

Benefits Strategic Plan

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Why do you offer employee benefits?

- Recruitment/retention
- We have to...don't we?
- Need to have healthy employees so they show-up for work.
- Right thing to do.

Why? What's in it for the Company?

- Two primary reasons:
 - Employee Engagement
 - Benefits touches employees and their families more than any other area of HR
 - “Engaged” employees will put forth additional effort
 - Stay in business
 - Healthcare costs represent a larger and larger share of company expenses
 - Premium cost (per employee)
 - 2012: \$10,522
 - 2013: \$11,188 (projected*)
 - Wellness spend continues

*SHRM (10/2012)

What's in it for employees?

- Primarily: Security
 - For them and their families
- Other potential incentives:
 - Opportunities to take time-off to volunteer at their child's school?
 - Vacation and Sick time or PTO

How do we get “Employee Engagement”?

- Employee Engagement occurs: When employees perceive that their employer recognizes their personal needs and seeks to add value to their life.
- Why is this important?
 - More productive employees
 - Employees will expend additional energy towards their work – give back to the employer.
 - Feel more connected to the organization, trust builds.

Definitions of Strategy

- Business Strategy: A long-term plan of action taken by a company that is designed to achieve a particular goal or set of goals or objectives.
- Imagining the future and creating a plan to realize the vision.
- Getting from point A to point B.

Basic Components of a Strategic Plan

- Vision – If you were to see a future state of the Benefits Plan, what would it look like?
- Mission – What is your stated purpose?
- Goals – Important steps in achieving the Vision.
 - Metrics – measurements to determine when you have achieved your goals

Aligning with the Business Strategy

- Example of grower that specializes in green house production
 - Business Strategy: *To increase operating efficiencies by reducing costs by 5% annual and grow our business by 100% over the next 5 years.*
 - How can Benefits support the business strategy?
 - Maybe by making sure you hire the best and brightest to achieve the efficiencies desired.
 - Example : The Benefits program will enhance our ability to hire and retain the top candidates in green house management.

Keep your statements simple and focused



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Operational to Strategic Transformation of HR

Operational (Employee Focus)		Strategic (Organizational focus)
<i>Reactive</i>	↔	<i>Proactive</i>
Collecting HR Data	↔	Measuring HR with Metrics
Responding to goals and objectives set by executives	↔	Setting Strategic HR Goals and Objectives
Complying with laws, policies, and procedures	↔	Developing and revising policies and procedures
Administering employee benefits programs	↔	Evaluating benefits strategically
Designing training programs	↔	Identifying organizational training needs
Staffing jobs by recruiting and selecting employees	↔	HR planning & linking with external staffing resources
Administering base compensation plans	↔	Developing compensation plans focusing on employee performance and retention

Where to start?

- Benefits or Wellness Strategic Plan?
- Start with the end in mind. What's your Vision?
- How long a period will your plan cover?
- Who should create it?
 - HR members only?
 - Team approach?
 - Broker/Consultant? Health Carriers?
- Executive Buy-in

Goals

- How many?
 - What will you realistically be able to achieve?
 - Important steps that, if not accomplished, will prevent you from realizing your vision.
- Metrics: How you know you are achieving your goals.
 - What will you be able to measure and how will you measure?

Template for Benefits Strategy

- Vision: Our employees consider our firm one of the top five places to work in our industry.
- Mission: To provide a benefits package that recognizes the critical needs of employees by providing a full-range of services and opportunities that will improve employee's lives.
- Goals:
 1. Identify key factors that top 20 firms in our industry have in common in their benefits program.
 2. Prioritize and budget most important programs.
 3. Establish a benchmark by creating a benefits survey.