

# BENEFITS SELLING™

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## Voluntary advantage

Effective worksite  
marketing  
remains critical

## Keep it up

Customer service  
can redefine  
your practice

## Party crashers

More than  
40 TPAs  
offer help

“Self-service  
is not service”

Ron Kleiman's unique  
business model takes  
enrollment to the next level



# GOOD CALL

## RON KLEIMAN DIALS UP ENROLLMENT SUCCESS

*Interview by Denis Storey • Photographs by Brett Kramer*

**F**or someone with a background planted firmly in the forefront of the benefits business, you would think Ron Kleiman would be a little better at planning ahead. You'd be wrong.

"I certainly never intended to be in the insurance business," Kleiman admits.

Kleiman, president of Long Grove, Ill.-based BenefitVision Inc., helped pioneer tele-enrollment in the United States.

"I would say 90 percent of our business today is involved in this tele-enrollment process. Now we have more than 100 call stations. And that has, by far, become the bulk of our business," Kleiman says.

Kleiman's clients include Aramark Corp., Pepboys, Linens & Things, Los Angeles County and Lowe's Credit Union — among others.



“We’ve been doing hospitals in New York and in Cleveland. We have water management districts down in South Florida,” he adds.

But he actually left college with a journalism degree from Southern Methodist University. Next thing he knew, he found himself on television, reporting for an ABC affiliate in Dallas.

Despite the glamour, Kleiman wasn’t happy with the money and began a string of corporate communications gigs with companies such as Ford Motor Co. and General Electric.

He finally broke into the benefits business in the mid-1980s when Mercer took over the company he worked for. Kleiman suddenly found himself supervising 250 communication consultants.

This was a time, Kleiman says, when companies began switching from a passive to more active approach to marketing benefits to employees.

**BENEFITS SELLING: That put more of the responsibility on the employees themselves.**

**RON KLEIMAN:** Employers had to make informed choices as to what they wanted to do with their employee benefits. All the big consulting firms were running up very large fees for service bills on behalf of their clients, but at the end of the day if you asked the client how well their employees understand their benefits, the answer you got back consistently was ‘not very well.’ Then you had to go back and ask why not. We just put all this effort into it. It is interesting, by the way, if you ask a client today how well the employees understand their benefits, you get the exact same answer.

**BS: What did everyone perceive as the problem?**

**RK:** The answer you got then was that [employees] just don’t read. You get the same answer today. Every time I say that, clients nod their head like crazy. That is the issue. So, the question was, is there a better way to help employees really understand their benefit plans. Going back to 1985, the laptop computer had just been made practical. They were very large. They used to call them lug-

gables. They weren’t very smart but at least they were sized to where you could actually carry them. And we at Mercer, at that time, had been working on creating interactive computer programs, and we developed the concept of creating a laptop presentation. We could take it out and show it to employees. It would have their name on the screen. It would only have the benefits that they need to



know about and we could even make it interactive where we could get people involved, get them to interact with the program. We could capture enrollment decisions. This would be like the Rolls Royce of benefits communication because you are going to have somebody read it to them — you didn't have to worry about were they going to read the stuff.

**BS: How did that work out?**

**RK:** There was one big problem with it: It was too expensive. No employer would ever pay the cost that was involved in having these computers, the people and the presentation, and support for all that. The concept we came up with was, "Why couldn't we give it to them for free as long as we had a client's acquiescence?" That concept worked and really took off. We did a lot of public sector clients. It was better benefit communication than we were doing for any of our fee-for-service clients because they wouldn't have paid us as much as it was costing us to do.

So in 1989 I left Mercer and joined Employee Benefit Services. In 1992, I made president of the company and then in 1994 that company went out of business. Then I formed BenefitVision.

**BS: So what would be your response to someone who argues you can never get away from face-to-face enrollment — that people are always going to want that human contact?**

**RK:** I would agree with it completely. There was a period in the late 1990s when we were concerned Web-based enrollment would take over and put us out of business. That didn't happen. There were a number of companies that jumped into that and thought if we put it on the Internet everybody would come and buy.

“ I would argue that we do better over the telephone than we would have done one on one in terms of producing voluntary benefit enrollments. I have the numbers to back it up, case after case. ”

Employees don't like that impersonal Web-based enrollment. There isn't much there to help them. In the benefits selling business, we know employees tend not to enroll for benefits unless there is someone there to help them through the process. So it is all human interaction. When the employee calls, the phone is answered in the name of the employers. They believe they are talking to their home office. A live human being is on our end talking to them and we walk them through this live presentation. So it has all the advantages of the one-on-one with out the interruption of doing it at the work site.

