

Austin Industries Case Study:

Flexibility Was Key to Choosing WORKTERRA to Modernize
Construction Firm's Benefits Enrollment and Administration System



WORKTERRA
Human Capital Management

Austin Industries is one of the largest and most diversified U.S.-based construction companies. But its benefits enrollment and administration system was another matter. Over the years, it had become an outdated, inefficient, cost-consuming mass of paper and manual processes that simply needed to be torn down and replaced. It would be a different type of construction job, for sure.

The Company

Austin Industries is among the 10 largest general contractors based in the southern half of the United States and is **the nation's third-largest merit-shop contractor**. It has 6,000 to 7,000 employee-owners working on projects nationwide at any given time, providing construction services through three operating companies, headquartered separately in Dallas, nearby Irving, and the gulf city of La Porte, Texas.

The Challenge

"Everything was on paper; we had no benefits system in place," is the way Chris Hallman, Austin Industries manager of benefits, described the company's annual enrollment and benefits administration as late as 2014, the year he joined the company.

For annual enrollment, every one of the company's job sites received a stack of enrollment forms "that could be two feet high." Employees would circle their benefits changes on their forms, and the forms were sent back to company headquarters.

"And people there checked every one to see if they needed EOI (evidence of insurability), and that they were correctly filled out," Hallman said. "Then we manually filled out the [vendor] forms and entered the elections into the system."

In addition to the massive amount of time and HR resources needed to manually distribute and collect the enrollment kits and verify and enter enrollment elections, there were times when enrollment kits didn't get to the right location. Worse were the obvious concerns of inserting errors into the process through manual data entry.

Beyond annual enrollment, **all benefits-related changes and enrollments during the plan year had to be submitted on paper and entered manually.**

"Everything was on paper; we had no benefits system in place."

Austin Industries needed a new system if it wanted to achieve its goal of growing to 10,000 employees.

The Journey

The company had never quantified the cost of its manual enrollment and administration methods. But in making the business case for leaving paper behind, Hallman:

- Estimated that moving to an automated enrollment and benefits administration system would save the company the equivalent of at least one full-time position annually
- Convincingly argued that if the company were to achieve its goal of growing to 10,000 employees and were still on a paper system, “at some point the system’s going to break”

Also, Austin Industries had already moved forward in other areas of human capital management, implementing best-in-class solutions for its applicant tracking system and performance management.

“Now it was benefits administration’s time,” Hallman said.

A consulting firm helped Austin Industries determine the technology, features, and benefits it needed in an automated benefits administration system and issued an RFP to five or six “boutique” technology firms.

“**We wanted to work with a company that fits our culture, that could address our need for customization because of how we operate** — rather than a Mercer or Aon [Hewitt] that would want to make it work within their guidelines,” Hallman said. “We wanted to have more of a family feel.”

The Discovery

From among three final choices, **Austin Industries chose WORKTERRA primarily for its flexibility**, Hallman said.

“Other systems would have worked,” Hallman said. “Ben admin is ben admin at the end of the day, but we wanted to be able to do specific messaging or create pages in the system in very specific ways.”

WORKTERRA seemed to understand that as part of “who they are,” Hallman said. “Their customization ability, their desire to make something we needed for us — that was what sold us more than anything else.”

And although WORKTERRA was neither the lowest nor highest bidder, Hallman said WORKTERRA was willing to work with Austin Industries to “meet our needs better than anyone else.”

The Solution

Austin Industries and WORKTERRA started working on the project in September 2014. The implementation would include WORKTERRA's BenAdmin solution — with EOI administration and consolidated billing and reconciliation — and WORKTERRA's Affordable Care Act Compliance solution.

The project's primary goal: Be live for open enrollment on Nov. 1.

Another critical goal was to be sure the system could automatically adjust employee benefits premiums when they moved from one job to another (often in different cities or states). The manual system often resulted in gaps in coverage for employees.

The new system also had to meet these goals:

- Deal efficiently and accurately with extremely complex benefit-rate structures, which varied at every job site, with as many as three plans at each of its 80 job sites.
- Improve the efficiency of managing benefits for a geographically diverse employee population.
- Make it easier for employees to understand, compare, and select their benefits, and to make changes as allowed during the year.
- Provide mobile and remote benefits enrollment and administration capability, either online or through a call center. This was especially important because such a large share of the Austin Industries workforce does not work at a desk.

The Implementation

The entire system was in place for annual enrollment for the 2015 plan year less than 90 days after WORKTERRA and Austin Industries had signed their agreement.

"We'd always started open enrollment on Nov. 1," Hallman said. "We'd built some flexibility into the schedule. And we did, in fact, delay open enrollment one day. But that was because Nov. 1 was on a Saturday, and we wanted to make sure we got as much communication out to everybody as possible."

"We didn't have a Plan B," he said. "Some vendors were all set to turn off the benefits [for the transition to the new plan year], so we had to move forward."

The entire system was in place in less than 90 days.

Annual enrollment launched on time and saw 85% of employees enroll online.

The system was available online to all eligible employees and covered dependents. Employees could enroll from any device with internet capability. Employees who didn't have computer access or chose not to enroll online could enroll via a call center, operated by WORKTERRA.

Hallman and others also hit the road during the enrollment period, visiting every job site and guiding employees who wanted help with the new system.

The Results

The first year of online annual enrollment not only launched on time, but saw 85 percent of enrollees in medical plans enroll online.

"That was a huge accomplishment, considering we're a mostly blue-collar, mostly nontechnical, mostly guys-strewn-about-the-country kind of company that had always done enrollment by paper," Hallman said.

All of the other goals were met, including the capability to automatically adjust rates when an employee changes jobs or locations. Also, implementation of WORKTERRA ACA Compliance put all of the necessary data to comply with ACA reporting at Austin Industries' fingertips.

For 2016 annual enrollment, Austin Industries handled the call center operations itself, feeling more comfortable with the system than at its inauguration. The majority of employees were similarly more much more comfortable with the system the second year.

"Change is not necessarily easily adopted here," Hallman said. "But after doing this for a couple of years, **people go online, and they're using the self-service system**, and it seems like it's being adopted. **And, actually, there's a sense of wanting to do it.**"