



## Trends

# FLEX FORWARD

With 25 years of history behind them, flexible benefits have a strong future

BY DEBBIE EERKES

**F**lexible benefits programs have been a part of the Canadian benefits scene for a quarter-century. In that time, advances in administration and communications technology have made it easier to implement flex plans—even for plan sponsors with as few as 200 lives.

This past spring, mid- to large-size plan sponsors gathered in Vancouver for a series of roundtables. Flex pioneers and recently converted plan sponsors shared their experiences with those who sponsor traditional programs. Attendees agreed that flex programs are much easier to administer today than 15 years ago.

Sponsors can now use an insurer's platform or one provided by a third party. Online manuals and enrollment tools make the process smoother from the employee's perspective. And, in an era of tight budgets and pressure to demonstrate ROI, a flex approach has helped many sponsors to achieve their organizational objectives.

### Case in Point: KCB

Klohn Crippen Berger (KCB), a Vancouver-based international engineering and environmental consulting firm, considered converting its benefits program from a traditional comprehensive plan to a flex arrangement several years ago, as its group health costs began rising. But it wasn't until the fall of 2010—when the company's Canadian

staff had grown to about 350—that Sharon Batchelor, the company's HR director, felt that the internal and external resources needed to make the switch were in place.

Designing a program that answers individual needs was important, given that KCB faces tough competition for talent—particularly in the oil and gas sector. One of the company's main objectives in moving to a flex arrangement was to provide an offering as close as possible to the previous program. KCB also sought to improve the cost-sharing arrangement, which was previously 60% employee-paid. Under the new flex program, 65% of costs are covered by the company.

A communications plan was designed to educate employees on how—and why—the company sought to change the benefits plan. The company also held focus groups with 70 staff members at all levels to get their feedback on the core plan design.

In the months leading up to the March 1, 2011, launch date, KCB frequently interacted with employees about the new plan. Local “flex champions” were trained to deliver messages across many of the company's offices, and webinar presentations were offered in other locations. The company distributed

“Benefits 101” learning materials to staff via email and created learning opportunities specifically for employees who were recent Canadian immigrants with little knowledge of the country's basic government benefits programs.

To ease the administrative burden for both HR staff and employees, plan enrollment was conducted online. KCB offered a free pizza lunch to the first division that achieved 100% enrollment and put countdown clocks on the company's intranet. These initiatives helped raise awareness of the new flex plan and led to a full enrollment when the program went live.

Keeping the flex plan implementation on schedule and achieving sustained employee buy-in were key challenges. By dealing with hiccups and questions quickly—usually within 24 hours—the company was able to follow its planned course. And the focus on employee engagement has continued over the program's first months: a recent company survey revealed a 70% employee satisfaction rate with the flex plan.

Flex arrangements can benefit rapidly growing organizations, as they can be easily adapted as the company changes. And, as KCB's example shows, clear focus and ongoing communication with employees can make the shift to flex nearly seamless. 

### Fact File

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#### EDUCATION

Washington State University

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Co-authored Morneau Shepell's *Handbook of Canadian Pension and Benefit Plans*

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