



# Propelling value for private equity sponsored companies

KPMG Benefits Services

## US employee benefits: A broken status quo



**Second largest expense** for US businesses



**9 out of 10** adults struggle with healthcare comprehension



Health insurance cost is increasing at **double the rate of inflation**



**Fragmented system** of access and outcomes



Not Sustainable: Avg. **\$16,000** per employee per year benefits cost



**Lack of innovation**, transparency, and objectivity of US benefits brokers

Maximizing sustainability and value requires a strategic, objective approach to address status quo management and conflicts of interest.

## Charting a different path: Insights meet results



**No cost diagnostic**



**5%–15%+** cost takeout targets, driving improved cash-flow and financial outcomes



US and Global brokerage capabilities. Transformation support from **diligence thru divestiture, and beyond**



**Integration** of holistic business insights, HR strategy, and extensive KPMG LLP capabilities to **realize optimal results**



Largest healthcare analytics engine **validates ROI** and value-driven strategic guidance



**Zero conflicts of interest. Fixed fee/contingency arrangements** help ensure long-term value and performance alignment

# Strategy in action: Client impact sample

**Client:**  
Global technology



**Sector:**  
Technology



**Engagement:**  
Performance improvement

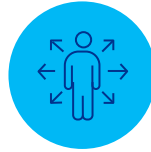


A private equity-backed global technology company engaged KPMG Benefits Services to reduce program costs and improve margins without sacrificing quality. Benefit plan **expenses were projected to rise by \$1.9M**. Using in-depth analysis, KPMG developed an alternative strategy expected to offset the increase and **delivered \$8M in savings over three years**.



## Client challenges

- Organization-wide priority on cost savings and long-term value creation on +\$14M annual benefits expense
- Program sustainability and market competitiveness aligned with talent strategy
- Non-strategic broker partner and vendors, costs increasing unmitigated year-over-year



## Key takeaways

- Total projected YR 1 ROI = \$2.4M Plan savings (-16%)
- **No cost diagnostic**
- **Open enrollment guide to initiate evaluation**

### Phase 0 | Qualification

- Company profile assessment and objective discovery

### Phase 1 | Diagnostic | Value Identification

- Identification and initial quantification

### Phase 2 | Program RFP | Value Roadmap

- Value capture through market RFPs and program strategy

### Phase 3 | Ongoing Broker Engagement

- Ongoing US strategy evaluation and program management
- Global benefits opportunity assessment

# Simplified program review and engagement process



**Day 1:** Discovery. Portfolio Company and Fund objective identification and alignment.



Data gathering and program review preparation.

**No cost program review. Open Enrollment guide to initiate.**



Program diagnostic and opportunities identification.

**Cost Optimization | Operational Efficiency | Fiduciary Governance | Employee Experience**



Partnership fit and strategic considerations.

**Diligence thru Divestiture, and Beyond.**



**Day 30:** Initiate implementation of identified opportunities and customized strategic roadmap.

## Make the difference

KPMG is committed to challenging the status quo, leading the evolution of employee benefits, and providing personalized service that balances value creation with market-leading employee experiences.

## For more information: [KPMG Health & Welfare](https://www.kpmg.com/health-welfare)



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