



**The writing is on the wall for old reward technology systems, says B2E Technologies managing director James Markham. Choosing the right model and the right partner will be more important than ever**

## Technological advantage

The corporate reward supply chain, from provider through intermediary to corporate customer, is under pressure. Legislative changes are compressing margins and forcing changes to delivery of products and services. Advisers are under increased competitive threat from providers going direct. Traditional providers are facing new entrants.

This external pressure is impinging on a marketplace where the corporate customer is already not getting good value from their reward spend.

Processes have not been redesigned for automation and most technology investment so far has been on unintegrated 'point solutions'. For administrators, such solutions have increased costs as the processes to manage reward overall, and the related import/export of data, remain poorly automated.

For employees, in the round, total reward provision remains difficult to access, understand or make use of. For managers, limited access to aggregated data and reward analytics prevents them from making evidence-based decisions on their reward spend.

These problems arise because business users tend to assign technology to a black box for the attention of 'techies'. This results in insufficient attention to designing technology that supports the interoperability of the existing marketplace. The market needs solutions with more functional interoperability.

Next-generation reward platforms do exist or are being developed to support functional interoperability in a number of ways. All party/all product integration is enabling reward plat-

forms to handle multiple products through a single user portal, facilitating routine integration with existing systems, improving user experience and cutting data administration costs.

End-to-end automation, coupled with appropriate process redesign, is enabling reward platforms that seamlessly integrate administrative processes into the supply chain for products that clients want while cutting costs and improving user experience.

In the future, only platforms supporting true multi-tenancy will make maintenance and upgrade costs affordable, enabling the industry to cut its charges to corporate consumers.

We also need better user control and engagement. Many current solutions not only lose benefit value because of lack of drive to engage but also suffer from variable quality of data input. A reward platform's 'presentation layer' has full validation control of data quality and makes use of techniques similar to those used by social media or gaming software to maintain user engagement.

Next-generation reward platforms can deliver better decision support for reward spend. Reporting tools that can mine the data brought together through the integration of products and systems can better understand the consumption patterns of the employees served and tailor services provided.

Intuitive capabilities can also enable the administrator to self-administer day-to-day change and self-implement new standard users without the need to build in-house technical skills. Flexible integration capabilities can give the corporate consumer more control over

the products and services they link or unlink into the platform so that new clients can be on-boarded with only a marginal increase in cost of operation.

So the writing is on the wall for old benefits technology but who's reading?

Some consultancies are recognising the cost savings to be achieved with better processes and technology.

Most corporate brokers will look to their advisers or other suppliers for a suitable reward management platform. Only some of the largest will want an in-house platform, distributing to multiple business units and countries. All will need support in achieving less focus on the presentation layer and more on how the technology manages their data to deliver required results.

Financial advisers, brokers and benefit consultancies are well positioned with their customer service capabilities and experience of providing multiple products. Some intermediaries will use a white-label arrangement with a reward management platform vendor, avoiding significant IT investment. Others will leverage their own or third-party technology capability to develop differentiated reward platforms.

Payroll companies may succeed in entering the reward platform market owing to their capabilities in process design and data management. Providers will continue to extend their direct-to-market platforms as long as existing intermediary cost structures and services do not meet market needs.

The next few years will be interesting. Being on or in partnership with the right kind of reward platform will be an essential ingredient to success.

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