

Knowledge is Power: ABB Takes Control of its Benefits Data with HighRoads HR Control



Norwalk, CT USA
www.abb.com

“HighRoads has helped us combat rising health care costs while **improving efficiencies**. We are completing RFPs faster and reducing fees.”

Mark Snyder
Director of Benefits at Owens Corning

Background

- 103,00 employees in 100 countries
- 40 health care plans that cover active employees and retirees
- 2 self-insured and 16 fully insured vendors

HighRoads Renewal Service Benefits

- Automation of entire vendor management process
- Proactive monitoring of meaningful metrics, scope and budget
- Negotiation leverage for future contracts, services and pricing
- Ad-hoc reporting capabilities, alleviating the dependence on your consultants

Overview

ABB is a technology-based provider of power and automation products, systems, solutions, and services. Building on our core strengths of technology leadership, pioneering spirit and a sustainable approach to business, ABB helps our customers to become more profitable while lowering environmental impact. ABB operations in North America, headquartered in Norwalk, Connecticut, employs 11,250 people in manufacturing and other facilities.

Worldwide, the ABB Group, headquartered in Zurich, employs about 103,000 people in approximately 100 countries.

Business Challenge

ABB maintains 40 health care plans that cover active employees and retirees. Some of these plans are sourced, negotiated and renewed on an annual basis. Sourcing or renewing a health care plan is intensive work. There are literally dozens of items to be considered - cost, co-payments, customer service, call center performance, hospitals, doctors, quality of care, disease management, disruption to the current

care network, etc. Some of these items are quantitative, such as price or co-payment. Some are qualitative, such as provider/customer service levels and competencies.

Traditionally, to source or renew these health care plans, ABB worked with a consultant. The consultant would take the project request from ABB, create the proposed plan design and pricing models, devise the carrier questionnaires, and send all of this to the carriers. After waiting for responses, the consultant would then take all carrier submissions and be tasked with “normalizing” the data. This required having an associate key all of the quantitative data into an Excel spreadsheet so ABB could compare the financials side-by-side.

ABB was finding that not only was this process inefficient and time-consuming, but accessing its historical data from a consultant each time it performed another sourcing event was also costly and inefficient. “We were tired of paying the consultants essentially to enhance their database with information resulting from an ABB sourcing or renewing event,” said John Sackie, VP of HR Services for ABB. “The consultant was a middleman in the administration of the sourcing process which drove higher cost and added little tactical value.”

ABB needed to gain control of the data and the process associated with providing employee benefits, and in turn reduce the cost and cycle time. It also needed a much better means of scoring and comparing plans to determine which plans were the best values. At a time when ABB was trying to consolidate three incumbent HMO plans into one, a change was critical. To accomplish all of this, ABB turned to HighRoads Renewal Service, a component of the HR Control suite of services.

Knowledge is Power: ABB Takes Control of its Benefits Data with HighRoads HR Control



Norwalk, CT USA
www.abb.com

The HighRoads HR Control Solution

To gain control of their employee benefit renewals, ABB turned to HighRoads' Renewal Service, a component of its overall HR Control suite of services for benefits supply chain management. These packaged solutions are delivered and supported by HighRoads HR information specialists, an experienced team with domain expertise in corporate benefits and technology.

HighRoads completely automated the data collection and analysis for ABB's HMO consolidation project. The quantitative plan data from all three incumbent HMOs were put into HighRoads' vendor scorecard that enables real-time scoring and comparison of bids and proposals. Additionally, the vendor scorecard uses a proprietary system of scoring qualitative data, so information such as disease management and service quality can be scored and compared.

Empowered with information that could be quickly scored and compared, ABB dramatically improved the speed and quality of the process. "For any event, automating the means of comparison not only makes the process easier, but helps us build better consistency into the strategic decision making process," said Mike Scarpa, Director of Benefits for ABB. "By choosing the best elements of each plan, we can build cost-effective and high-quality plan models and determine which carriers will provide the best overall value."

Results

As a result, ABB reduced its process cycle time 50%, from an expected 12 weeks to six weeks. HighRoads also enabled ABB to choose the HMO that would provide the

best price-performance and value, using all quantitative and qualitative measures and presenting them through a single online interface.

By transferring employee benefits data from paper to a automated online service and by taking permanent ownership of its own plan data from the consultant, ABB had several key advantages during its HMO consolidation project, including:

- Elimination of the ongoing fees associated with acquiring and re-acquiring consultant data
- Increased the time for consultants to focus on strategic counsel rather than tactical data management
- A quick go-to-market response - at any time, at their fingertips
- Better negotiation results with vendors through openly competitive pricing

As ABB moves into the future, they have control of their own data and have turned time intensive management practices into efficient processes. Their reward has been an immediate return on investment through a faster, better benefit decision process.

"Knowledge is power, and data is knowledge for ABB. Having more control of our data makes infinitely more sense from both a cost and an operational perspective," said Mike Scarpa, Director of Benefits at ABB. "HighRoads lets us control our own employee benefits data and turns our traditional management techniques into a much more efficient automated system. Now, ABB makes faster, more strategic decisions on benefits sourcing and renewal, and we spend less money doing it."

**Knowledge is
Power: ABB Takes
Control of its Benefits
Data with HighRoads
HR Control**



Norwalk, CT USA
www.abb.com

About HighRoads

The world's largest employers – such as General Dynamics, Honeywell, IBM, Kraft, Staples and Boeing – choose HighRoads to gain complete control over their health care costs and compliance. With HighRoads' service, employers – for the first time – have online access to benefits plan information and pricing, competitive benefits benchmarks, and complete health care supply chain management. The privately-held company is headquartered in Woburn, Mass.