

Powering benefits through analytics and insights

Modernising Benefits in Asia Pacific—Part 6

By Jenny Lim



Managing benefit plans—from strategy and design, to ongoing maintenance and iterative improvements to keep up with the evolving talent strategy of the organisation—can at times be incredibly complex.

Employers are barraged with data that comes at them from different sources and platforms, both internally and externally. Escalating healthcare costs, the multigenerational workforce landscape, technological influence on employee behaviour, and a rapidly changing post-pandemic world, mean that it's more critical than ever to drive benefits decisions through an analytical lens.

Employers currently have access to data from:

- External sources, including benchmarks, market data, medical cost trends
- Vendors and partners, including benefits utilisation and claims information
- Internal sources, including employee data, demographics and program utilisation
- Surveys and focus groups, which more and more employers are now starting to adopt



Data is truly the new oil – but the question is, how can employers harness it?

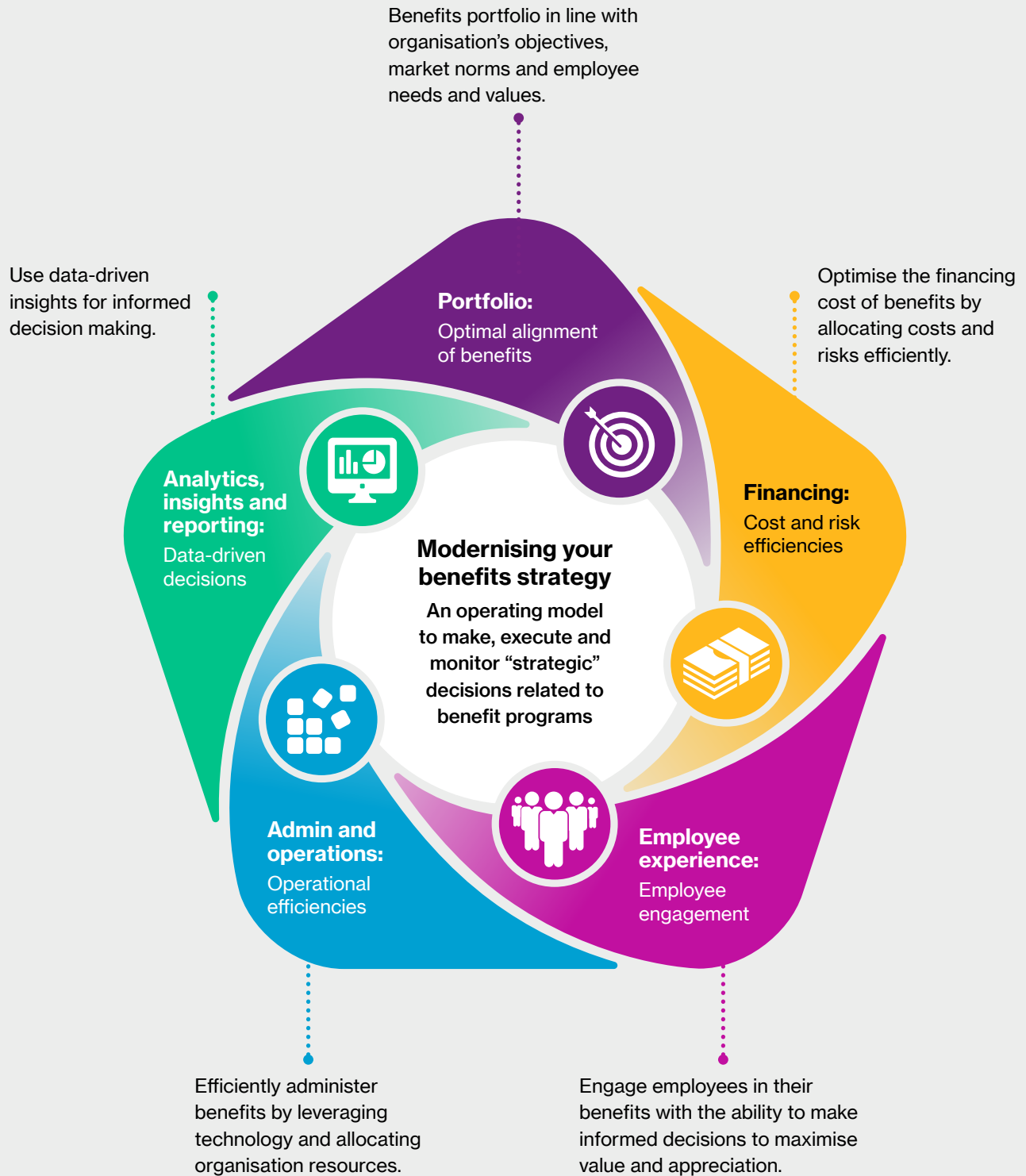
Data is truly the new oil – but the question is, how can employers harness it?