**BS: What objections do you hear about the way you do business?**

**RK:** There are a couple myths about call center enrollment, which may be true for some people but not for us. One is that it is fine as a backup, but it doesn't have the efficiency or the productivity of one-on-one enrollment. And I would argue that we do better over the telephone than we would have done one on one in terms of producing voluntary benefit enrollments. I have the numbers to back it up, case after case. We will average anywhere from \$100 to \$250 per person in the target group in terms of voluntary benefit enrollment. Now, there are some situations where you hear all kinds of numbers people throw around. But our numbers are based on the entire population and they are pretty consistent and they are real numbers.

**BS: What do you do differently?**

**RK:** Because we are doing core benefits enrollment, we will typically contact the entire population. Most often we will have somewhere from 90 percent to 98 percent of an employee population go through our process and on that basis we will enroll somewhere from 35 percent to 50 percent in voluntary benefits. That is a better result than most organizations are going to get one on one and a lot of employers would never let someone in to do one on one if they don't want you interrupting at the job site to begin with. So our process opens the door and creates the opportunity for us, and because we touch so many people, our results are better.

**BS: What about an automated, Web-based system?**

**RK:** It's not a communication system. It is fine for recording decisions but it

doesn't help people make decisions. And employees hate those systems. Many of them feel lost in a maze and at sea in terms of making informed decisions. We work with several clients that have those Web-based systems but have engaged us to do the orientation and front end, and then we use their system to actually record the elections that the employee is making. But the broker who established that Web-based enrollment system thinks the job is done, and from an employee's point of view, I think they have missed the boat.

**BS: What is the broker's responsibility to drive enrollment?**

**RK:** They need to communicate. You need to help employees make an informed decision. I run into people who say, "Hey. It is their job. We put it on the Internet; put it on the Web, they can dig it out and figure it out for themselves." And maybe 20 years from now, maybe 10 years from now, that might work. I don't think people are that computer savvy, across the board.

**BS: Do employees want more guidance? Do you see them actively looking for it?**

**RK:** They crave it.

**BS: Do you see better response from the carrier side of things as far as the electronic enrollment?**

**RK:** Carriers love what we do because we have almost totally eliminated paper. And the cost savings of being able to do everything so efficiently is just stunning. That is a major benefit.

**BS: Why do you think it has taken so long to get this far along?**

**RK:** I can tell you from our point of view of developing the process that we have a very significant investment in making all this work. We have a

staff now of more than 12 [IT people]. Most organizations just aren't prepared to do that. From the carrier's point of view, some are clearly more up to date and aggressive at preparing to deal with electronic enrollment and others just can't seem to get the resources together to make that happen.

**BS: What do you see on the horizon?**

**RK:** We have developed an incredible Web-based enrollment program where — unlike our tele-enrollment — the employee would click on their company's benefits Web site and click "enroll" and we would come up live on their screen. You would see our enroller right on the employee's computer. You would see a Web cam right on the enroller and the enroller will talk to the employee right through the computer. You don't need a separate phone line. Now we couldn't see the employee because there isn't a Web cam at the employee's end, but the employee can see our enroller, talk to our enroller, and would see the computer program and they would operate it together. It gives whole new meaning to the name BenefitVision. We have developed that program. We have had it available for a couple of years. It does require a high-speed connection to the employee and as more and more people have these high-speed connections available, we will have a client who will want to put this in and we will.

**BS: What would you say drives your success?**

**RK:** It is never about product. It is always about service, when it comes to benefits selling and what we do. We would never go into a company and talk about our great life insurance or how wonderful it would be to come in and sell insurance to your employees.

“It is never about product. It is always about service, when it comes to benefits selling and what we do.”

That's not a priority for the companies we typically target. However, if we can solve their benefit communication needs and help people understand their benefits better. We can provide that service and save that company money.

**BS: How effective would you say the so-called self-service Web enrollment programs are?**

**RK:** Self-service is not service. It is an oxymoron. If you are doing it yourself, it is not service. So I think we are positioned in the right place. I think that is what makes Benefit Vision unique. This whole call center thing — I feel we invented something called human beings. I ought to get a patent. People like to talk to a person. They like the idea of having someone who can answer their questions and explain things to them and that is what we are really all about. ■