



Targeting Benefits Administration

Market Analysis
Abstract

August 2013
www.nelson-hall.com





Who Is This Report For?

NelsonHall's "Targeting Benefits Administration" report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within benefits administration
- Vendor marketing, sales and business managers developing strategies to target BPO service opportunities within benefits administration
- Financial analysts and investors specializing in the IT services and BPO sector, including benefits administration.

Scope of the Report

The report analyzes the worldwide market for benefits administration and addresses the following questions:

- What are the top drivers for adoption of benefits administration, including first generation, second generation and beyond, and TBO/TRO drivers?
- What are the benefits currently achieved by users of benefits administration, including pension/retirement administration benefits and H&W administration benefits?
- What is the average contract length by service line and geography, and how is this changing?
- What pricing mechanisms are typically used within benefits administration and how is this changing?
- What is the market size and projected growth for the global benefits administration market by service line?
- What is the market size and projected growth for the global benefits administration market by geography?
- What is the profile of activity in the global benefits administration market by industry sector?
- Who are the leading benefits administration vendors globally and by geography?
- Who are the leading benefits administration vendors by service line?
- What combination of services is typically provided within benefits administration contracts and what new services are being added?
- What is the current pattern of delivery location used for benefits administration services and how is this changing?
- What services are delivered from onshore and which from offshore?
- What technology developments have occurred in the last year and how is this changing?
- What are the challenges and success factors within benefits administration?



Key Findings & Highlights

NelsonHall's market analysis of the benefits administration industry and benefits administration trends consists of 134 pages.

The benefits administration market remains strong due to the complexities of administering benefits, especially in light of healthcare reform and other changing regulations, as well as the need to control benefits spend.

Within second-generation contracts, competitive pricing is the number-one reason for clients to switch benefits administration service providers. Other reasons include seeking a wider suite of services within benefits administration such as ongoing dependent verifications, etc., as well as dissatisfaction with the existing service provider.

Accordingly, benefits administration is the largest area within HR outsourcing, and will continue to grow, with the mid-market continuing to increase in importance.

Multi-country benefits administration services have slowly emerged among MNCs, currently accounting for less than 5% of the benefits administration market.

Service lines within benefits administration continue to evolve. For example, the pensions/retirement administration market in the U.S. is focused on implementing online education programs and tools, whereas the focus in the U.K. is on launching automatic enrollment offerings.

Within the H&W area, the majority of vendors were focused on launching health insurance exchange offerings in the last year, with one-fifth of vendors focused on launching or expanding health and wellness offerings.

Within the next year, vendors will develop or further enhance exchange offerings. Examples include expanding exchange offerings to pre-retirees and building in perks to active employee exchanges such as discounted gym membership.

Acquisitions continue and have taken the shape of pre-2010 deals, which were focused on one-dimensional service line or regional expansions.

Contents

1. Changing Shape of Benefits Administration

2. Customer Requirements

3. Market Size and Growth

4. Vendor Market Shares

5. Vendor Offerings

6. Delivery Capabilities

7. Role of Technology

8. Vendor Targeting

9. Vendor Challenges and Success Factors

Report Length

134 pages, consisting of 9 chapters

Report Author

Amy L. Gurchensky

amy.gurchensky@nelson-hall.com

Vendor Assessments Include:

- ADP
- Aon Hewitt
- Capita Employee Benefits
- Ceridian
- Fidelity
- Mercer
- Secova
- T. Rowe Price
- Towers Watson
- Xerox