Employee Benefits Technology:
The Advantages of a "Best of Breed" Approach

Ralph Waldo Emerson said it best: "The shoemaker makes a good shoe because he makes nothing else." This paradigm can be applied to the world of technology solutions. A company selling specialized software tends to excel in that field because the company focuses all of its attention and expertise on that particular software. Such a company uses a "best of breed" approach to business.

The best of breed approach allows a company that specializes in a particular area to deliver a solution with the best functionality, usability, and integration available in that area. Firms that use best of breed products and services can pick and choose the solutions that suit their business needs. This could mean using QuickBooks for accounting, Salesforce for CRM, Slack to manage internal teams and Zendesk for online chat support. By selecting the services that will best address a company's specific needs and workforce, the company is able to maximize the ROI offered by best of breed products.

The opposite approach is an all-inclusive, or "best of suite," model. Companies that employ this model focus on providing a package deal with everything included. In other words, all products and services are supplied by a single vendor. In businesses like real estate, all-inclusive models manage customer relationships, transactions, commission tracking and forms. For HR functions, best of suite models can include payroll, benefits administration, time keeping, leave-case management, and HR services. With everything under one roof, clients enjoy the ease of accessing multiple solutions on one platform. However, these multiple solutions do not always operate at the same level of functionality. Problems can arise if, for example, payroll and time keeping do not run at the same level of accuracy.

Ieena Aulakh, HR Technology Solutions Consultant for Assurance, has advised scores of employers in staffing and other industries where in-house technical support for HR is often thin to nonexistent, says "Firms may have a tendency to identify a single vendor that offers ATS (applicant tracking software), Payroll, Benefits, etc. with the thought that it will minimize issues and offer a more efficient HR Technology solution. However, that is not necessarily accurate. HR Technology has come a long way in the past ten years, and integrations should be seamless and automated. Huge advantage for a client, because now a client can focus on their own specific needs and partner with those vendors that will best meet them. Even many 'best in class' vendors have begun to identify the ease of partnering with other vendors versus being all in one. This allows the vendor to focus on what they are best at, for example Payroll, and partner with another vendor that might be best in class for Benefits Administration."

Ieena suggests that with the massive marketplace of HR/Payroll technologies, it might be advantageous for a client to partner with a neutral 3rd party consultant for support when making technology decisions for their agencies. There has been an incredible surge of HR/Payroll technology vendors that are constantly changing and growing, nearly impossible for an HR team to vet them all. A consultant that is an expert in the technology marketplace will help guide a client to make an informed decision that is based on what the client's criteria:

Industry	Data Security
Service	Billing Reconciliation
Budget	User Interface
Automated Integrations	Data Workflows and Audit Trails

The Great Debate

While a recent survey by Software Advice found that 73% of businesses prefer a best of breed solution, there has been an ongoing debate since the 1990s about which model is better. The proponents of best of breed note that one of its biggest advantages is that the solution provided is higher quality and has a greater breadth and depth of functionality. The best of breed approach is often criticized, however, because systems developed under this model can have difficulty integrating with other systems.

Supporters of the best of suite model highlight the fact that with this approach, everything is included under one umbrella. Opponents note that the best of suite model often overlooks important business requirements and lacks good customer service.

While both approaches have their pros and cons, choosing one solution over the other boils down to a company's unique business requirements. Companies that are looking to accomplish everything at once and are not as concerned with quality might prefer the all-inclusive model. For companies with complex specifications or in need of a specialized solution, however, the best of breed model offers the following key advantages.

A High-Quality Solution

A best of breed model, because it only concentrates on one or two central functions, can focus on excelling at those functions. Products and services developed under a best of breed model are configured to meet a company's individual needs, which means that staff does not have to spend time trying to make inferior products conform to their workflow. As a result, time can be allocated to other, perhaps more significant, tasks. With best of breed products and services, doing research ahead of time to select a system with the requisite functionality is crucial. It is also important to recognize that best of breed products is not homogeneous. As previously mentioned, critics cite that best of breed systems can be difficult to integrate with other systems. Keep in mind, while this might hold true for some best of breed products, others are built to seamlessly integrate with a variety of systems.

Customized for Each Client

Another benefit of best of breed products and services is that they can be created or modified to fit a company's specifications exactly. For a company with complex requirements, custom solutions are essential to ensure accuracy and efficiency. With a best of breed model, companies receive a solution that works best for them, saving time, money and staff resources.

Unlike best of breed, all-inclusive systems limit a company's ability to customize a platform for its needs. All-inclusive products force a company to work within the confines of the system's structure, which can lead to frustration and clunky workarounds for everyday tasks. In addition, best of suite systems often include products and services that a company might never use, leading to unnecessary costs.

Finally, some technology companies co-market or maintain "preferred" relationships with other tech companies. These companies claim to provide greater benefits based on "tested" or "proven" compatibility or integrations with one another's products. However, such suggestions might really be a case of revenue sharing. Customers should investigate these claims carefully, especially if they have solid technology already in place.

Ultimately, each company must decide for itself what products and services are required to be successful. While some businesses do not need a specialized platform, others require a custom solution to handle complex workflows and complicated rules.

Easy Maintenance

Because specialized platforms are designed for optimal performance, updates typically occur behind the scenes and during non-business hours. These "covert" updates not only save time and resources, but they allow employees to work without interruption during normal business hours. Updates to best of breed platforms generally do not affect other systems a company utilizes, which makes for a simpler, more user-friendly experience. With updates performed on different schedules, there is a decrease to the impact on workflow.

Although best of breed systems are easy to maintain, some can have minor issues integrating with other systems. The impact of these problems is not likely to be as extreme, however, as that of a large system update in which everything shuts down for an extended period of time, such as those found in all-inclusive models.

Superior Customer Service

Exceptional customer service is perhaps the most prized offering to the end user. In fact, 66% of customers believe that valuing their time is the most important thing a company does to deliver a positive experience.

Best of breed companies often devote special attention to the customer experience and have more resources to provide dedicated service to all customers. Best of breed customer service representatives have system expertise and in-depth knowledge of their client's system, allowing them to easily answer specific questions and quickly resolve issues.

Specialized customer service is a key advantage that best of suite companies cannot offer. These all-inclusive companies typically deliver support via a call center or online chat. Clients usually must wait for long periods in a queue to speak to a representative who does not know them or their business. Getting specific answers to their questions is difficult and time-consuming.

As Lauren Freedman, President of the E-Tailing Group, shared, "Stellar service should be nonnegotiable, and merchants shouldn't hide behind self-service tools and technology when it comes to knowing their products and taking care of their customers." With call centers, 75% of customers report that too much time elapses before they speak with a live representative. A dedicated, superior customer service experience is one of the major areas that sets best of breed products and services apart.

Best of Breed Delivers Greater Satisfaction

Craig Miley, the principal consultant for a government project in the Cayman Islands, noted the benefits of the best of breed model for his venture. He stated that, "Our approach was to get the best of breed technology in each area and stitch them together—the right technology for the right function." The results brought increased visibility, quick implementation, better service and greater customer satisfaction overall.

In general, best of breed companies can offer higher-quality, customized solutions that can be easily updated. Whether choosing best of breed or best of suite, however, a wide variety of products and services in both categories should be evaluated according to their own merits. Specifically, when in the market for software, a company should consider its goals, requirements, and resources to determine what products and services best suit its needs.

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