking of all the costs, hassles and administrative nightmares associated with typical computer systems, don't. This is vastly different, and it involves none of those factors that have kept brokers and associations from reaping the advantages.

Because it is Web-based, it's easy to use (there's virtually no training involved), there's no maintenance required, no high-priced techs needed on staff, no hardware to buy, no servers necessary.

Here's how it works: Your broker signs up for a benefits management service known as an application services provider (SaaS). The right service will include all of the features and benefits that I'll describe in this paper. The benefit to you, the association, is that your broker will be able to assign you a Web site that gives you access to all of the features and benefits that I'm going to talk about.

Believe it or not, that's about all it takes from your standpoint. But, once you have access to your Web site, you'll be able to offer your members what they want.

The track record of comprehensive Web-based benefits management technology proves that it can enable brokers and their associations to offer the products and services that your members demand, increase sales dramatically, improve retention; increase the bottom line for everyone.

The results of using Web technology are often startling. Here's an example to peak your interest:

A leading association of building contractors knew it was having problems, and a self-assessment revealed the following:

- The number of members was stagnant.
- The association offered no differentiated products or services.
- It had an aging insured-member profile with increasingly smaller companies.
- It had little access to customer data from its insurers.
- The underwriting experience of the medical plan was deteriorating with anticipated premium increases of 30 percent to 40 percent.



The association decided to make changes that included Web technology. The results:

- Sales doubled in 18 months.
- A 100 percent increase in the number of lives, to more than 10,000, within two years.
- More than 95 percent of new employers and more than 75 percent of all employers chose electronic (EFT) payment processing. This resulted in a reduction of late payments to less than one percent.
- An 80 percent decrease in the number of retroactive premium adjustments.
- More than 75 new business members joined the association because of the insurance program.

One thing to keep in mind. Not all Web-based systems are equal. Some produce and others don't. The system that will deliver the benefits that I talk about here will include all of the following:

Appropriate and Flexible Features

Regardless of other features, good Web technology must be flexible. For example, some brokers might not want to use online quoting tools. Others might have special sales and customer-support processes that have to be integrated into the site. Web-based packages must conform to the unique requirements of individual brokers, the markets and their carrier partners. Rigidly-designed packages will not only increase costs needlessly, but will not be as flexible in other areas as they will need to be.

Readily-Available Self-Service

Web tools, accessed on secure Web sites, are available — at the broker's discretion — for use any time your members or carriers want to use them.

In smaller companies that are unlikely to have a dedicated HR person, the business owner, the president, or someone else who already has a full-time job, maintains the company's health, dental and life insurance packages. Experience tells us that, for obvious reasons, they want to be able to do this maintenance work outside regular business hours, when the broker isn't available. Often, their jobs demand that they do it after hours.

Self-service Web tools let them do it, conveniently, whenever they have the time. You can see why this is an important issue for them.

Branding for the Broker, Association, and Carrier, as Appropriate

Branding is an important part of the package because it reminds your members that you are providing the services every time they go to the site for information, make a change, or pay a bill.

Not all Web-based systems are equal. Some produce and others don't.



Enrollment tools must be easy to use and they must ensure accuracy. You or your broker should be able to use the tools to assist your members in understanding the right products for them, without getting bogged down in paperwork.

Single Data Entry

With a single point of entry, once data has been entered (a name, a marital status, names of children, and so on), it is shared electronically, in every appropriate stage of the entire system. There is never a need to enter the same data more than once.

Online Quoting — Flexible Tools

Regardless of how online quoting tools are used, they streamline the quoting process. Online quotes will:

- Display rates immediately. There must be no waiting, no phone calls, no faxes, no phone tag involved.
- Provide plan descriptions and comparisons. To be effective, these must be available onscreen, immediately, to whomever is entering the quote.
- Display other helpful information that encourages self-service (if appropriate) and promotes accuracy. When users encounter questions that might stump them, help should be available, onscreen. SIC codes, for example, can be a problem in the case of many small businesses. But, a click in the quote screen will give the member the right code.

