

Guide

Better RFPs for better outcomes

Your guide to finding the right benefits administration partner

Benefits administration services are the ideal option for organizations that want to improve and expand their employee benefits packages, streamline their benefits operations and improve how services are managed for their employees. The path to finding the best benefits administration services provider begins with your Request for Proposal (RFP).

The better your benefits administration services RFP is, the better the responses will be from providers. Creating an impactful RFP that helps your organization improve and expand employee benefits packages, streamline benefits operations and improve how services are managed for employees can be a time-consuming process that can take weeks, months or even longer. However, the entire RFP process can be streamlined and accelerated when organizations follow an organized and well-considered path to RFP preparation.

What is an RFP?

An RFP is a formal request issued by a business that announces its intent to seek a specific service or solution, describes in detail what it's looking for and solicits bids from potential qualified service partners. The process continues with an internal review of all responses to the RFP and selection of one of the candidates.

Why accelerate the benefits admin RFP process?

- Ease the strain on your staff sooner
- Start gaining the benefits of an expert partner
- Minimize your staff's time investment
- Better serve your employees' needs

Better RFPs lead to better service partners

To sum it up, RFPs are an important first step, but can be arduous. This guide provides a high-level overview of how to set yourself up for success in the creation of an RFP for benefits administration services — and do it more efficiently and effectively. It shares best practices for accelerating the three main components to create the perfect RFP:

- **Define what you need from a benefits administration service**
- **Describe why you need a benefits administration provider**
- **Overview of how your internal team will evaluate submitted proposals**



RFP Step 1

What do you need from a benefits administration partner?

Your RFP will begin with a description of the problem you are trying to solve and the solution you are looking for. To make it easier to produce this section of an RFP, follow these important first steps.

Plan for the right amount of time

So much of a successful RFP for benefits administration services relies on timing. After all, it's a complex process that requires careful planning both in preparation of the RFP and in assessing all respondents. This process is far too important to rush!

- **To overcome time-related problems**, factor in an adequate amount of time to create your RFP. Most companies start planning three months in advance of sending.
- **Rushing the process can lead to a wide range of challenges** — from vendors not fully understanding the scope of the project to a business choosing the wrong vendor.

Review internal operations

You know what you need — better benefits administration. But how do you relay that information in a written document so benefits administration firms fully understand what to offer?

- **To understand and define exactly what you need**, conduct an internal assessment of your organization. [If you are experiencing challenges with your current provider](#), specifics can be helpful to note here. This can help clarify your description of the types of services you are looking for.
- **Bring the right people into the project.** Key players in the benefits administration RFP process should include staff members who will be in direct contact with benefits administration, such as HR administrators and IT managers.

Create a thorough project overview

The secret to getting the best responses to your RFP is to make sure it's as comprehensive and forthright as possible. Don't leave important details out. Be upfront and specific about what you're looking for, including challenges you are hoping your new partner can help you overcome. This will help potential benefits administration providers know whether they can meet your needs. It will also help your review team know if a vendor is an ideal fit without being overwhelmed by reviewing too many ill-suited vendors.

- The more thorough your RFP is, the more time it will save for everyone — including your internal review team. Their time should be spent reviewing only the best responses to your RFP.
- Thoroughly cover the following information, including:
 - **Details about your business' current state and relevant background information**
 - **Pain points and challenges that drove you to see a new solution**
 - **What an ideal solution looks like to your organization**
- Consider the timing of your RFP, for example:
 - **Back into the timeline starting with the desired go-live date, RFP evaluation period, RFP response period and RFP creation period**
 - **Ensure there is adequate time for each stage of the process**
 - **Avoid sending on the Friday before a holiday weekend**

Use an RFP template

One surefire way to speed up the RFP process is to use an RFP template. A template will guide your process by providing the standard sections that need to be created, the questions that need to be answered and any added information that needs to be gathered. Don't let your RFP team get comfortable with template copy; ensure all your challenges, goals, data and expectations are clearly outlined in your version.





RFP Step 2

Why do you need a benefits administration partner?

Define your expectations for a benefits partner

There are many reasons why organizations want to outsource their benefits administration to an experienced partner. Among the advantages you may be seeking from a new partner are the following:

- **Delivers deep experience in benefits industry trends**

A seasoned benefits administration provider keeps a finger on the pulse of the latest developments — industry trends, compliance regulations, new and emerging technologies and more.

If these factors are important to you, be sure to let your prospects know.

- **Offers a scalable option that can grow as needs change**

The best service providers understand the need for configurable service and solution offerings that allow organizations to create a right-sized solution for every phase of growth and development.

This gives them the opportunity to make an investment in a benefits administrator that can grow and change with them over time.

It may make sense to include your growth plans in your initial RFP.

- **Ensures maximum integrity of all data**

A big challenge can be collecting and organizing accurate data needed to give your prospective partners a fair and honest look at your organization and where it stands.

To better inform your proposal candidates, include as many details as possible about any relevant data sets.

The following list shows the most common data-related benefits administration information you should disclose in your RFP.

- **General data:** Provide basic information about your current benefits service model
- **Employee data:** Provide the total number of benefits participants, including current employees and retirees
- **Benefits plans data:** Provide the totals for all current benefits plans
- **Call center data:** Provide a history of volume and performance data
- **Interface data:** Provide the volume of interfaces your new provider will be expected to manage

RFP Step 3

How will your internal team review and evaluate submitted proposals?

Once the RFP responses are in, be sure to spell out all the essential steps or stages your team will execute in the evaluation process so they know what to expect, such as:

- **RFP scoring:** Stakeholders and executives score the proposals
- **Proposal evaluation:** Procurement manager evaluates the feedback
- **Recommendations:** Some respondents are chosen for further review
- **Shortlist:** A shortlist of strong applicants is created for the selection process
- **Presentations:** Vendors may be asked to submit more information or give a presentation
- **Final recommendation:** A decision is made
- **Negotiation:** A final agreement is negotiated between the two parties

RFPs are essential to procuring the best new vendors for your business. While the creation of RFPs is a long, drawn-out process that can run into many challenges, it doesn't have to be that way. The entire RFP process can be streamlined so that it is both created faster and produces a better outcome.



If you would like to dive deeper into creating the perfect RFP that both meets your goals and your timeframe for a new, world-class benefits administration service provider, [contact LifeWorks today.](#)

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