
Direct Benefits Celebrates 10th Anniversary

Growing with Service and Products . . . While Having Fun Along The Way

When the employees give themselves tongue-in-cheek nicknames like Fairy Godmother, Super Hero, Surgeon General, Rock Star and Wonder Woman, you might presume that their workplace is a fun place to be. You would be right.

Direct Benefits Inc. in St. Paul is celebrating its 10th anniversary this year along with some rapid growth. Owner and founder Tom Mayer attributes the double feat to a definite workplace philosophy: "We take our work very seriously . . . ourselves? . . . not so much."

One might also presume that supplying ancillary benefits is a somber business. It is not, at least the way the Direct Benefit staff do it. For example, self-described Fairy Godmother Diane Lysen spends much of her day standing at a modern, er-



Tom Mayer, owner



gonomically friendly work station. Mayer, the father of two very young children, does a substantial portion of his work from home. The staff enjoys the extra fancy Keurig coffee machine that provides them exotic blends in individualized packets so they taste good even late in the afternoon. They like their extensive benefit packages and higher-than-industry-average salaries even more.

Mayer's approach, which he descriptively labels his "secret sauce," also includes—beside cultivating employees' longevity—providing competitive private label dental and vision products; selling in 50 states; generating high volume; and tilting an attentive ear to hear agents' ideas that are then presented to trusting and receptive carriers.

That recipe has helped Direct Benefits triple staff to 12 in the past five, economically challenged years. The general agency relocated in 2006 to a suite of offices at 325 Cedar St. in downtown St. Paul for more space in order to better serve a clientele of 2,800 agents nationwide and 5,000 in-force employer groups. The agency provides dental, disability, life and vision benefits from brand name carriers. Unlike some general agencies, it welcomes occasional business from all agents.

"We don't mind the \$30 premium at all," explained Mayer. "When we get them at 500-1000 apps a month it adds up quickly—and stays on the books. Our access to multiple carriers also keeps our agents competitive, because if one carrier has a price increase, we can easily move it. This also means that the agents are able to stay with their friendly, helpful staff at Direct Benefits Inc." And, those long-term relationships pay off: both for the agents and for Direct Benefits. For example, one agent deduced that there would be room in the marketplace for a dental plan with a \$3,000 maximum. Mayer presented the idea to a carrier, who concurred. This is an example of the "red herring style of marketing Mayer embraces. "We want to offer what no one else is offering," he explains. "For example, if other individual dental plans have waiting periods, then we want one that has none . . . that gains agents' attention."

Such an imaginative approach has helped Direct Benefits achieve strong relation-

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ships with its providers. This year, for example, the agency reached an impressive milestone when it sold its 1,000th dental group for Pathfinder, an exclusive program administered and underwritten by Delta Dental of Minnesota that is designed for groups of 2-99. The program will even write family-related and husband-wife businesses along with child orthodontia for employers down to 5 lives. Those are features and markets that Delta Dental does not normally underwrite.

"We are especially proud of this association," Mayer said, "because it marked the first time that Delta Dental worked with a general agent. They took a chance with us six years ago. We took a chance by assuming all the marketing costs because we believed in the product. This partnership makes us feel especially good because we

enable very small employers to offer the same, well-known Delta Dental brand that larger employers do."

The next program in development involves the more than 400,000 self-employed people in Minnesota who file taxes as sole proprietors. It is an indication of where Mayer's interests reside. He is clearly an entrepreneurial marketing guy. He started his own lawn service business at 11, followed by a cleaning restoration company a few years later. Then it was the Five Star Gourmet Meat Company that—at its height—had \$4 million in home delivery food sales. Mayer sold that business so he could eventually earn his MBA in marketing at the University of Minnesota Carlson School of Business. After that, he formulated his new kind of "secret sauce" and started Direct Benefits Inc. ■