Enrollment Tools Must Promote Clean Data with Minimum Effort

Enrollment tools must be easy to use and they must ensure accuracy. You or your broker should be able to use the tools to assist your members in understanding the right products for them, without getting bogged down in paperwork.

In addition, online enrollment features should include:

- Easy-to-understand questionnaires, requiring little or no outside help.
- Built-in quality checks to reduce or eliminate the need for scrubbing. If someone inadvertently enters conflicting data, or omits a required field, the system should require a correction. Less data scrubbing = lower labor costs.
- Electronic underwriting: Once data has been entered, underwriters must be able to access census details online. This saves reams of paperwork, labor and transfer time. Quotes move through the system much quicker — and much more cheaply.
- Easy-to-provide, secure electronic enrollment data to carriers in whatever formats they require. Doing this eliminates the need to re-enter enrollment changes at the carrier site. That means more savings, more accurate information.



Cross-sell, up-sell or identify likely new prospects. You are able to identify existing members who are likely prospects for cross-selling and up-selling. Good Web tools make the possibilities practically endless.

Billing and Census Management: More Value for Your Members

Billing and census management tools provide your members the kinds of services they want — and will use, so they’ll be more likely to stay with you. You keep your members, and you keep them with less time and cost. These tools will provide the following:

- Single-point access for all insurance information (“one-stop shopping”): Any authorized person in the process (employee, employer, broker, association) can find all benefit information in a single screen.
- Consolidated bills with current data: Billings must include up-to-the-minute information for all applicable products. If an employer changes a bill (because of a termination, say), the change is reflected on the bill immediately. This virtually eliminates retroactive premium adjustments. And, for many small business owners, the ability to get employees on and off in real-time, can make the difference between bouncing checks and not.
- Personal home page for employers: Each employer is able to access a secure, branded, home page to get personalized information or make adjustments.
- Electronic premium payments: Create the option for employers to pay premiums electronically. Electronic premium payments virtually eliminate late-pays. They also eliminate the labor involved in rectifying late payments. The vast majority of small business owners choose to pay electronically, which reduces labor costs.
- Electronic data transfers to carrier systems: It must be simple to upload all billing and census management data to carriers. Doing so eliminates the need for data re-entry or filling out a lot of forms.

Web Marketing Tools = Information = Increased Membership

The Web tools you use can collect all of your member information — group listings, products, demographics, and so forth, as the foundation of your marketing efforts. Having good Web tools will mean you won’t have to collect information from a lot of sources. You’ll have it all just a click or two away. In addition, these tools allow you to:

- Cross-sell, up-sell or identify likely new prospects. You are able to identify existing members who are likely prospects for cross-selling and up-selling. Good Web tools make the possibilities practically endless.
- Research and define new products. Web tools will make it easy to research and define new products and packages. If, for example, a segment of your member base seems ripe for a product or package that isn’t currently available, these tools will help you identify it, refine it, and then sell the idea to carriers and clients.



- Create and send surveys to find out what products and services are important to your members.
- Send sales and marketing communications automatically. You will be able to email surveys and other marketing pieces to defined groups of members and you will be able to do this according to a pre-defined schedule.

Information comes into your system from all your members and carriers. Your Web-based system must make it easy to organize the data however you wish — so you can identify sales possibilities, survey prospects and identify and propose solutions. Then these tools help you direct your efforts at your members, brokers and carriers — as appropriate. The result: Targeted efforts that sell more efficiently, produce more revenue and increase member retention, with a minimum of effort on your part.

Because Web-based technology is flexible, you can be a lot more flexible, too — and pass the benefits on to your members.

More Control Over Your Business

Because Web-based technology is flexible, you can be a lot more flexible, too — and pass the benefits on to your members. Maybe you'd like to incorporate life and dental insurance into your offerings? Offer self-directed plans? Web-based technology handles all that. You can consolidate all premiums on one billing, even if different carriers are involved. That means a single bill and a single payment for your members. You think they won't appreciate that?

