

Case Study

With HORAN's Proactive Strategic Planning Process, Client Realized 20% Savings in Health Care Costs

Client Challenge: Things change. And we all know you must stay up with the times to stay relevant. With all of the recent changes in healthcare this axiom becomes more proven.

HORAN met with a local financial company, and during that meeting learned that their incumbent consultant had not performed a thorough review of their benefits program in many years. It was time to learn if the current benefits program was on strategy for business goals, competitive with peers, and fiscally responsible.

HORAN Solution: HORAN asked questions to learn the current state of their health care benefits program for employees. The questions included:

- When did you last review your network discounts?
- When did you last benchmark your benefits offering against other employers of similar size in your industry and region?
- Does your benefits advisor provide you with a three-year strategic plan with annual planning sessions and semi-annual status reviews?

HORAN then created a complete strategic analysis that included these additional steps:

- **Fact Finding** – This step reviewed corporate objectives, identified current strategies to achieve objectives, reviewed business plan objectives and began data collection.
- **Audit Current Practices** – HORAN benchmarked against the market, identified gaps and prepared a needs summary.
- **Sourcing** – This step identified best partners and aligned resources with corporate objectives.
- **Recommend Strategies** – HORAN established a culture of collaboration and “Best in Class” thinking based on data driven decisions.
- **Implementation & Action Plan** – HORAN set goals, including an action plan for the next 12 months and built a strategic plan for the next three years.
- **Metrics** – HORAN continually monitors the outcomes in order to achieve the established goals.

Direct Benefit to Client:

1. **Savings** – The new Benefits Strategy yielded a 20% cost savings to the employer. The employer decided to work with HORAN to use that \$300,000 in savings to create a 401(k) program that includes an employee match by the employer. The costs to start, fund and administer the plan were all realized from the health care benefits' savings. No additional funds were needed from the employer.
2. **Retain and Recruit** – By offering a more robust employee benefits program with health care benefits and a 401(k) program, the company is able to retain and recruit great talent.
3. **Benefit Review Action Plan** – Thorough review of antiquated benefits yielded a new benefits program that is in-line with current trends and policies. Moving forward, the client has clear guidelines on when the review process is needed and what should be included in it.