This article, the final piece of our [six-part series on modernising benefits](#) (see *Benefits Navigator* on page 2), focuses on how employers can leverage analytics and insights to ignite the power of their benefits, optimise their value on investment and ensure that they are offering a benefits program that is not only suited to the needs and expectations of today, but also ready for tomorrow's workforce.



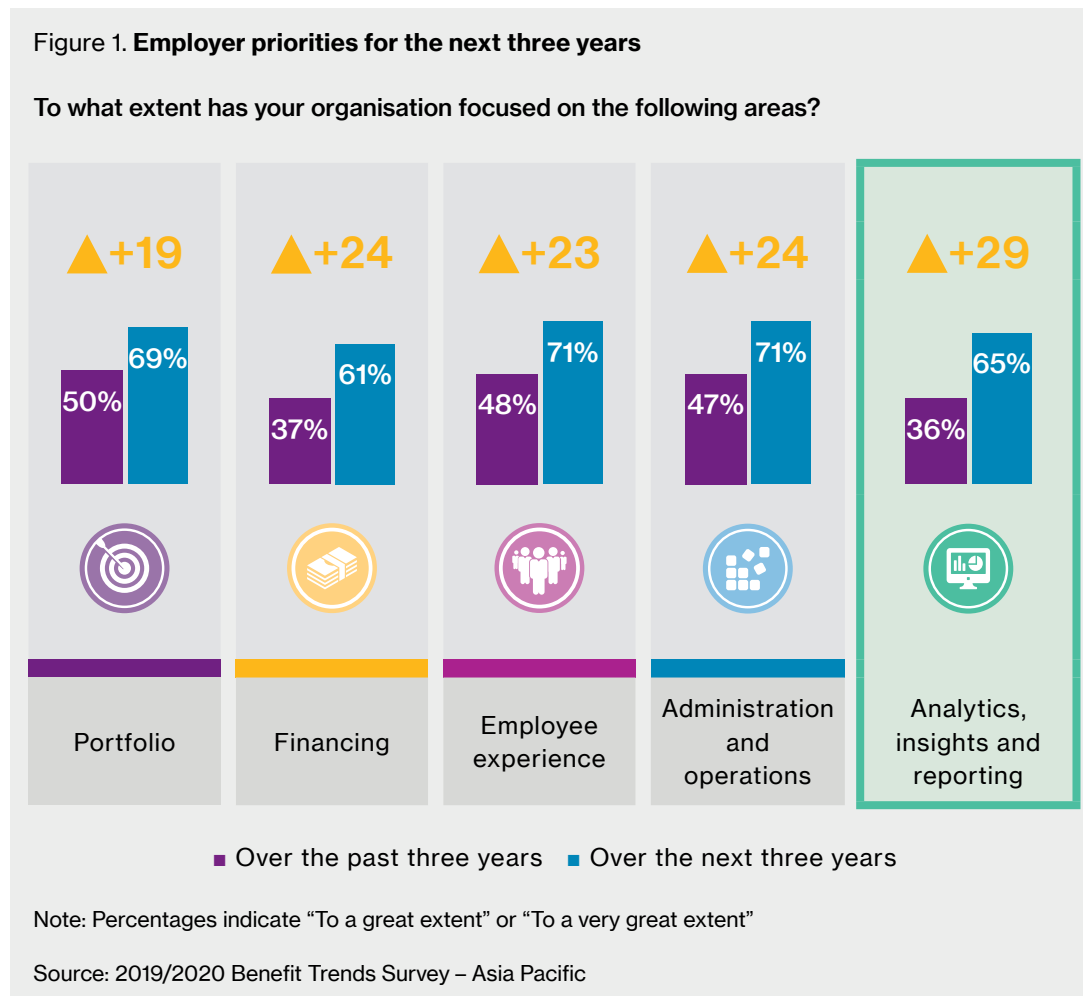
Jenny Lim
Regional Director, Client
& Carrier Management,
Health & Benefits –
Asia & Australasia

The Benefits Navigator



Employers' focus on analytics is growing

Our 2019/2020 Benefit Trends Survey found that, looking ahead three years, three in 10 employers will increasingly focus on analytics and insights (Figure 1).