Garner more influence with carriers

Also, a lot of associations feel they're stuck with a particular carrier simply because of the tremendous amount of paperwork and other administrative work involved in making a switch.

With the right Web-based technology, that's simply no longer the case. Because the Web-based system maintains all of your enrollment information, you can switch carriers with virtually no administrative work involved.

Switching to a new carrier is also seamless for your members, so you won't have to feel bound to a particular carrier simply because the prospect of switching is too daunting. Think of the leverage that gives you.

Remain free to choose your broker

For many associations, being able to stay with a particular broker is vital. They want to continue working with someone who knows the particular needs of their organizations. If your broker is willing to give Web-based benefits management a look, you'll not only have done yourself a great service, you might possibly give your broker a new lease on life, too.



How do you make it happen?

- Everybody involved wins. Brokers can offer better and more appropriate benefits packages.
- Carriers get secure and accurate electronic data in whatever format they want, and their underwriters can access the information online.
- Your members get the service and convenience they're coming to demand.
- You get and keep more members; thereby staying vital and setting yourself apart from the competition.

They say a journey of a thousand miles begins with the first step. (Actually, that sounds a little daunting to me.) Your “journey” involves only a little more research (or asking your broker to do it), and you can be on your way to:

- Attracting new members and keeping the existing ones.
- Providing benefit services that are attractive, powerful, and that set you apart from other associations.
- Being able to say to prospective members: “We have the most comprehensive benefits and the best service around. That’s why you should join us.”
- Forget the frustration and feelings of helplessness when you watch members leave your association because they’ve found better benefits and services somewhere else.

Associations, members, brokers and carriers all benefit

Web-based technology is good for everybody involved. Don’t get the idea that you, as an association, are transferring more work and responsibility to others in order to reap these benefits. Everybody involved wins. Brokers can offer better and more appropriate benefits packages. They can also reduce their costs and increase sales and retention at the same time.

Carriers get secure and accurate electronic data in whatever format they want, and their underwriters can access the information online. This saves them reams of paperwork, labor and transfer time. Quotes move through the system much quicker — and much more cheaply.

Your members get the service and convenience they’re coming to demand.

You, the association, get and keep more members; thereby staying vital and setting yourself apart from the competition.

Think again about the results that are possible with Web-based technology:

- Offering online quoting can (and has) doubled sales in 18 months.
- Online sales tools have increased closing ratios by as much as 25%.
- Online enrollment has improved data quality, increasing the percentage of clean apps from the typical 50 to 60 percent to more than 95 percent, reducing the associated time-consuming need for scrubbing and resubmission.
- Online, self-service census changes have reduced costly retroactive changes by more than 80 percent.



- Busy business owners use self-service Web sites after regular business hours more than 25 percent of the time.
- Given the opportunity, as many as 95 percent of small business groups choose electronic payments.
- Electronic bill presentation and payment can reduce late payments to less than one percent.

Some of these results, of course, apply more directly to the broker, some to the carrier and some to you, the association. But all of them positively affect the most important element of this equation: your membership. And therefore, your association.

All of [these results] positively affect the most important element of the equation: your membership. And therefore, your association.

Take your association where you want it to go

I've got more than 30 years in the benefits field, and I strongly recommend that you look further into using Web technology in your association. Brokers, of course are the advance guard in such an endeavor, so why not suggest to yours that she or he look into the concept?

Or, if you'd like to take the lead and find out more yourself, just give me a call. I'll be happy to discuss any aspect of the issue with you.

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About the Concero Technology Team

It takes more than solid technology to provide complete solutions for associations, brokers and carriers. To meet the challenge, Jay Lewis and Concero have put together a team with a combined 60 years of experience in insurance brokering, equal time in sales and marketing, and more than 130 years of combined experience in applying operational improvements in healthcare organizations.

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