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A sales force is fine, but a company culture of service is better

GROWTH STRATEGIES



BOB FLEISCHHAUER / BUSINESS JOURNAL

UP CLOSE

COMPANY: eXude Benefits Group
LOCATION: 200 S. Broad St., Suite 420, Philadelphia, Pa. 19102
OWNER: Marcos R. Lopez
TYPE OF COMPANY: Employee benefits consulting
NUMBER OF EMPLOYEES: 17
2002 REVENUE: \$1 million
2003 REVENUE: \$1.4 million
2004 REVENUE: \$1.8 million
2005 ESTIMATED \$2.1 MILLION

LESSONS LEARNED: Believing that service drives new business, Marcos Lopez has shown that a sales force is far less important than a strong culture of service.

Marcos R. Lopez shows off the office mini-bikes, which workers can take for a spin around the office when they feel the need for speed.

eXude Benefits Group exudes a winning attitude

ADAM STONE
SPECIAL TO THE BUSINESS JOURNAL

Marcos R. Lopez wants to sell, but he doesn't believe in salespeople. The surest way to get an executive's attention, he says, is through service.

"Most organizations like ours have tons of sales people and very little service support," said the CEO of eXude Benefits Group of Center City, a full-service provider of employee benefit products for small to midsize employers. "I have no salespeople. I figure if I can service the clients, the sales will come."

Founded in 1996, the benefits provider has grown steadily, more

EXUDE: Benefits company says you don't need a sales force when service is a priority

than doubling its revenue since 2002 to top the \$2.1 million market this year. Industry insiders say Lopez's service-drives-sales approach has singled out the firm among a crowded field.

"It's their attitude," said Tom Dodson,

*"Our
[client]
retention
has
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**Marcos R.
Lopez**
eXude Benefits
Group

who as senior account executive at The Hartford Life, wholesales insurance products to eXude. "It's a brutally competitive business, and when you are dealing with people who are so supportive of what you are doing, from Marcos to the last person he hires, that is the company you want to work with. That is why he does so well."

What does "service" mean? To Lopez, it comes down to two things: Getting a good deal for his clients and, just as important, helping those clients leverage their benefits packages in the name of employee satisfaction.

The trouble with employee benefits is that everyone wants them, but no one really appreciates them.

"People hate to talk about benefits, because they never feel like they are getting the real value out of it," Lopez said. "Their employees typically are clueless about how much the employer is spending for their benefits."

Thus Lopez's team will talk at length with employees about the value of their benefits. EXude will host open enrollment meetings, rather than leave those in the hands of

insurers, in order to ensure employees know what they are getting. The company also uses customized Web-based communications tools to keep employees informed about their benefits.

In addition, Lopez looks for ways to take clients out of the day to day in order to see the bigger picture. "We have a significant nonprofit block of business and we hold two nonprofit retreats each year," he said. "These are full-day events with nonprofit directors and their HR counterparts just talking about leadership issues. We want to get these people together outside of work to share some of the challenges, some of the ideas that don't even have anything to do with benefits."

Then there is the other half of service: That is, the ability to score the sweetest deals for clients in search of competitive packages.

To that end, eXude devotes two full-timers to do nothing but research, poring through the industry literature in search of providers with aggressive pricing and extensive offerings.

"They try to find the best plans that are out there, they turn over those mossy stones and uncover those gems, those programs that no one else in the marketplace is noticing," Lopez said.

Of course, selling these lower-cost products means Lopez in turn takes in fewer fees, but that doesn't faze him. "My organization suffers in terms of lower compensation, but the gain to the client is dramatic in terms of savings, and if I can do that, my client retention soars. In fact, our retention has always been above 97 per-cent. If you do right by your clients, you will be a more successful company

in the long run, even if the short term kills you."

Retention is high among employees too, thanks to a work environment meant to foster enthusiasm. The company has held 10 retreats in the last five years, covering such heavy-hitting topics as paintball and ropes courses. Bored, frustrated? Take the mini-motorcycle for a spin around the office.

"If you give people the opportunity to play at work, they are going to work a lot harder. Let's give them the opportunity to be themselves, to create whatever it is they want to create," Lopez said.

Outsiders say the happy work force principle really does translate into higher revenue for eXude over time.

"This is not a business that changes much. There is no iPod coming," said Evan Marcus, who, as vice president of Dillon-Marcus Executive Retreats of Cherry Hill, has led the eXude crew through a number of exercises. He said the company's attitude is a big differentiator.

"Marcos does it with such class and in such a positive way that people just want to work with him. He has no employee turnover. He has no client attrition."

With solid ties to clients and a good relationship with his employees, Lopez said his next project will be to add a third leg to the stool by forming closer relationships with vendors. He'd like to co-sponsor seminars and retreats with insurers as a way of forging stronger ties.

"The relationships we develop with these insurance companies allow us to get things done, to ask for certain exceptions, to create new opportunities that ultimately benefit our clients."