With this increased focus comes a shift in how employers view data, and how they define it. Our research has found that, in the past, organisations have taken steps to understand and have oversight of **current plans and employee behaviours**, through:

- Regular claims analysis
- Auditing employee benefit programs
- Implementing formal budgeting and approval processes for their employee benefit programs



There's a shift in mindset towards a value on investment approach rather than a return on investment approach.

By contrast, we are starting to see an increased desire to move towards **an expanded understanding of benefits**, using non-traditional metrics to evaluate how employees perceive the value of their benefits program, the ways in which they utilise their benefits, how they respond to benefits communications, and also the decision-making process for benefit selection or choices. This signals a shift of mindset towards a value on investment approach, rather than a return on investment approach (*Figure 2*):

- Around four in 10 employers are looking to survey employee views on benefits plans
- Over four in 10 employers are looking to use a variety of financial and nonfinancial metrics to measure the value of their investment

Figure 2. Over two-fifths of employers are looking to adopt a value on investment (VOI) approach

Has your organisation done any of the following in the last three years, or does it plan to do so in the future?

Survey employees' view of benefits plans



Audit benefit programs, policies and procedures globally



Regularly use claims reporting analytics



Implement formal budget process across benefits plans



Use a variety of financial and nonfinancial metrics to measure the value on investment



Review data on employees' usage of key websites/materials



■ No Actions ■ Actions planned ■ Actions taken ■ Ongoing actions

Note: Percentages may not add up due to rounding.

Source: 2019/2020 Benefit Trends Survey – Asia Pacific

Emerging trends in analytics and insights

The way organisations can perform analytics and insights is changing significantly. One way as we see above is to include the use of nonfinancial as well as financial metrics, qualitative as well as quantitative data. Another has been the result of technological advancements in recent years, including artificial intelligence and machine learning. This has brought about transformative change for most sectors – and employee benefits is no exception.

Some examples of exciting advances in the use of analytics:

- **Personalised medicine**

The use of 'big data' and analytics has allowed personalised medicine to move towards greater accessibility, hindered mainly by limited consolidation of data. Data points such as patient history, genomics, medical diagnosis, blood chemistry and more, allow for creating a personalised healthcare strategy based on the individual patient's situation and characteristics.

- **Pandemic response**

During the COVID-19 pandemic, governments and healthcare organisations are using predictive models and real-time analytics to generate worst-case, best-case and most-likely scenarios as the situation evolves. The Cleveland Clinic is using analytics models to plan for a sudden spike in demand for hospital beds, respirators, protective equipment and other resources.

- **Mental health research**

Despite being in the early stages, data science and analytics is being eyed as an important tool in the field of mental health research. Mental health is a complex field and researchers are looking to use analytics for detection and diagnosis, treatment development and evaluating existing infrastructure and services.

The ideas and technology behind these applications of data analysis are not unique and these applications can most certainly be adapted to HR and employee benefits.





Some ways analytics and insights can help

There are several innovative ways employers can (and in some cases already are) using analytics and data-driven insights to make smart decisions about their benefits programs.

- **Avoidable claims analyses**

Employers can use in-depth claims data analysis to identify **what is driving costs and take preventative steps** against the most prevalent conditions. Determining which segments of the workforce are most vulnerable to which conditions allows organisations to implement better targeted prevention programs. This has the dual effect of promoting a healthier workforce and reducing overall costs by effectively spending on the prevention rather than the potential long-term treatment and consultation costs.

- **Behavioural analytics**

Organisations can tap into behaviour analytics to **detect possible indications of burnout** or stress. Machine learning can identify and catalogue areas such as typing speed, word choice and other small details to establish a communication 'norm' for a given group of employees. That same artificial intelligence can monitor the data and conduct a comparative analysis to pinpoint any details that could indicate a change in the group's mental or emotional wellbeing. From there, organisations can focus on leveraging existing programs to prevent a worsening condition.

- **Legislation changes**

Analytics can prepare organisations for the effects of external influences such as legislation. For example, the legislative mandates that require **formal procedures for tackling mental health issues** in the Philippines may necessitate changes to existing programs and plans. Using analytics tools, HR can have a holistic view of the impact to their benefits program as a result of these requirements and adjust their plans to reduce any potential negative impact.

