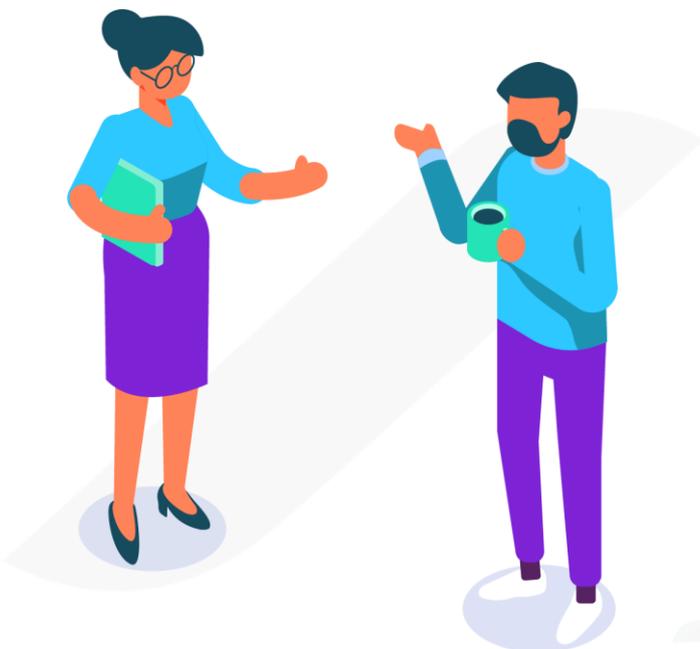




# “97% of SMEs are ready for advisors to digitally transform their employee benefits”

A nationwide survey of HR professionals in the SME market: September 2021



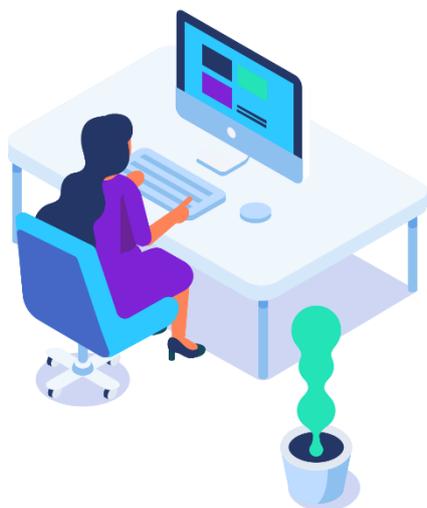


The past eighteen months have undoubtedly changed the traditional relationship between employer and employee. This, combined with the remote working challenges and financial pressures experienced by many companies, brings no surprise that **80%** of SMEs surveyed have or are changing the type and way in which workplace perks and benefits are offered to their workers.

During Summer 2021, we surveyed more than 100 HR professionals from SMEs across the country to understand more about this changing landscape and what it means for corporate advisors.

### Why focus on SMEs?

Millions of people across the UK work in SME businesses. At the start of 2020, SMEs accounted for **60%** of employment and around **50%** of UK private sector turnover. The very smallest companies alone (0 - 49 employees) employed 13.3 million people in the UK. Yet these workers are underserved when it comes to their employee benefits, largely due to the costs and complexity in implementing and running a benefits system - therefore HR within these businesses often face the challenge of needing a better employee benefits experience, without a viable solution to reach out to.





## The results are in.

The results of our survey were surprising, but positive and give corporate advisors plenty of reasons for optimism.

**91%** of the companies we spoke to already offer benefits above and beyond the compulsory workplace pension scheme. However, nearly half of those surveyed do not allow their employees the flexibility to choose the benefits they want - likely due to the much smaller number (**19%**) of companies whose staff have the tools to access benefits online, all in one place.

Dipa Mistry Kandola, Managing Director at Cloud8, says

“We expected a figure in this range as online benefits systems have traditionally been costly and cumbersome to implement. But we had wondered whether the rate of digital transformation since the start of the pandemic would increase – due to the necessity for companies to connect with millions of workers remotely. The upside is that **40%** of SMEs are indeed now looking at online benefits in order to really connect with their employees and ensure they feel valued. From our own experience, the rate at which advisors are looking for an SME benefits solution is steadily increasing with this trend too.”

Of those companies offering their employees an online benefits experience, only **17%** of systems allow users to directly make changes to their benefits - such as increasing pensions contributions or amending insurance policies. Much of this is driven by benefits providers having limited “choice” related options for SMEs, due to out-of-reach pricing for smaller businesses with costly set up fees. This is now changing however, as we at Cloud8 have now been able to build specific provider panels where the collective power of users makes it ‘worthwhile’ for providers – bringing once out of reach benefits at no additional charge to their Cloud8 subscription. Search: BRIDGE by Cloud8.

# Over 40%

of businesses have it on their roadmap to get full online access to benefits within 12 months and a further 39% within 24 months





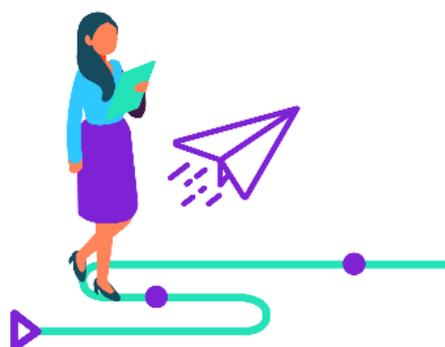
## The digital future for advisors is bright...

Digital transformation may not have happened yet, but it's high on the agenda.

Encouragingly, only a small fraction of respondents to our survey (**14%**) indicated that their companies had no concrete plans to go digital – for now. **97%** of our surveyed companies said that they would be interested in discussing taking their benefits digital if it was something offered by their advisor, potentially bringing it onto the agenda of those **14%**. **70%** said they were unsure of what the right platform for them would be and would need guidance getting them up and running; a resounding confirmation that a digital benefits future offers significant opportunities to advisors.

**70%**

of those with digital benefits on their roadmap will be looking for their advisor to arrange this for them



### Exploring the detail behind why there is a shift to “go digital”

Among the reasons given for the future shift to digital benefits were the ease of admin and reporting, a better employee experience with reduced forms, better data security and access from home – when employees are in a mindset to consider the more personal benefits which their employer provides.

Offering employees benefits that meet their needs is now vital to nurture and retain talent. Going digital demonstrates that the employer is forward looking and aligning workplace technology with personal technology standards. Just under a third (**31%**) of our respondents said they anticipate increasing spend this year on more relevant benefits – when using a digital benefit platform, this process of implementing and activating new benefits is a simple and no longer a laborious task for HR or advisors.



## What does this mean for the employee benefits industry and advisors?

The survey results unequivocally show that employers' expectations on how benefits are delivered are changing - fast.

Ian Rummels, Founder of Cloud8, says:

“Our survey has shown that the traditional ways in which benefits are offered to employees is no longer meeting expectations. It has also sent a clear message that HR want to continue working closely with their advisors, making the change to digital. Those advisors who can switch their clients onto a digital platform quickly, easily and affordably and offer a range of built-in, preferential benefits will be the same advisors that cement their client relationships and enjoy significant business growth for the future.”

### Maximising this opportunity.

Cloud8 creates intuitive cloud-based employee benefits and pension platforms for advisors, intermediaries and consultancies to transform the way benefits are delivered in the workplace. The affordable, subscription-based software, BEAM at Work™, is available to the employee benefits industry on a licence basis to help transform the SME industry.

Those already using the BEAM software are in an incredibly strong position to keep spreading the word of their offering, onboard clients to the platform and start delivering a service that SMEs are waiting for!





# Thank you for reading

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