- **Blockchain technology**

Employers can now access a suite of solutions to support their benefits programs and overall strategies. This technology enables easier access to relevant data, improves data security and reduces manual processes. The result of such improvements can lead to greater program agility and ease of personalisation.

Towards an insight driven future

It's almost a cliché to say that the world is changing more rapidly than ever before. Employers have to be agile and quick to respond to unexpected changes and risks – there's no better example than the year we're living through right now in 2020.

Using analytics and insights to power your decision-making will become more essential to ensure that you are making effective decisions – quickly. And the modern technologies we have access to today, can help you with this transformation. Rather than becoming overwhelmed by the deluge of information, employers who bring it all together in one comprehensive dashboard and use that to power their planning, implementation and administration will find themselves better positioned for the future.

How can we help?

To help your organisation compile and analyse data for modernised benefits administration, Willis Towers Watson offers **Benefits Insights**. This centralised platform offers multi-level real-time information and data analytics. It includes support functions such as:

- On-demand benefits benchmarking
- Inventory management
- Benefits and data dashboards
- Documentation

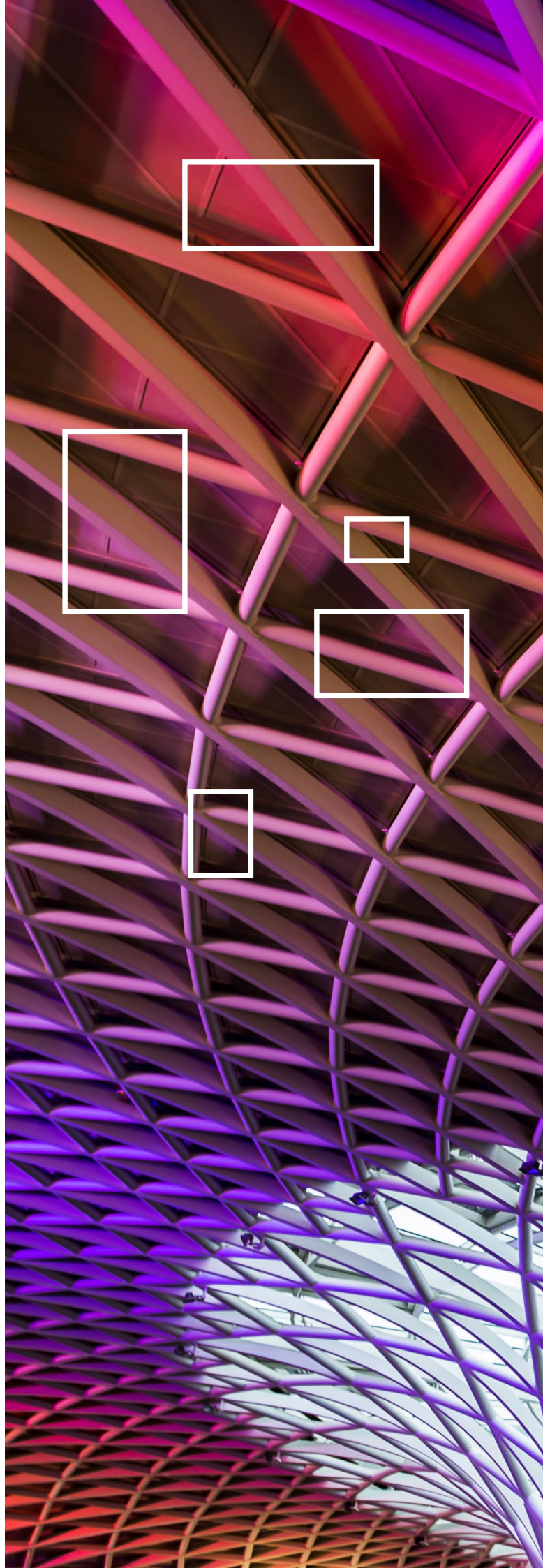
For more information

To find out more on how to power your benefits program with analytics and insights, please contact your Willis Towers Watson consultant, or:

Jenny Lim

Regional Director, Client & Carrier Management
Health & Benefits – Asia & Australasia

jenny.lim@willistowerswatson.com





About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.



willistowerswatson.com/social-media

Copyright © 2020 Willis Towers Watson. All rights reserved.

willistowerswatson.com

Willis Towers Watson